



Consolidated Financial Results for the Six Months Ended September 30, 2018 [Japanese GAAP]

October 26, 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
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 Scheduled date of filing quarterly securities report: November 02, 2018
 Scheduled date of commencing dividend payments: December 05, 2018
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2018 (April 01, 2018 to September 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	%
Six months ended September 30, 2018	7,387	1.2	2,714	1.8	2,618	4.0	2,205	26.2
September 30, 2017	7,303	1.6	2,666	5.2	2,517	4.5	1,747	4.5

(Note) Comprehensive income: Six months ended September 30, 2018: ¥ 3,830 million [56.8%]

Six months ended September 30, 2017: ¥ 2,443 million [16.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	40.97	40.87
September 30, 2017	32.42	32.37

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2018	125,646	65,526	52.1
March 31, 2018	122,964	62,227	50.5

(Reference) Equity: As of September 30, 2018: ¥ 65,447 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	-	10.00			
Fiscal year ending March 31, 2019 (Forecast)			-	13.00	23.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of year-end dividend for the fiscal year ending March 31, 2019 (Forecast):

Commemorative dividend 3.00 yen
Ordinary dividend 10.00 yen

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	68.77

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 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:

September 30, 2018: 195,674 shares

March 31, 2018: 170,656 shares

3) Average number of shares during the period:

Six months ended September 30, 2018: 53,830,079 shares

Six months ended September 30, 2017: 53,884,253 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 September 30,2018
Assets		
Current assets		
Cash and deposits	7,051,250	6,974,478
Notes and accounts receivable - trade	277,141	312,877
Other	131,112	272,921
Total current assets	7,459,503	7,560,277
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,053,033	65,926,361
Accumulated depreciation	(35,908,170)	(35,843,344)
Buildings and structures, net	31,144,862	30,083,016
Land	52,666,594	52,640,231
Buildings in trust	3,353,264	3,343,060
Accumulated depreciation	(913,857)	(990,333)
Buildings in trust, net	2,439,406	2,352,726
Land in trust	11,038,280	11,038,280
Construction in progress	156,649	1,535,877
Other	728,735	732,221
Accumulated depreciation	(630,978)	(639,408)
Other, net	97,757	92,813
Total property, plant and equipment	97,543,549	97,742,945
Intangible assets	30,655	73,582
Investments and other assets		
Investment securities	15,289,699	17,634,682
Other	2,640,869	2,635,255
Total investments and other assets	17,930,569	20,269,937
Total non-current assets	115,504,774	118,086,465
Total assets	122,964,278	125,646,743

(Thousand yen)

	As of March 31,2018	As of September 30,2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,836	2,388
Current portion of bonds	5,000,000	-
Short-term loans payable	5,042,800	5,042,150
Income taxes payable	975,179	931,312
Provision	29,046	33,396
Other	1,620,689	1,796,908
Total current liabilities	12,691,551	7,806,156
Non-current liabilities		
Bonds payable	25,000,000	30,000,000
Long-term loans payable	13,209,750	11,924,000
Net defined benefit liability	56,567	62,459
Asset retirement obligations	113,457	113,642
Other	9,665,797	10,214,272
Total non-current liabilities	48,045,572	52,314,374
Total liabilities	60,737,124	60,120,531
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	41,774,560
Treasury shares	(97,244)	(126,737)
Total shareholders' equity	59,704,742	61,261,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,329,172	8,954,372
Revaluation reserve for land	(4,876,010)	(4,768,378)
Total accumulated other comprehensive income	2,453,162	4,185,994
Share acquisition rights	69,249	78,688
Total net assets	62,227,153	65,526,211
Total liabilities and net assets	122,964,278	125,646,743

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Net sales	7,303,624	7,387,781
Cost of sales	4,008,374	4,026,322
Gross profit	3,295,249	3,361,458
Selling, general and administrative expenses	629,177	646,660
Operating profit	2,666,072	2,714,798
Non-operating income		
Interest income	208	221
Dividend income	146,953	150,591
Other	5,926	5,081
Total non-operating income	153,088	155,894
Non-operating expenses		
Interest expenses	103,710	89,549
Interest on bonds	129,066	124,774
Bond issuance cost	63,940	33,220
Other	4,700	4,567
Total non-operating expenses	301,417	252,112
Ordinary profit	2,517,743	2,618,580
Extraordinary income		
Gain on sales of non-current assets	-	523,812
Compensation income	-	2,200
Total extraordinary income	-	526,012
Extraordinary losses		
Loss on retirement of non-current assets	1,453	7,936
Total extraordinary losses	1,453	7,936
Profit before income taxes	2,516,290	3,136,656
Income taxes - current	778,694	883,116
Income taxes - deferred	(9,465)	47,882
Total income taxes	769,228	930,999
Profit	1,747,061	2,205,657
Profit attributable to owners of parent	1,747,061	2,205,657

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

(Thousand yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Profit	1,747,061	2,205,657
Other comprehensive income		
Valuation difference on available-for-sale securities	695,994	1,625,199
Total other comprehensive income	695,994	1,625,199
Comprehensive income	2,443,056	3,830,856
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,443,056	3,830,856
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Cash flows from operating activities		
Profit before income taxes	2,516,290	3,136,656
Depreciation	1,234,979	1,117,510
Share-based compensation expenses	20,017	19,243
Increase (decrease) in net defined benefit liability	3,161	5,892
Increase (decrease) in provision for bonuses	720	4,350
Interest and dividend income	(147,161)	(150,813)
Interest expenses	103,710	89,549
Interest on bonds	129,066	124,774
Bond issuance cost	63,940	33,220
Loss (gain) on sales of property, plant and equipment	-	(523,812)
Loss on retirement of property, plant and equipment	1,453	7,936
Compensation income	-	(2,200)
Decrease (increase) in operating receivables	(143,269)	(182,021)
Increase (decrease) in operating debt	(4,986)	(234,692)
Increase (decrease) in accrued consumption taxes	135,604	(67,997)
Other, net	3,184	3,184
Subtotal	3,916,711	3,380,782
Interest and dividend income received	147,161	150,813
Interest expenses paid	(218,577)	(220,395)
Income taxes paid	(361,009)	(926,860)
Net cash provided by (used in) operating activities	3,484,287	2,384,339
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,723,560)	(1,712,343)
Proceeds from sales of property, plant and equipment	-	1,228,543
Purchase of intangible assets	-	(49,742)
Purchase of investment securities	(100,000)	-
Payments for long-term accounts payable-other	(42,270)	(42,300)
Other, net	1,555	1,555
Net cash provided by (used in) investing activities	(10,864,275)	(574,287)
Cash flows from financing activities		
Proceeds from long-term loans payable	3,000,000	-
Repayments of long-term loans payable	(1,414,400)	(1,286,400)
Proceeds from issuance of bonds	10,000,000	5,000,000
Redemption of bonds	-	(5,000,000)
Payments for issuance of bonds	(90,900)	(49,400)
Proceeds from sales of treasury shares	35	-
Purchase of treasury shares	(46,862)	(39,692)
Cash dividends paid	(485,239)	(511,348)
Other, net	-	17
Net cash provided by (used in) financing activities	10,962,632	(1,886,824)
Net increase (decrease) in cash and cash equivalents	3,582,643	(76,771)
Cash and cash equivalents at beginning of period	7,202,140	7,051,250
Cash and cash equivalents at end of period	10,784,784	6,974,478