



Consolidated Financial Results for the Three Months Ended June 30, 2018 [Japanese GAAP]

July 27, 2018

Company name: Keihanshin Building Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 8818
 URL: <http://www.keihanshin.co.jp/english/>
 Representative: Koichi Minami, President
 Contact: Toshiki Tabuchi, Operating Officer, General Manager (Accounting Dept)
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 Scheduled date of filing quarterly securities report: August 03, 2018
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2018 (April 01, 2018 to June 30, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2018	3,690	2.6	1,435	11.0	1,471	10.8	1,205	29.7
June 30, 2017	3,598	0.3	1,293	0.1	1,327	2.3	929	2.5

(Note) Comprehensive income: Three months ended June 30, 2018: ¥ 2,120 million [48.2%]
 Three months ended June 30, 2017: ¥ 1,431 million [104.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	22.39	22.33
June 30, 2017	17.25	17.22

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2018	123,955	63,847	51.5
March 31, 2018	122,964	62,227	50.5

(Reference) Equity: As of June 30, 2018: ¥ 63,776 million
 As of March 31, 2018: ¥ 62,157 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	-	8.50	-	9.50	18.00
Fiscal year ending March 31, 2019	-				
Fiscal year ending March 31, 2019 (Forecast)		10.00	-	10.00	20.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,700	(0.7)	5,300	0.0	5,100	1.1	3,700	3.2	68.71

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2018
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2018: 53,998,798 shares

March 31, 2018: 53,998,798 shares

2) Total number of treasury shares at the end of the period:

June 30, 2018: 152,786 shares

March 31, 2018: 170,656 shares

3) Average number of shares during the period:

Three months ended June 30, 2018: 53,828,139 shares

Three months ended June 30, 2017: 53,895,217 shares

*This summary is not subject to quarterly review procedures by a certified public accountant or audit firm.

*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.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2018	As of June 30,2018
Assets		
Current assets		
Cash and deposits	7,051,250	7,182,920
Notes and accounts receivable - trade	277,141	286,311
Other	131,112	369,458
Total current assets	7,459,503	7,838,690
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,053,033	66,251,792
Accumulated depreciation	(35,908,170)	(35,832,279)
Buildings and structures, net	31,144,862	30,419,512
Land	52,666,594	52,670,723
Buildings in trust	3,353,264	3,343,060
Accumulated depreciation	(913,857)	(946,993)
Buildings in trust, net	2,439,406	2,396,066
Land in trust	11,038,280	11,038,280
Construction in progress	156,649	173,924
Other	728,735	731,701
Accumulated depreciation	(630,978)	(635,443)
Other, net	97,757	96,257
Total property, plant and equipment	97,543,549	96,794,765
Intangible assets	30,655	73,910
Investments and other assets		
Investment securities	15,289,699	16,616,977
Other	2,640,869	2,631,253
Total investments and other assets	17,930,569	19,248,231
Total non-current assets	115,504,774	116,116,907
Total assets	122,964,278	123,955,597

(Thousand yen)

	As of March 31,2018	As of June 30,2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,836	2,193
Current portion of bonds	5,000,000	5,000,000
Short-term loans payable	5,042,800	5,049,175
Income taxes payable	975,179	443,486
Provision	29,046	-
Other	1,620,689	1,849,514
Total current liabilities	12,691,551	12,344,369
Non-current liabilities		
Bonds payable	25,000,000	25,000,000
Long-term loans payable	13,209,750	12,546,425
Net defined benefit liability	56,567	59,210
Asset retirement obligations	113,457	113,549
Other	9,665,797	10,044,957
Total non-current liabilities	48,045,572	47,764,142
Total liabilities	60,737,124	60,108,512
Net assets		
Shareholders' equity		
Capital stock	9,827,611	9,827,611
Capital surplus	9,786,472	9,786,093
Retained earnings	40,187,902	40,802,154
Treasury shares	(97,244)	(87,073)
Total shareholders' equity	59,704,742	60,328,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,329,172	8,244,551
Revaluation reserve for land	(4,876,010)	(4,796,520)
Total accumulated other comprehensive income	2,453,162	3,448,030
Share acquisition rights	69,249	70,268
Total net assets	62,227,153	63,847,085
Total liabilities and net assets	122,964,278	123,955,597

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2017	For the three months ended June 30,2018
Net sales	3,598,763	3,690,816
Cost of sales	1,988,080	1,931,527
Gross profit	1,610,682	1,759,289
Selling, general and administrative expenses	317,453	324,004
Operating profit	1,293,229	1,435,284
Non-operating income		
Interest income	104	99
Dividend income	142,303	145,631
Other	2,910	2,416
Total non-operating income	145,318	148,147
Non-operating expenses		
Interest expenses	50,431	45,545
Interest on bonds	58,204	64,764
Other	1,982	2,109
Total non-operating expenses	110,617	112,420
Ordinary profit	1,327,929	1,471,011
Extraordinary income		
Gain on sales of non-current assets	-	264,597
Total extraordinary income	-	264,597
Extraordinary losses		
Loss on retirement of non-current assets	1,005	52
Total extraordinary losses	1,005	52
Profit before income taxes	1,326,923	1,735,556
Income taxes - current	388,474	439,749
Income taxes - deferred	8,956	90,697
Total income taxes	397,430	530,447
Profit	929,493	1,205,109
Profit attributable to owners of parent	929,493	1,205,109

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2017	For the three months ended June 30,2018
Profit	929,493	1,205,109
Other comprehensive income		
Valuation difference on available-for-sale securities	501,734	915,378
Total other comprehensive income	501,734	915,378
Comprehensive income	1,431,227	2,120,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,431,227	2,120,487
Comprehensive income attributable to non-controlling interests	-	-