Summary of Consolidated Financial Results
For the Year Ended March 31, 2018
(Based on Japanese GAAP)

May 10, 2018

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 Ordinary General Shareholders' Meeting (Scheduled): June 19, 2018
Date of release of securities report (Scheduled): June 22, 2018
Starting date of dividend payments (Scheduled): June 20, 2018
Preparation of explanatory materials for financial results: Yes
Information meetings arranged related to financial results: Yes(for analysts, in Japanese)

(Yen in millions, rounded down)

1.Consolidated Financial Results for the Year Ended March 31, 2018 (April 1,2017- March 31, 2018)

(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	%
Fiscal 2017	14,799	2.9	5,298	6.6	5,044	6.4	3,585	9.6
Fiscal 2016	14,380	△ 3.7	4,969	△ 2.9	4,740	△ 0.9	3,272	△ 9.4

Note: Comprehensive Income: March 31, 2018: 4,312 millions of yen(△17.2%) March 31, 2017: 5,208 millions of yen (47.0 %)

	Net Income per Share	Diluted Net Income per Share	Return on equity	Return on assets	Operating income ratio
	Yen	Yen	%	%	%
Fiscal 2017	66.58	66.43	5.9	4.3	35.8
Fiscal 2016	60.68	60.63	5.8	4.2	34.6

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2017	123,035	62,227	50.5	1,154.75
Fiscal 2016	113,204	58,862	52.0	1,091.66

Reference: Shareholders' Equity: March 31, 2018: 62,157 millions of yen March 31, 2017: 58,835 millions of yen

(3) Consolidated Cash Flows

(% figures denote year-on-year changes)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2017	6,884	△ 11,249	4,213	7,051
Fiscal 2016	4,717	△ 10,939	△ 3,127	7,202

2.Dividends

	Dividends per Share					Total Dividends paid (annual)	Dividend payout ratio (consolidated)	Dividend on Equity (consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2016	—	8.00	—	9.00	17.00	916	28.0	1.6
Fiscal 2017	—	8.50	—	9.50	18.00	968	27.0	1.6
Fiscal 2018 (Forecast)	—	10.00	—	10.00	20.00		29.1	

3. Forecast for the Year Ending March 31, 2019 (April 1,2018 - March 31, 2019)

(% 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	14,700	△ 0.7	5,300	0.0	5,100	1.1	3,700	3.2	68.74

4.Notes

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

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

(2) 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

(3) Number of outstanding shares (common stocks)

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

Fiscal 2017	53,998,798 shares	Fiscal 2016	53,998,798 shares

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

Fiscal 2017	170,656 shares	Fiscal 2016	103,609 shares

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

Fiscal 2017	53,856,353 shares	Fiscal 2016	53,928,497 shares

* This summary is not subject to audit 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)	Current Fiscal Year (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	7,202,140	7,051,250
Notes and accounts receivable - trade	284,857	277,141
Deferred tax assets	61,089	73,919
Other	129,051	131,112
Total current assets	7,677,138	7,533,423
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,708,773	67,053,033
Accumulated depreciation	(33,963,858)	(35,908,170)
Buildings and structures, net	32,744,914	31,144,862
Land	42,093,985	52,666,594
Buildings in trust	3,412,201	3,353,264
Accumulated depreciation	(691,486)	(913,857)
Buildings in trust, net	2,720,715	2,439,406
Land in trust	11,038,280	11,038,280
Construction in progress	6,600	156,649
Other	711,530	728,735
Accumulated depreciation	(604,857)	(630,978)
Other, net	106,673	97,757
Total property, plant and equipment	88,711,169	97,543,549
Intangible assets	47,182	30,655
Investments and other assets		
Investment securities	14,123,968	15,289,699
Lease and guarantee deposits	2,198,589	2,198,807
Deferred tax assets	9,286	9,286
Other	436,783	429,593
Total investments and other assets	16,768,628	17,927,387
Total non-current assets	105,526,980	115,501,592
Total assets	113,204,119	123,035,015

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2017)	Current Fiscal Year (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,634	23,836
Current portion of bonds	5,000,000	5,000,000
Short-term loans payable	5,198,300	5,042,800
Income taxes payable	442,015	975,179
Provision for bonuses	31,285	29,046
Other	1,470,852	1,620,689
Total current liabilities	12,206,087	12,691,551
Non-current liabilities		
Bonds payable	20,000,000	25,000,000
Long-term loans payable	12,760,050	13,209,750
Long-term lease and guarantee deposited	5,576,315	5,760,411
Deferred tax liabilities	2,327,006	2,677,231
Deferred tax liabilities for land revaluation	1,141,905	1,179,493
Net defined benefit liability	55,118	56,567
Asset retirement obligations	113,088	113,457
Other	161,700	119,400
Total non-current liabilities	42,135,184	48,116,309
Total liabilities	54,341,272	60,807,861
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	40,187,902
Treasury shares	(50,173)	(97,244)
Total shareholders' equity	57,108,732	59,704,742
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,564,951	7,329,172
Revaluation reserve for land	(4,838,422)	(4,876,010)
Total accumulated other comprehensive income	1,726,528	2,453,162
Subscription rights to shares	27,586	69,249
Total net assets	58,862,846	62,227,153
Total liabilities and net assets	113,204,119	123,035,015

(2) Consolidated Statements of Income

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2017)	Current Fiscal Year (As of Mar. 31, 2018)
Net sales	14,380,691	14,799,922
Cost of sales	8,121,214	8,233,783
Gross profit	6,259,476	6,566,139
Selling, general and administrative expenses	1,290,187	1,267,812
Operating income	4,969,289	5,298,326
Non-operating income		
Interest income	1,388	333
Dividend income	239,875	267,130
Other	17,494	11,461
Total non-operating income	258,758	278,925
Non-operating expenses		
Interest expenses	203,105	200,612
Interest on bonds	242,895	259,253
Bond issuance cost	33,220	63,940
Other	8,141	9,312
Total non-operating expenses	487,362	533,119
Ordinary income	4,740,684	5,044,133
Extraordinary income		
Gain on sales of non-current assets	1,222	—
Gain on sales of investment securities	0	130,738
Compensation income	37,714	—
Other	391	—
Total extraordinary income	39,329	130,738
Extraordinary losses		
Loss on retirement of non-current assets	1,759	12,323
Cotribution for facilities relocation	31,300	—
Total extraordinary losses	33,059	12,323
Profit before income taxes	4,746,954	5,162,548
Income taxes - current	1,353,458	1,594,056
Income taxes - deferred	121,059	(17,181)
Total income taxes	1,474,518	1,576,874
Profit	3,272,435	3,585,673
Profit attributable to owners of parent	3,272,435	3,585,673

(3) Consolidated Statements of Changes in Equity
Year ended March 31, 2017

（Thousands of yen）

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,827,611	9,786,450	35,162,337	(9,931)	54,766,467
Changes of items during period					
Dividends of surplus			(889,946)		(889,946)
Profit attributable to owners of parent			3,272,435		3,272,435
Purchase of treasury shares				(40,278)	(40,278)
Disposal of treasury shares		15		36	52
Net changes of items other than shareholders' equity					
Total changes of items during period	—	15	2,382,489	(40,241)	2,342,264
Balance at end of current period	9,827,611	9,786,466	37,544,827	(50,173)	57,108,732

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of current period	4,628,818	(4,838,422)	(209,604)	—	54,556,863
Changes of items during period					
Dividends of surplus					(889,946)
Profit attributable to owners of parent					3,272,435
Purchase of treasury shares					(40,278)
Disposal of treasury shares					52
Net changes of items other than shareholders' equity	1,936,132	—	1,936,132	27,586	1,963,718
Total changes of items during period	1,936,132	—	1,936,132	27,586	4,305,983
Balance at end of current period	6,564,951	(4,838,422)	1,726,528	27,586	58,862,846

Year ended March 31, 2018

（Thousands of yen）

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,827,611	9,786,466	37,544,827	(50,173)	57,108,732
Changes of items during period					
Dividends of surplus			(942,598)		(942,598)
Profit attributable to owners of parent			3,585,673		3,585,673
Purchase of treasury shares				(47,100)	(47,100)
Disposal of treasury shares		6		29	35
Net changes of items other than shareholders' equity					
Total changes of items during period	—	6	2,643,075	(47,071)	2,596,009
Balance at end of current period	9,827,611	9,786,472	40,187,902	(97,244)	59,704,742

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of current period	6,564,951	(4,838,422)	1,726,528	27,586	58,862,846
Changes of items during period					
Dividends of surplus					(942,598)
Profit attributable to owners of parent					3,585,673
Purchase of treasury shares					(47,100)
Disposal of treasury shares					35
Net changes of items other than shareholders' equity	764,221	(37,587)	726,634	41,662	768,297
Total changes of items during period	764,221	(37,587)	726,634	41,662	3,364,306
Balance at end of current period	7,329,172	(4,876,010)	2,453,162	69,249	62,227,153

(4) Consolidated Statements of Cash Flows

（Thousands of yen）

	Previous Fiscal Year (As of Mar. 31, 2017)	Current Fiscal Year (As of Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	4,746,954	5,162,548
Depreciation	2,538,631	2,433,381
Share-based compensation expenses	27,586	41,662
Increase (decrease) in provision for directors' retirement benefits	(175,960)	—
Increase (decrease) in net defined benefit liability	(12,853)	1,448
Increase (decrease) in provision for bonuses	4,423	(2,238)
Interest and dividend income	(241,263)	(267,463)
Interest expenses	203,105	200,612
Interest on bonds	242,895	259,253
Bond issuance cost	33,220	63,940
Loss (gain) on sales of investment securities	(0)	(130,738)
Loss (gain) on sales of property, plant and equipment	(1,222)	—
Loss on retirement of property, plant and equipment	1,759	12,323
Compensation income	(37,714)	—
Contribution for facilities relocation	31,300	—
Decrease (increase) in operating receivables	(67,849)	(42,221)
Increase (decrease) in operating debt	270,257	220,733
Increase (decrease) in accrued consumption taxes	(357,085)	161,649
Other, net	4,771	6,368
Subtotal	7,210,955	8,121,261
Interest and dividend income received	241,263	267,463
Interest expenses paid	(456,679)	(463,120)
Income taxes paid	(2,246,967)	(1,041,101)
Payments for contribution for facilities relocation	(31,300)	—
Net cash provided by (used in) operating activities	4,717,271	6,884,503
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,830,893)	(11,246,549)
Proceeds from sales of property, plant and equipment	1,222	—
Purchase of intangible assets	(7,741)	(1,771)
Purchase of investment securities	—	(100,000)
Proceeds from sales of intangible assets	0	182,250
Payments for long-term accounts payable-other	(84,540)	(84,540)
Other, net	(18,000)	1,555
Net cash provided by (used in) investing activities	(10,939,951)	(11,249,054)
Cash flows from financing activities		
Proceeds from long-term loans payable	2,900,000	3,000,000
Repayments of long-term loans payable	(3,048,000)	(2,705,800)
Proceeds from issuance of bonds	5,000,000	10,000,000
Redemption of bonds	(7,000,000)	(5,000,000)
Payments for issuance of bonds	(49,400)	(90,900)
Proceeds from sales of treasury shares	52	35
Purchase of treasury shares	(40,278)	(47,100)
Cash dividends paid	(890,170)	(942,572)
Net cash provided by (used in) financing activities	(3,127,796)	4,213,661
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(9,350,476)	(150,889)
Cash and cash equivalents at beginning of period	16,552,616	7,202,140
Cash and cash equivalents at end of period	7,202,140	7,051,250