

Summary of Consolidated Financial Results  
For the Nine Months Ended December 31, 2016  
(Based on Japanese GAAP)

January 31, 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: February 3, 2017  
Starting date of dividend payments: —  
Preparation of explanatory materials for quarterly financial results: No  
Information meetings arranged related to quarterly financial results: No

(Yen in millions, rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2016 (April 1 - December 31, 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	%
3Q Fiscal 2016	10,749	Δ 4.2	3,800	Δ 2.1	3,671	0.2	2,547	Δ 21.7
3Q Fiscal 2015	11,221	1.1	3,881	4.4	3,663	9.7	3,253	53.0

Note: Comprehensive Income: December 31, 2016: 4,364 millions of yen(12.4%) December 31, 2015: 3,884 millions of yen (18.9 %)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
3Q Fiscal 2016	47.22	47.20
3Q Fiscal 2015	60.28	—

Note: Diluted Net Income per Share is not provided, because there are no potential shares of common stock during 3Q Fiscal 2015.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
3Q Fiscal 2016	110,721	58,009	52.4
Fiscal 2015	111,418	54,556	49.0

Reference: Shareholders' Equity: December 31, 2016: 57,991 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	Δ 3.6	4,700	Δ 8.2	4,500	Δ 5.9	3,100	Δ 14.1	57.52

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: 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)

3Q Fiscal 2016	53,998,798 shares	Fiscal 2015	53,998,798 shares
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( ii )Number of treasury stock at the end of the period

3Q Fiscal 2016	103,536 shares	Fiscal 2015	24,280 shares
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( iii )Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)

3Q Fiscal 2016	53,939,383 shares	3Q Fiscal 2015	53,974,875 shares
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#### \* 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)	3Q of Current Fiscal Year (As of Dec. 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	16,552,616	12,000,822
Notes and accounts receivable - trade	258,186	245,721
Other	285,145	227,670
Total current assets	17,095,949	12,474,214
Non-current assets		
Property, plant and equipment		
Buildings and structures	65,629,201	66,697,753
Accumulated depreciation	(31,976,751)	(33,422,576)
Buildings and structures, net	33,652,449	33,275,176
Land	32,438,542	34,370,129
Buildings in trust	3,412,201	3,412,201
Accumulated depreciation	(409,526)	(620,996)
Buildings in trust, net	3,002,674	2,791,205
Land in trust	11,038,280	11,038,280
Construction in progress	—	1,800
Other	704,844	709,104
Accumulated depreciation	(570,679)	(590,676)
Other, net	134,165	118,427
Total property, plant and equipment	80,266,112	81,595,018
Intangible assets	60,597	51,595
Investments and other assets		
Investment securities	11,364,573	13,944,744
Other	2,631,291	2,656,198
Total investments and other assets	13,995,864	16,600,943
Total non-current assets	94,322,573	98,247,557
Total assets	111,418,523	110,721,771

( Thousands of yen)

	Previous Fiscal Year (As of Mar. 31, 2016)	3Q of Current Fiscal Year (As of Dec. 31, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	111,740	2,460
Current portion of bonds	7,000,000	5,000,000
Short-term loans payable	5,548,000	5,402,990
Income taxes payable	1,294,254	3,725
Provision	26,862	—
Other	1,893,515	1,541,760
Total current liabilities	15,874,372	11,950,936
Non-current liabilities		
Bonds payable	20,000,000	20,000,000
Long-term loans payable	12,558,350	11,399,200
Provision	175,960	—
Net defined benefit liability	67,972	53,156
Asset retirement obligations	—	112,997
Other	8,185,004	9,195,924
Total non-current liabilities	40,987,287	40,761,278
Total liabilities	56,861,659	52,712,215
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,827,611	9,827,611
Capital surplus	9,786,450	9,786,466
Retained earnings	35,162,337	36,819,664
Treasury shares	(9,931)	(50,127)
Total shareholders' equity	54,766,467	56,383,614
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,628,818	6,445,973
Revaluation reserve for land	(4,838,422)	(4,838,422)
Total accumulated other comprehensive income	(209,604)	1,607,550
Subscription rights to shares	—	18,390
Total net assets	54,556,863	58,009,556
Total liabilities and net assets	111,418,523	110,721,771

## (2) Consolidated Statements of Income

(Thousands of yen)

	3Q of Previous Fiscal Year (As of Dec. 31, 2015)	3Q of Current Fiscal Year (As of Dec. 31, 2016)
Net sales	11,221,141	10,749,408
Cost of sales	6,495,269	5,986,289
Gross profit	4,725,871	4,763,119
Selling, general and administrative expenses	844,383	962,365
Operating income	3,881,488	3,800,753
Non-operating income		
Interest income	2,363	1,226
Dividend income	220,684	234,915
Other	7,559	16,225
Total non-operating income	230,607	252,367
Non-operating expenses		
Interest expenses	218,544	155,997
Interest on bonds	193,067	185,932
Bond issuance cost	30,720	33,220
Other	5,768	6,098
Total non-operating expenses	448,100	381,248
Ordinary income	3,663,996	3,671,872
Extraordinary income		
Gain on sales of non-current assets	1,205,242	1,222
Compensation income	—	37,714
Other	—	391
Total extraordinary income	1,205,242	39,329
Extraordinary losses		
Loss on retirement of non-current assets	11,444	1,759
Cotribution for facilities relocation	—	31,300
Other	924	—
Total extraordinary losses	12,368	33,059
Profit before income taxes	4,856,869	3,678,142
Income taxes - current	1,575,304	957,560
Income taxes - deferred	28,001	173,309
Total income taxes	1,603,306	1,130,869
Profit	3,253,563	2,547,272
Profit attributable to owners of parent	3,253,563	2,547,272