

To whom it may concern,

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Notice Concerning the Setting of Initiatives and KPIs Linked to Materiality

Keihanshin Building Co., Ltd. (the “Company”) hereby announces that it has identified specific initiatives and KPIs to address materiality in an effort to continuously enhance its corporate value and realize a sustainable society.

1. Initiatives and KPIs Linked to Materiality

The Company has identified issues to be addressed with high priority as materiality from among those of high importance for continuous growth and has set initiatives and KPIs linked to such materiality.

In addition, the Company will, in light of a changing external environment, regularly check and review the initiatives and KPIs linked to materiality and promote effective initiatives.

ESG	Key Issues (Materiality)	Initiatives	KPIs
Environmental	Strengthening of resilience to climate change	<ul style="list-style-type: none"> • Conduct assessment and monitoring of the impact of climate change on business • Reduce GHG emissions, water usage, and the volume of waste • Promote the acquisition of green building certifications • Promote compliance with ZEB (Net Zero Energy Buildings) in line with the “Roadmap for the realization and spread of ZEB” • Promote energy conservation in buildings 	<ul style="list-style-type: none"> • Climate change monitoring by the Sustainability Committee: At least once a year • GHG emissions: 46% reduction of Scope 1 and 2 portions by 2030 Of the above, 10% reduction of GHG emissions through reducing the use of energy • Water usage: No quantitative targets* • Volume of waste: No quantitative targets* • Promoting the acquisition of green building certifications by 2030 (Acquire certifications for all newly constructed properties, 50% or more of total floor area)
	Sustainable use of resources by measures to reduce the burden on the environment	<ul style="list-style-type: none"> • Use renewable energy • Prolong the lives of buildings 	<ul style="list-style-type: none"> • Introduction of renewable energy

*The Company is currently preparing basic data for the volume of waste and water usage and accordingly, has yet to set quantitative targets. The Company plans to set and disclose quantitative targets as soon as they are ready.

ESG	Key Issues (Materiality)	Initiatives	KPIs
Social	Provision of safe, secure, and comfortable space	<ul style="list-style-type: none"> • Maintain building quality through preventive maintenance • Strengthen BCP and BCM • Improve the health and comfort of office buildings 	<ul style="list-style-type: none"> • Maintaining the track record of 100% progress in the preventive maintenance plan • Periodic reviews of the manual of BCP measures • Customer satisfaction survey: At least once a year
	Promotion of the business keeping abreast of the changing environment and times	<ul style="list-style-type: none"> • Consider new business • Distribute regional portfolio • Strengthen the leasing of datacenter buildings 	—
	Conducting constructive dialogue with investors and shareholders in line with sustainable management	Promote fair, timely, and appropriate disclosure and constructive dialogue	Holding briefings: At least four times a year
	Collaboration with partner companies conscious of ESG issues	<ul style="list-style-type: none"> • Collaborate with partner companies on environmental and social issues (including seminars) • Promote sustainable procurement (Promote respect for human rights and health and safety at partner companies) 	<ul style="list-style-type: none"> • Regular meetings with business partners: At least four times a year • Conducting surveys on human rights
	Co-existence and co-prosperity with local communities	<ul style="list-style-type: none"> • Conduct activities to contribute to local communities • Improve relationships with local communities (Ensure opportunities for the exchange of information) 	<ul style="list-style-type: none"> • Conducting social contribution activities: At least 10 times a year • Participation in meetings with local communities: 90% or more
	Respect for human rights, and diversity and inclusion	<ul style="list-style-type: none"> • Respond to diverse human resources • Accept outside human resources 	<ul style="list-style-type: none"> • Conducting workshops on human rights: Once a year • 50% men-women ratio among new recruits (Five-year average)
	Improvement of human capital	<ul style="list-style-type: none"> • Improve business efficiency and productivity (Promote DX) • Promote human resources development • Work to improve the health of employees 	<ul style="list-style-type: none"> • Paid leave acquisition rate: 70% or higher • Disclosure of costs associated with human resources development* • Maintaining 100% medical examination uptake rates

*Figures will be disclosed as soon as they are ready.

ESG	Key Issues (Materiality)	Initiatives	KPIs
Governance	Financial strategy to adapt to a changing business environment	<ul style="list-style-type: none"> • Maintain a solid financial base (Take advantage of our creditworthiness to realize low-cost financing) 	<ul style="list-style-type: none"> • Maintaining a credit rating of A- or higher • Capital adequacy ratio of 30% or higher • Net interest-bearing debt/EBITDA ratio of 10 times or lower
	Strengthening of organizational resilience	<ul style="list-style-type: none"> • Periodic reviews of the Corporate Governance Guidelines • Conduct BCP drills • Formulation of measures suited to each risk and progress management by the Risk Management Committee 	<ul style="list-style-type: none"> • Review of the Corporate Governance Guidelines: Once a year • BCP drill: Once a year • Holding of the Risk Management Committee: At least four times a year
	Improvement of the effectiveness of the Board of Directors	<ul style="list-style-type: none"> • Involvement of a third party in the evaluation of the effectiveness of the Board of Directors • Ensure the diversity of the Board of Directors • Provide training, etc. to Directors • Maintain a majority of Outside Directors on the Nomination and Remuneration Committee • Secure adequate deliberation time (Provide explanations in advance and review the criteria for deliberations) 	<ul style="list-style-type: none"> • Maintaining the ratio of Outside Directors on the Board of Directors so that they constitute a majority of the board • Appointment of at least one female Director • Maintaining the ratio of Outside Directors on the Nomination and Remuneration Committee so that they constitute a majority of the committee
	Implementation of compliance that supports sustainable management	<ul style="list-style-type: none"> • Provide compliance education and training to employees at all levels • Assess the implementation status of compliance measures by the Compliance Committee • Operate the In-House Reporting System with outside attorneys as contact points 	<ul style="list-style-type: none"> • Conducting compliance training: Once a year • Holding of the Compliance Committee: At least four times a year