Summary of Consolidated Financial Results
For the Six Months Ended September 30, 2016
(Based on Japanese GAAP)

October 28, 2016

Company name: Keihanshin Building Co., Ltd.
Stock listing: First section of Tokyo Stock Exchange
Stock code: 8818
URL: http://www.keihanshin.co.jp/english/
Representative: Kouichi Minami, President
Date of release of quarterly securities report: November 4, 2016
Starting date of dividend payments: December 5, 2016
Preparation of explanatory materials for quarterly financial results: Yes
Information meetings arranged related to quarterly financial results: Yes(for analysts, in Japanese)

(Yen in millions, rounded down)

1.Consolidated Financial Results for the Six Months Ended September 30, 2016 (April 1- September 30, 2016)

(1) Consolidated Operating Results

(% figures denote year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Fiscal 2016	7,191	△ 4.5	2,535	△ 1.1	2,409	1.7	1,671	△ 30.0
2Q Fiscal 2015	7,528	2.6	2,563	6.2	2,369	13.0	2,387	78.6

Note: Comprehensive Income: September 30, 2016: 2,090 millions of yen(24.4%) September 30, 2015: 1,680 millions of yen(△16.7%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
2Q Fiscal 2016	30.98	30.97
2Q Fiscal 2015	44.23	—

Note: Diluted Net Income per Share is not provided, because there are no potential shares of common stock during 2Q Fiscal 2015.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
2Q Fiscal 2016	108,243	56,157	51.9
Fiscal 2015	111,418	54,556	49.0

Reference: Shareholders' Equity: September 30, 2016: 56,148 millions of yen March 31, 2016: 54,556 millions of yen

2.Dividends

	Dividends per Share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	7.50	—	8.50	16.00
Fiscal 2016	—	8.00			
Fiscal 2016 (Forecast)			—	8.00	16.00

Note: Changes from the latest released dividend forecasts:No

3. Forecast for the Year Ending March 31, 2017 (April 1 - March 31, 2017)

(% figures denote year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,400	△ 3.6	4,700	△ 8.2	4,500	△ 5.9	3,100	△ 14.1	57.52

Note: Changes from the latest released performance forecasts: Yes

4.Notes

(1) Significant changes among subsidiaries during this period: No

(Transfer of specific subsidiaries accompanying the change of scope of consolidation)

(2) Application of specified accounting treatment: No

(3) Changes in accounting policies, changes in accounting estimates, and restatements: No

(ⅰ)Changes due to revisions of accounting standards: No

(ⅱ)Changes in accounting policies other than (i): No

(ⅲ)Changes in accounting estimates: No

(ⅳ)Restatements: No

(4) Number of outstanding shares (common stocks)

(ⅰ)Number of shares outstanding at the end of the period (including treasury stocks)

2Q Fiscal 2016	53,998,798 shares	Fiscal 2015	53,998,798 shares

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

2Q Fiscal 2016	103,465 shares	Fiscal 2015	24,280 shares

(ⅲ)Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)

2Q Fiscal 2016	53,961,531 shares	2Q Fiscal 2015	53,974,901 shares

* Implementation status of quarterly review processes

This Summary of Consolidated Financial Results are not subject to quarterly review processes under the Financial Instruments and Exchange Law. At the time of this document's release, the review of the quarterly financial statements under the Financial Instruments and Exchange Law have not been completed.

* 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2016)	2Q of Current Fiscal Year (As of Sep. 30, 2016)
Assets		
Current assets		
Cash and deposits	16,552,616	13,896,597
Notes and accounts receivable - trade	258,186	283,358
Other	285,145	323,565
Total current assets	17,095,949	14,503,521
Non-current assets		
Property, plant and equipment		
Buildings and structures	65,629,201	65,639,463
Accumulated depreciation	(31,976,751)	(33,035,959)
Buildings and structures, net	33,652,449	32,603,504
Land	32,438,542	32,438,542
Buildings in trust	3,412,201	3,412,201
Accumulated depreciation	(409,526)	(550,506)
Buildings in trust, net	3,002,674	2,861,695
Land in trust	11,038,280	11,038,280
Construction in progress	—	1,800
Other	704,844	710,286
Accumulated depreciation	(570,679)	(581,793)
Other, net	134,165	128,492
Total property, plant and equipment	80,266,112	79,072,314
Intangible assets	60,597	55,722
Investments and other assets		
Investment securities	11,364,573	11,964,584
Other	2,631,291	2,647,453
Total investments and other assets	13,995,864	14,612,037
Total non-current assets	94,322,573	93,740,074
Total assets	111,418,523	108,243,595

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2016)	2Q of Current Fiscal Year (As of Sep. 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	111,740	2,882
Current portion of bonds	7,000,000	—
Short-term loans payable	5,548,000	5,408,720
Income taxes payable	1,294,254	674,083
Provision	26,862	30,967
Other	1,893,515	1,336,252
Total current liabilities	15,874,372	7,452,906
Non-current liabilities		
Bonds payable	20,000,000	25,000,000
Long-term loans payable	12,558,350	11,150,050
Provision	175,960	—
Net defined benefit liability	67,972	62,189
Other	8,185,004	8,420,683
Total non-current liabilities	40,987,287	44,632,922
Total liabilities	56,861,659	52,085,828
Net assets		
Shareholders' equity		
Capital stock	9,827,611	9,827,611
Capital surplus	9,786,450	9,786,466
Retained earnings	35,162,337	36,375,352
Treasury shares	(9,931)	(50,085)
Total shareholders' equity	54,766,467	55,939,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,628,818	5,047,648
Revaluation reserve for land	(4,838,422)	(4,838,422)
Total accumulated other comprehensive income	(209,604)	209,225
Subscription rights to shares	—	9,195
Total net assets	54,556,863	56,157,766
Total liabilities and net assets	111,418,523	108,243,595

(2) Consolidated Statements of Income

（Thousands of yen）

	2Q of Previous Fiscal Year (As of Sep. 30, 2015)	2Q of Current Fiscal Year (As of Sep. 30, 2016)
Net sales	7,528,987	7,191,653
Cost of sales	4,387,542	3,991,535
Gross profit	3,141,444	3,200,118
Selling, general and administrative expenses	577,476	664,913
Operating income	2,563,968	2,535,204
Non-operating income		
Interest income	1,314	987
Dividend income	121,308	129,908
Other	5,023	14,267
Total non-operating income	127,646	145,163
Non-operating expenses		
Interest expenses	161,578	105,865
Interest on bonds	126,285	127,561
Bond issuance cost	30,720	33,220
Other	3,878	4,188
Total non-operating expenses	322,462	270,836
Ordinary income	2,369,152	2,409,531
Extraordinary income		
Gain on sales of non-current assets	1,205,242	1,222
Compensation income	—	37,714
Total extraordinary income	1,205,242	38,937
Extraordinary losses		
Loss on retirement of non-current assets	9,073	1,379
Cotribution for facilities relocation	—	31,300
Total extraordinary losses	9,073	32,679
Profit before income taxes	3,565,321	2,415,789
Income taxes - current	1,186,455	623,976
Income taxes - deferred	(8,274)	120,013
Total income taxes	1,178,181	743,990
Profit	2,387,140	1,671,799
Profit attributable to owners of parent	2,387,140	1,671,799

(3) Consolidated Statements of Cash Flows

（Thousands of yen）

	2Q of Previous Fiscal Year (As of Sep. 30, 2015)	2Q of Current Fiscal Year (As of Sep. 30, 2016)
Cash flows from operating activities		
Profit before income taxes	3,565,321	2,415,789
Depreciation	1,377,037	1,260,802
Share-based compensation expenses	—	9,195
Increase (decrease) in provision for directors' retirement benefits	(8,007)	(175,960)
Increase (decrease) in net defined benefit liability	4,207	(5,783)
Increase (decrease) in provision for bonuses	833	4,105
Increase (decrease) in provision for environmental measures	35,100	—
Interest and dividend income	(122,623)	(130,896)
Interest expenses	161,578	105,865
Interest on bonds	126,285	127,561
Bond issuance cost	30,720	33,220
Loss (gain) on sales of property, plant and equipment	(1,205,242)	(1,222)
Loss on retirement of property, plant and equipment	9,073	1,379
Compensation income	—	(37,714)
Contribution for facilities relocation	—	31,300
Decrease (increase) in operating receivables	(128,922)	(155,934)
Increase (decrease) in operating debt	(1,279,256)	(183,845)
Increase (decrease) in accrued consumption taxes	219,344	(271,735)
Other, net	2,333	2,500
Subtotal	2,787,782	3,028,628
Interest and dividend income received	122,623	130,896
Interest expenses paid	(280,553)	(241,836)
Income taxes paid	(1,193,742)	(1,256,345)
Contribution for facilities relocation paid	—	(31,300)
Net cash provided by (used in) operating activities	1,436,109	1,630,043
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,286,438)	(122,441)
Proceeds from sales of property, plant and equipment	24,440,472	1,222
Purchase of intangible assets	(34,500)	(6,891)
Proceeds from sales of intangible assets	8,957	—
Payments for long-term accounts payable-other	(42,270)	(42,270)
Other, net	—	(20,000)
Net cash provided by (used in) investing activities	18,086,221	(190,380)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,000,000)	—
Repayments of long-term loans payable	(2,108,320)	(1,547,580)
Proceeds from issuance of bonds	5,000,000	5,000,000
Redemption of bonds	—	(7,000,000)
Payments for issuance of bonds	(41,513)	(49,400)
Proceeds from sales of treasury shares	—	52
Purchase of treasury shares	(86)	(40,190)
Cash dividends paid	(431,618)	(458,563)
Net cash provided by (used in) financing activities	(6,581,538)	(4,095,681)
Net increase (decrease) in cash and cash equivalents	12,940,792	(2,656,018)
Cash and cash equivalents at beginning of period	3,576,600	16,552,616
Cash and cash equivalents at end of period	16,517,393	13,896,597