Summary of Consolidated Financial Results
For the Six Months Ended September 30, 2017
(Based on Japanese GAAP)

November 1, 2017

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: Koichi Minami, President
Date of release of quarterly securities report : November 10, 2017
Starting date of dividend payments : December 5,2017
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, 2017 (April 1,2017- September 30, 2017)

(1) Consolidated Operating Results

(% figures denote year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Fiscal 2017	7,303	1.6	2,666	5.2	2,517	4.5	1,747	4.5
2Q Fiscal 2016	7,191	△ 4.5	2,535	△ 1.1	2,409	1.7	1,671	△ 30.0

Note: Comprehensive Income: September 30, 2017: 2,443 millions of yen(16.9%) September 30, 2016: 2,090 millions of yen (24.4 %)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
2Q Fiscal 2017	32.42	32.37
2Q Fiscal 2016	30.98	30.97

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
2Q Fiscal 2017	127,490	60,794	47.6
Fiscal 2016	113,204	58,862	52.0

Reference: Shareholders' Equity: September 30, 2017: 60,746 millions of yen March 31, 2017: 58,835 millions of yen

2.Dividends

	Dividends per Share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	8.00	—	9.00	17.00
Fiscal 2017	—	8.50			
Fiscal 2017 (Forecast)			—	9.50	18.00

Note: Changes from the latest released dividend forecasts:Yes

3. Forecast for the Year Ending March 31, 2018 (April 1,2017 - March 31, 2018)

(% figures denote year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		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	14,700	2.2	5,100	2.6	4,800	1.3	3,300	0.8	61.31

Note: Changes from the latest released performance forecasts: No

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

(ⅰ)Changes in accounting policies based on 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 2017	53,998,798 shares	Fiscal 2016	53,998,798 shares

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

2Q Fiscal 2017	170,376 shares	Fiscal 2016	103,609 shares

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

2Q Fiscal 2017	53,884,253 shares	2Q Fiscal 2016	53,961,531 shares

* This summary is not subject to quarterly review procedures.

* 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, 2017)	2Q of Current Fiscal Year (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	7,202,140	10,784,784
Notes and accounts receivable - trade	284,857	285,334
Other	190,140	343,699
Total current assets	7,677,138	11,413,818
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,708,773	66,776,581
Accumulated depreciation	(33,963,858)	(35,010,484)
Buildings and structures, net	32,744,914	31,766,097
Land	42,093,985	52,666,594
Buildings in trust	3,412,201	3,412,201
Accumulated depreciation	(691,486)	(832,465)
Buildings in trust, net	2,720,715	2,579,735
Land in trust	11,038,280	11,038,280
Construction in progress	6,600	13,940
Other	711,530	726,087
Accumulated depreciation	(604,857)	(619,227)
Other, net	106,673	106,860
Total property, plant and equipment	88,711,169	98,171,508
Intangible assets	47,182	38,017
Investments and other assets		
Investment securities	14,123,968	15,212,561
Other	2,644,659	2,654,898
Total investments and other assets	16,768,628	17,867,459
Total non-current assets	105,526,980	116,076,985
Total assets	113,204,119	127,490,804

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2017)	2Q of Current Fiscal Year (As of Sep. 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,634	21,474
Current portion of bonds	5,000,000	10,000,000
Short-term loans payable	5,198,300	5,077,800
Income taxes payable	442,015	835,422
Provision	31,285	32,006
Other	1,470,852	1,476,805
Total current liabilities	12,206,087	17,443,509
Non-current liabilities		
Bonds payable	20,000,000	25,000,000
Long-term loans payable	12,760,050	14,466,150
Net defined benefit liability	55,118	58,279
Asset retirement obligations	113,088	113,273
Other	9,206,927	9,615,555
Total non-current liabilities	42,135,184	49,253,257
Total liabilities	54,341,272	66,696,767
Net assets		
Shareholders' equity		
Capital stock	9,827,611	9,827,611
Capital surplus	9,786,466	9,786,472
Retained earnings	37,544,827	38,806,832
Treasury shares	(50,173)	(97,006)
Total shareholders' equity	57,108,732	58,323,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,564,951	7,260,946
Revaluation reserve for land	(4,838,422)	(4,838,422)
Total accumulated other comprehensive income	1,726,528	2,422,523
Subscription rights to shares	27,586	47,604
Total net assets	58,862,846	60,794,037
Total liabilities and net assets	113,204,119	127,490,804

(2) Consolidated Statements of Income

（Thousands of yen）

	2Q of Previous Fiscal Year (As of Sep. 30, 2016)	2Q of Current Fiscal Year (As of Sep. 30, 2017)
Net sales	7,191,653	7,303,624
Cost of sales	3,991,535	4,008,374
Gross profit	3,200,118	3,295,249
Selling, general and administrative expenses	664,913	629,177
Operating profit	2,535,204	2,666,072
Non-operating income		
Interest income	987	208
Dividend income	129,908	146,953
Other	14,267	5,926
Total non-operating income	145,163	153,088
Non-operating expenses		
Interest expenses	105,865	103,710
Interest on bonds	127,561	129,066
Bond issuance cost	33,220	63,940
Other	4,188	4,700
Total non-operating expenses	270,836	301,417
Ordinary profit	2,409,531	2,517,743
Extraordinary income		
Gain on sales of non-current assets	1,222	—
Compensation income	37,714	—
Total extraordinary income	38,937	—
Extraordinary losses		
Loss on retirement of non-current assets	1,379	1,453
Cotribution for facilities relocation	31,300	—
Total extraordinary losses	32,679	1,453
Profit before income taxes	2,415,789	2,516,290
Income taxes - current	623,976	778,694
Income taxes - deferred	120,013	(9,465)
Total income taxes	743,990	769,228
Profit	1,671,799	1,747,061
Profit attributable to owners of parent	1,671,799	1,747,061

(3) Consolidated Statements of Cash Flows

（Thousands of yen）

	2Q of Previous Fiscal Year (As of Sep. 30, 2016)	2Q of Current Fiscal Year (As of Sep. 30, 2017)
Cash flows from operating activities		
Profit before income taxes	2,415,789	2,516,290
Depreciation	1,260,802	1,234,979
Share-based compensation expenses	9,195	20,017
Increase (decrease) in provision for directors' retirement benefits	(175,960)	—
Increase (decrease) in net defined benefit liability	(5,783)	3,161
Increase (decrease) in provision for bonuses	4,105	720
Interest and dividend income	(130,896)	(147,161)
Interest expenses	105,865	103,710
Interest on bonds	127,561	129,066
Bond issuance cost	33,220	63,940
Loss (gain) on sales of property, plant and equipment	(1,222)	—
Loss on retirement of property, plant and equipment	1,379	1,453
Compensation income	(37,714)	—
Contribution for facilities relocation	31,300	—
Decrease (increase) in operating receivables	(155,934)	(143,269)
Increase (decrease) in operating debt	(183,845)	(4,986)
Increase (decrease) in accrued consumption taxes	(271,735)	135,604
Other, net	2,500	3,184
Subtotal	3,028,628	3,916,711
Interest and dividend income received	130,896	147,161
Interest expenses paid	(241,836)	(218,577)
Income taxes paid	(1,256,345)	(361,009)
Contribution for facilities relocation paid	(31,300)	—
Net cash provided by (used in) operating activities	1,630,043	3,484,287
Cash flows from investing activities		
Purchase of property, plant and equipment	(122,441)	(10,723,560)
Proceeds from sales of property, plant and equipment	1,222	—
Purchase of intangible assets	(6,891)	—
Purchase of investment securities	—	(100,000)
Payments for long-term accounts payable-other	(42,270)	(42,270)
Other, net	(20,000)	1,555
Net cash provided by (used in) investing activities	(190,380)	(10,864,275)
Cash flows from financing activities		
Proceeds from long-term loans payable	—	3,000,000
Repayments of long-term loans payable	(1,547,580)	(1,414,400)
Proceeds from issuance of bonds	5,000,000	10,000,000
Redemption of bonds	(7,000,000)	—
Payments for issuance of bonds	(49,400)	(90,900)
Proceeds from sales of treasury shares	52	35
Purchase of treasury shares	(40,190)	(46,862)
Cash dividends paid	(458,563)	(485,239)
Net cash provided by (used in) financing activities	(4,095,681)	10,962,632
Net increase (decrease) in cash and cash equivalents	(2,656,018)	3,582,643
Cash and cash equivalents at beginning of period	16,552,616	7,202,140
Cash and cash equivalents at end of period	13,896,597	10,784,784