



Consolidated Financial Results for the Year Ended March 31, 2019 [Japanese GAAP]

May 09, 2019

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)
 Phone: 06-6202-7331
 Scheduled date of Annual General Meeting of Shareholders: June 18, 2019
 Scheduled date of commencing dividend payments: June 19, 2019
 Scheduled date of filing annual securities report: June 21, 2019
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

(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	%
Fiscal year ended March 31, 2019	14,995	1.3	5,451	2.9	5,214	3.4	3,998	11.5
March 31, 2018	14,799	2.9	5,298	6.6	5,044	6.4	3,585	9.6

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥ 4,054 million [(6.0) %]
 Fiscal year ended March 31, 2018: ¥ 4,312 million [(17.2) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	74.63	74.41	6.3	4.1	36.4
March 31, 2018	66.58	66.43	5.9	4.3	35.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: ¥ - million
 Fiscal year ended March 31, 2018: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	132,780	64,228	48.3	1,217.26
March 31, 2018	122,964	62,227	50.5	1,154.75

(Reference) Equity: As of March 31, 2019: ¥ 64,133 million
 As of March 31, 2018: ¥ 62,157 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2019	5,259	(1,619)	5,227	15,918
March 31, 2018	6,884	(11,249)	4,213	7,051

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2018	-	8.50	-	9.50	18.00	968	27.0	1.6
March 31, 2019	-	10.00	-	13.00	23.00	1,222	30.8	1.9
Fiscal year ending March 31, 2020 (Forecast)	-	11.50	-	11.50	23.00		34.6	

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

Commemorative dividend	3.00 yen
Ordinary dividend	10.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 01, 2019 to March 31, 2020)

(% 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	15,200	1.4	5,500	0.9	5,300	1.6	3,500	(12.5)	66.43

* Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

March 31, 2019: 53,998,798 shares

March 31, 2018: 53,998,798 shares

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

March 31, 2019: 1,312,174 shares

March 31, 2018: 170,656 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2019: 53,572,647 shares

Fiscal Year ended March 31, 2018: 53,856,353 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	14,548	0.8	5,279	2.6	5,153	3.1	3,992	11.3
March 31, 2018	14,427	2.8	5,143	7.1	5,000	6.7	3,586	9.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2019	74.52	74.31
March 31, 2018	66.60	66.46

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2019	132,410	63,901	48.2	1,211.04
March 31, 2018	122,612	61,905	50.4	1,148.77

(Reference) Equity: As of March 31, 2019: ¥ 63,805 million
As of March 31, 2018: ¥ 61,836 million

* This summary is not subject to 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2018	As of March 31,2019
Assets		
Current assets		
Cash and deposits	7,051,250	15,918,547
Notes and accounts receivable - trade	277,141	473,037
Other	131,112	128,934
Total current assets	7,459,503	16,520,519
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,053,033	65,973,619
Accumulated depreciation	(35,908,170)	(36,788,019)
Buildings and structures, net	31,144,862	29,185,600
Land	52,666,594	52,640,231
Buildings in trust	3,353,264	3,343,060
Accumulated depreciation	(913,857)	(1,077,013)
Buildings in trust, net	2,439,406	2,266,046
Land in trust	11,038,280	11,038,280
Construction in progress	156,649	3,118,301
Other	728,735	791,084
Accumulated depreciation	(630,978)	(638,642)
Other, net	97,757	152,441
Total property, plant and equipment	97,543,549	98,400,902
Intangible assets	30,655	79,357
Investments and other assets		
Investment securities	15,289,699	15,104,819
Leasehold and guarantee deposits	2,198,807	2,192,699
Deferred tax assets	12,468	13,289
Other	429,593	468,760
Total investments and other assets	17,930,569	17,779,568
Total non-current assets	115,504,774	116,259,828
Total assets	122,964,278	132,780,347

(Thousand yen)

	As of March 31,2018	As of March 31,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,836	7,746
Current portion of bonds	5,000,000	5,000,000
Short-term loans payable	5,042,800	4,422,900
Income taxes payable	975,179	1,006,190
Provision for bonuses	29,046	33,990
Other	1,620,689	2,007,542
Total current liabilities	12,691,551	12,478,369
Non-current liabilities		
Bonds payable	25,000,000	35,000,000
Long-term loans payable	13,209,750	11,286,850
Long-term leasehold and guarantee deposits	5,760,411	5,634,743
Deferred tax liabilities	2,606,493	2,674,052
Deferred tax liabilities for land revaluation	1,179,493	1,214,541
Retirement benefit liability	56,567	66,704
Asset retirement obligations	113,457	113,827
Other	119,400	82,400
Total non-current liabilities	48,045,572	56,073,119
Total liabilities	60,737,124	68,551,488
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	43,029,004
Treasury shares	(97,244)	(1,126,658)
Total shareholders' equity	59,704,742	61,516,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,329,172	7,385,655
Revaluation reserve for land	(4,876,010)	(4,768,378)
Total accumulated other comprehensive income	2,453,162	2,617,277
Share acquisition rights	69,249	95,530
Total net assets	62,227,153	64,228,858
Total liabilities and net assets	122,964,278	132,780,347

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	14,799,922	14,995,099
Cost of sales	8,233,783	8,224,683
Gross profit	6,566,139	6,770,416
Selling, general and administrative expenses	1,267,812	1,318,820
Operating profit	5,298,326	5,451,595
Non-operating income		
Interest income	333	629
Dividend income	267,130	282,021
Other	11,461	20,936
Total non-operating income	278,925	303,587
Non-operating expenses		
Interest expenses	200,612	170,948
Interest on bonds	259,253	260,982
Bond issuance cost	63,940	97,161
Other	9,312	11,383
Total non-operating expenses	533,119	540,476
Ordinary profit	5,044,133	5,214,706
Extraordinary income		
Gain on sales of non-current assets	-	523,812
Gain on sales of investment securities	130,738	138,927
Compensation income	-	2,200
Total extraordinary income	130,738	664,940
Extraordinary losses		
Loss on retirement of non-current assets	12,323	9,032
Loss on valuation of investment securities	-	87,822
Total extraordinary losses	12,323	96,854
Profit before income taxes	5,162,548	5,782,792
Income taxes - current	1,594,056	1,742,993
Income taxes - deferred	(17,181)	41,667
Total income taxes	1,576,874	1,784,660
Profit	3,585,673	3,998,131
Profit attributable to owners of parent	3,585,673	3,998,131

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Profit	3,585,673	3,998,131
Other comprehensive income		
Valuation difference on available-for-sale securities	764,221	56,482
Revaluation reserve for land	(37,587)	-
Total other comprehensive income	726,634	56,482
Comprehensive income	4,312,307	4,054,614
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,312,307	4,054,614
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2018

(Thousand yen)

	Shareholders' 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			Share acquisition rights	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

For the fiscal year ended March 31,2019

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,827,611	9,786,472	40,187,902	(97,244)	59,704,742
Changes of items during period					
Dividends of surplus			(1,049,398)		(1,049,398)
Profit attributable to owners of parent			3,998,131		3,998,131
Reversal of revaluation reserve for land			(107,631)		(107,631)
Purchase of treasury shares				(1,039,614)	(1,039,614)
Disposal of treasury shares		(378)		10,200	9,821
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(378)	2,841,101	(1,029,414)	1,811,308
Balance at end of current period	9,827,611	9,786,093	43,029,004	(1,126,658)	61,516,050

	Accumulated other comprehensive income			Share acquisition rights	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	7,329,172	(4,876,010)	2,453,162	69,249	62,227,153
Changes of items during period					
Dividends of surplus					(1,049,398)
Profit attributable to owners of parent					3,998,131
Reversal of revaluation reserve for land					(107,631)
Purchase of treasury shares					(1,039,614)
Disposal of treasury shares					9,821
Net changes of items other than shareholders' equity	56,482	107,631	164,114	26,281	190,396
Total changes of items during period	56,482	107,631	164,114	26,281	2,001,704
Balance at end of current period	7,385,655	(4,768,378)	2,617,277	95,530	64,228,858

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	5,162,548	5,782,792
Depreciation	2,433,381	2,210,187
Share-based compensation expenses	41,662	36,085
Increase (decrease) in retirement benefit liability	1,448	10,136
Increase (decrease) in provision for bonuses	(2,238)	4,943
Interest and dividend income	(267,463)	(282,650)
Interest expenses	200,612	170,948
Interest on bonds	259,253	260,982
Bond issuance cost	63,940	97,161
Loss (gain) on sales of investment securities	(130,738)	(138,927)
Loss (gain) on valuation of investment securities	-	87,822
Loss (gain) on sales of property, plant and equipment	-	(523,812)
Loss on retirement of property, plant and equipment	12,323	9,032
Compensation income	-	(2,200)
Decrease (increase) in operating receivables	(42,221)	(233,238)
Increase (decrease) in operating debt	220,733	(214,533)
Increase (decrease) in accrued consumption taxes	161,649	(177,123)
Other, net	6,368	7,201
Subtotal	8,121,261	7,104,807
Interest and dividend income received	267,463	282,650
Interest expenses paid	(463,120)	(416,709)
Income taxes paid	(1,041,101)	(1,711,575)
Net cash provided by (used in) operating activities	6,884,503	5,259,173
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,246,549)	(3,096,908)
Proceeds from sales of property, plant and equipment	-	1,228,543
Purchase of intangible assets	(1,771)	(61,722)
Purchase of investment securities	(100,000)	-
Proceeds from sales of investment securities	182,250	351,033
Payments for long-term accounts payable-other	(84,540)	(42,300)
Other, net	1,555	1,555
Net cash provided by (used in) investing activities	(11,249,054)	(1,619,799)

(Thousand yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term loans payable	3,000,000	-
Repayments of long-term loans payable	(2,705,800)	(2,542,800)
Proceeds from issuance of bonds	10,000,000	15,000,000
Redemption of bonds	(5,000,000)	(5,000,000)
Payments for issuance of bonds	(90,900)	(140,314)
Proceeds from sales of treasury shares	35	-
Purchase of treasury shares	(47,100)	(1,039,614)
Cash dividends paid	(942,572)	(1,049,365)
Other, net	-	17
Net cash provided by (used in) financing activities	4,213,661	5,227,922
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(150,889)	8,867,296
Cash and cash equivalents at beginning of period	7,202,140	7,051,250
Cash and cash equivalents at end of period	7,051,250	15,918,547