



President
Tsuneo Wakabayashi

We will grow together
with our stakeholders
by both making our business profitable and
solving social issues.

Vision for Keihanshin Building

We have specialized in the real estate leasing business for many years, and have achieved steady growth by expanding our asset size. Keihanshin Building has also updated its portfolio according to the social needs of the times. Shortly after the end of World War II, the Company involved itself in off-track betting parlors (now WINS buildings) and built-for-sale houses with the aim of bringing back entertainment to the masses and resolving housing shortages. During Japan’s period of high economic growth, the Company provided office buildings, and when motorization took off, roadside commercial facilities. Then, with the dawn of the IT age, we began providing datacenter buildings. (P.11) Today, the Company develops office, datacenter, and WINS buildings, as well as commercial buildings, logistics warehouses, and other properties. Through our efforts to diversify asset types, we have created a portfolio that enables us to distribute risk, and for its various fields to compensate for each other even in the face of changes in the external environment.

On the other hand, the business environment has undergone changes at a dizzying pace in recent years. In addition to the contraction of the overall Japanese market due to the declining birthrate and aging population, soaring real estate prices and construction costs have made it difficult for the Company to develop real estate on its own and recoup its investments with long-term assets. Last year, the Bank of Japan made a policy shift away from negative interest rates, and it is expected that interest rates will continue to rise in the future. It is also necessary to pay close attention to such factors as the spread of remote work, changes in workstyles accompanying the development of generative AI, tariffs, and geopolitical risks. The future is expected to be even more uncertain, but, just as we have in the past, I believe that we will be able to seek out and find business opportunities by identifying changes in society and living environments, and resolving social challenges.

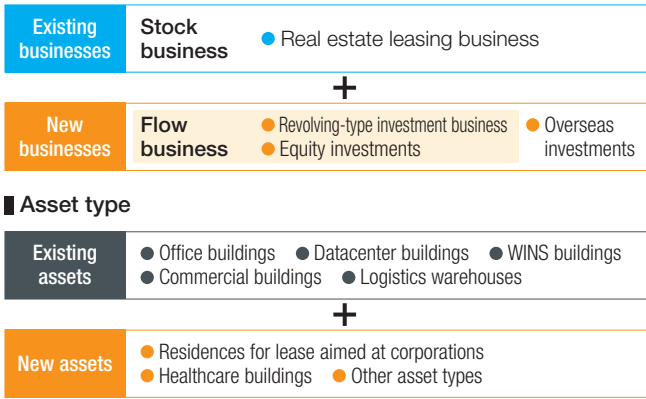
Under the Long-Term Business Plan

formulated in May 2023, the Company aims to improve capital efficiency while building a foundation that enables sustainable growth despite significant changes in the external environment. While continuing to position the real estate leasing business as its core business, the Company is working to shift to a revenue structure that is well-balanced between stock business and flow business by engaging in new businesses such as a revolving-type investment business, equity investments, and overseas investments. At the same time, the Company is working to further diversify its portfolio through investments in new asset types, such as residences for lease aimed at corporations and healthcare buildings, in order to reduce risks associated with economic fluctuations and expand its stable revenue base. With development costs increasing due to soaring real estate prices and construction costs as well as rising interest rates, we believe there are greater opportunities to secure profits than in the leasing business by increasing the value of existing properties and investing in equity that will generate gains on sales in a short timeframe. In addition, with Japan’s aging population, demand for healthcare buildings is expected to increase. The percentage of students enrolling in higher education institutions is also on an upward trend, even as the birthrate is declining. Therefore, we expect to see a certain level of demand for housing and student dormitories where students can live in safety and comfort. As stated in its Corporate Philosophy, the mission of Keihanshin Building is “To provide valuable commercial space to customers so as to contribute to the community through the advancement of customers’ and our businesses.” We will continue to provide commercial space in line with the needs of society, and aim for sustainable growth together with tenants and partner companies while contributing to society.

Business environment in Japan

- Soaring real estate transaction prices
- Soaring construction costs
- Rising interest rates
- Declining birthrate and aging population
- Increasing higher education advancement rate
- Changing workstyles
- Digital transformation

Revenue structure



Take advantage
of changes in
the business
environment and
aim for growth

Message from the President

Business strategy: strengthen earning power and get on track

In the previous Integrated Report, issues raised in the second year of the Long-Term Business Plan included the establishment of an internal system for new businesses and the accumulation of know-how. Accordingly, we reviewed our Long-Term Business Plan in September 2024 and set out to quickly achieve the monetization of new businesses and improve capital efficiency by immediately tackling these issues. As a result, we were able to make more progress than expected over the past year. In fiscal 2024, the Company carried out a total of 10.8 billion yen in new investments and investments in renovations and repairs. In fiscal 2025 and beyond, we will continue to take a careful look at each opportunity and engage in proactive investments by leveraging the solid financial base we have developed in the real estate leasing business. While the Company places importance on the yield of each property, in order to grow the Company over the medium to long term, in addition to increasing profits in the present, it is essential to sow the seeds for future profits. Therefore, the Company will invest in a manner that balances them.

Going forward, we will strive to flexibly refine our management by identifying changes in the external environment while also heeding the opinions we receive in our communications with investors. Furthermore, in terms of financial discipline, the Company has set an equity ratio of 30% or more and a net interest-bearing debt/EBITDA ratio of around 10 times, and is also working to control risks.



Real estate leasing business

In April 2025, we created a ready-to-use office in the Azuchimachi Building. The property is characterized not only by its convenience, comfort, and excellent design, but also by the fact that it can control tenant expenses and shorten the period required from the time a tenant moves in to the start of business. In Japan, the office market is expected to shrink due to the declining birthrate and aging population. Amid changes in the way people work, we will maintain our competitive edge by continuing to keep a close eye on what kind of spaces are desired, and, while also being conscious of efficiency, combine new and inventive ideas from the perspectives of interior decoration and room layout and provide added value like ready-to-use offices. In addition, by continuing to specialize in medium-sized office buildings, the Company will target medium-sized companies while also taking into consideration the needs of growing startups looking to relocate to bigger spaces as well as those of downsizing companies seeking to move to smaller properties.

The Company has been involved in datacenter buildings, which currently account for more than half of its net sales, since 1988, when they were referred to as computer buildings, and these assets can be considered characteristic of the Company. Although demand for datacenters is expected to increase in the future, construction and material costs are rising, functions are becoming more sophisticated, and investment amounts are growing in accordance with increasing project scales. This makes it necessary, I believe, to consider new schemes such as the use of leased land and joint investment with datacenter operators and construction companies, in addition to the conventional method of purchasing land to build datacenters.

At the same time, in addition to the datacenter building business, the Company will endeavor to

diversify risk by expanding its asset portfolio. It will do this by improving the earnings from office buildings as well as the WINS buildings that are the Company's original businesses, while also promoting new investments in healthcare buildings and residences for lease aimed at corporations as well as logistics warehouses, for which there is expected to be continued demand in the future.

New businesses

In March 2025, we invested for the first time in a B to B apartment building for lease aimed at students in Itabashi-ku, Tokyo. Although the birthrate will continue to decline in the future, it is unlikely that the number of students will decrease rapidly due to factors such as an increase in the percentage of students going on to higher education and an increase in the number of overseas students studying in Japan. This investment is a pilot project for the Company to incorporate such needs, and we hope to both capture the need for apartment buildings for lease aimed at students and acquire the relevant expertise. In the same month, the Company also invested in a fund for healthcare buildings consisting of six facilities nationwide. With the population of Japan aging and demand for healthcare buildings expected to increase, through investment in this fund the Company will absorb expertise related to healthcare buildings and contribute to realizing a society in which citizens can live with peace of mind.

As for overseas investments, we are promoting development in the United States, where market growth is expected and legal risk is low. While speed is also important, acquiring the overseas investment expertise while building relationships of trust with local partner companies requires a reasonable period of time as well as a track record of successful transactions. Therefore, we believe that we need to engage in our overseas investments from a long-term perspective. We must also pay attention to risks, including tariffs, concerns over economic downturns, and unstable foreign exchange rates, and we have established standards such as certain ratios of those investments to total assets as well as monetary limits to individual investments.

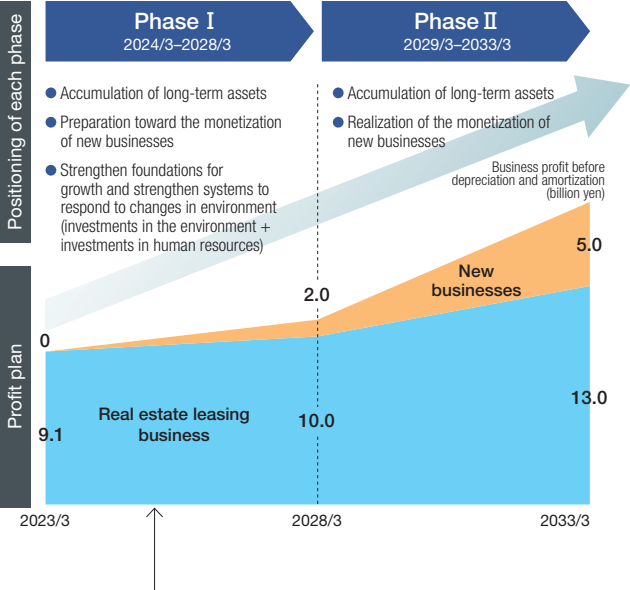
In Japan, as in our overseas investments, we are increasingly collaborating with other companies to promote real estate development and equity investments. For example, with respect to the asset management (AM) business, in order to secure the human resources and assets to launch and operate our own AM company in the future and realize the monetization of the business, the cooperation of a reliable partner company with expertise is essential. The Company will continue to engage in dialogue with business companies that are candidates for partner companies, confirm each other's aims, and deepen relationships of trust.

Up to this point, I have talked about collaboration with other companies, but at the

same time it is also important to utilize the expertise the Company has cultivated over many years to promote new businesses. Although the business models are different, the products that we handle in our revolving-type investment business, equity investments, and the real estate leasing business are all the same in terms of being real estate, and I believe that we can expect significant synergies between our existing and new businesses. I also believe that the expertise and experience the Company has developed through the real estate leasing business can be utilized in the kind of property development and value enhancement that are demanded by the market. For example, by applying the business continuity planning (BCP) expertise we have accumulated through the operation of datacenter buildings to office buildings, we have been able to realize office buildings that are resistant to disasters and differentiate ourselves from competitors. In addition, the expertise and experience we have cultivated by identifying and minutely meeting the needs of tenants, as well as the risk management system we have developed for ensuring the stable operation of BCP and the leasing business, can be utilized for leasing and property due diligence in the revolving-type investment business. Moreover, the networks that the Company has built over many years with stakeholders such as financial institutions, partner companies, and local communities will be a major strength in quickly obtaining information on development sites and existing properties for the revolving-type investment business. In order to maximize these synergies, I believe it will be important for the Investment Promotion Department, Business Department, and Property Management Department to closely cooperate, share information, and exchange and flexibly allocate human resources.

Development of internal systems

The number of employees on a consolidated basis was 64 as of the end of the fiscal year ended March 31, 2025. While maintaining an efficient structure with a small number of employees, the Company recruited six experienced, mid-career employees in fiscal 2024. By reallocating personnel in line with our business strategy and increasing the number of personnel in the Business Department, Investment Promotion Department, and Finance & Accounting Department, we are working to develop our systems, such as strengthening our sales capabilities in the Tokyo metropolitan area, accelerating the launch of new businesses, and upgrading overseas accounting processing. At the same time, we are working to raise the level of the entire organization through the integration of employees who were hired as new graduates and have worked for us their entire careers with experienced, mid-career hires. We also hired experienced asset management



Fiscal 2025 marks halfway point of Phase I

Message from the President

personnel essential for developing the revolving-type investment business, and in April 2025, we established the AM Business Preparation Group to take charge of building up the business of asset management operations, launching it with a three-person structure. In the AM Business Preparation Group, emphasis is placed on the formation of private placement funds, etc. which will serve as a vehicle for the resale of existing and newly acquired properties, and efforts will be made to develop professional human resources while

strengthening relationships toward alliances with other AM companies.

Fiscal 2025 is the third year of the Long-Term Business Plan as well as the turning point of Phase I (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028), making it an important year for achieving the targets. It will be a year in which the true value of the internal systems we have worked to develop, as well as our ability to use them, will be tested, and we will be shifting to an even higher gear.

Company growth: the sum of each employee’s growth

Our corporate vision in 10 years’ time in our Long-Term Business Plan is “a company that will continue to contribute to a sustainable society with each and every employee growing through inventiveness and challenges and providing valuable commercial space that meets the needs of the times.” Human resources are the driving force behind our business, and we believe that “the growth of a company is nothing other than the sum of the growth of its individual employees.” Therefore, under the Long-Term Business Plan, we are intending to invest 3.0 billion yen in human resources over 10 years.

It is important to provide an environment in which each employee’s life is enriched through challenges and personal growth. We encourage new employees to grow by telling them, “you will spend more than one third of your life at work, so if you want to enrich your life, naturally you must value the time you spend at work.” As skills cannot be acquired unless a person wants to acquire them, we place importance on our employees’ own motivation, and provide as much support as possible to employees who seek to improve their skills, including through such means as the qualification support system and training. I expect that as examples of employees seeking and receiving support for skill improvement accumulate, more and more employees will naturally want to do the same. It is also important to create a corporate culture that

encourages employees to come up with their own motivation. In order to create an environment in which employees can readily convey their ideas to others, it is essential to encourage regular active communication. It is also important to remove organizational boundaries and vertical barriers. As the number of our employees is small, we will leverage an environment in which every employee is able to interact personally with every other employee and strive to create a workplace that engenders even better communication.

Through fiscal 2024, while striving to recruit personnel with abundant experience in our new businesses, we also created opportunities for young employees to be transferred to overseas divisions, etc. of other companies to gain experience and expertise in these new businesses. At the same time, we have increased the number of female Business Department staff and are working to create an environment in which female employees can flourish. An increasing number of tenants are listening to female staff when choosing office buildings, and I anticipate that there will be considerable space for female workers in the Business Department to utilize their unique perspective in leasing activities. In this way, by utilizing the diverse values and experience of employees with a variety of backgrounds, the Company will promote further growth of the real estate leasing business as well as the launch of new businesses.

Provision of advanced BCP functions and high environmental performance

We plan to make 7.0 billion yen of environmental investments over 10 years. There are many earthquakes in Japan, and wind and flood damage due to climate change is expected to become more severe. Therefore, there is an increasing need to enhance BCP measures that will enable tenants to continue to operate

their businesses in an emergency. We have cases of tenants choosing our properties after evaluating the Company’s BCP measures, and I can see that awareness of disaster prevention is increasing among companies year by year. In addition, against the backdrop of listed companies being strongly urged to reduce

greenhouse gas emissions, the Company is also responding to tenant demand by saving energy costs and introducing renewable energy at properties held by the Company as initiatives toward decarbonization. Furthermore, in order to objectively demonstrate the high levels of safety, comfort, and environmental performance of properties held by the Company, we are promoting the acquisition of green building

certification, and aim to raise the ratio of the area of properties with the Green Building certification to 50% or more by the fiscal year ending March 31, 2031. When meeting with prospective leasing tenants, we will thoroughly explain the importance of risk and environmental response, monetizing these initiatives while creating differentiation from the properties of other companies.

Further enhancement of corporate governance

The Company was quick to start working on strengthening corporate governance, and Outside Directors have long accounted for the majority of all Directors. Based on our target of increasing the ratio of female board members to 30% or more by the fiscal year ending March 31, 2031, the Company increased the number of female Directors from one to two in June 2025, and recently transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. Through Audit & Supervisory Committee Members who are in charge of auditing the execution of duties by Directors, join the Board of Directors as members, the supervisory function of the Board of Directors is strengthened, and corporate governance is further enhanced.

In addition, by further improving the operation of the Board of Directors, we hope to raise awareness of corporate governance to new levels. At present, the Board of Directors already engages in highly vigorous discussions. However, as investment related to new businesses has increased over the past year or two, I believe that we must further enhance functions related to providing briefings on each investment. We will make efforts to further raise the level of how



documents are prepared and how explanations are given so that even more substantive discussions can be held at meetings of the Board of Directors. Furthermore, if any points for improvement are found during the annual effectiveness evaluations of the Board of Directors, we will be sure to take any necessary measures or steps. (P.61) Going forward, the Company will continue to strengthen the function of the Board of Directors.

In conclusion

In the future, the Company will continue to identify changes in society and living environments, strengthen relationships of trust by creating valuable commercial spaces while thinking together with customers, and make its presence known in the real estate industry.

In the previous Integrated Report, I borrowed the words of Shoin Yoshida to talk about the importance of having dreams. Dreams can also be seen as goals. As each employee grows toward his or her goals, the Company grows, and as the Company grows, it can also contribute to the development of society. I believe that my role as the head of Keihanshin Building is to take the lead in the creation of a spiral in which the self-

realization of individuals leads to the generation of economic value in the form of corporate growth, which in turn creates social value. To that end, I will prioritize measures to promote the growth of our employees, the starting point of this spiral. Fortunately, we are making steady progress in establishing systems and accumulating expertise for developing new businesses. By thoroughly ensuring that they function properly, we will steadily improve capital efficiency and profit margin with the aim of achieving the targets of the Long-Term Business Plan. As we continue to work toward our goals, I would like to ask each of you for your continued understanding and support.