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Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]

January 25, 2022

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 filing quarterly securities report: January 28, 2022
 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 Nine Months Ended December 31, 2021 (April 01, 2021 to December 31, 2021)

(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	%
Nine months ended December 31, 2021	13,323	16.0	3,776	(8.8)	3,648	(9.8)	3,412	(14.7)
December 31, 2020	11,481	0.1	4,140	(1.5)	4,046	(1.6)	4,000	22.2

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 3,282 million [(55.3)%]

Nine months ended December 31, 2020: ¥ 7,350 million [107.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	67.47	67.23
December 31, 2020	76.97	76.70

(Reference) Ordinary income after tax before depreciation: Nine months ended December 31, 2021: ¥ 5,305 million [18.3%]

Nine months ended December 31, 2020: ¥ 4,485 million [(0.1)%]

The Company has positioned ordinary income after tax before depreciation as an important management indicator.

Ordinary income after tax before depreciation = (ordinary profit × (1-effective tax rate) + depreciation)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2021	149,458	69,912	46.7
March 31, 2021	154,043	70,539	45.7

(Reference) Equity: As of December 31, 2021: ¥ 69,792 million

As of March 31, 2021: ¥ 70,419 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, 2021	-	13.50	-	17.50	31.00
Fiscal year ending March 31, 2022	-	15.50	-		
Fiscal year ending March 31, 2022 (Forecast)				20.50	36.00

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

(Note) Breakdown of the year-end dividend for the fiscal year ending March 31, 2022 :

Ordinary dividend 17.50 yen Special dividend 3.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	17,600	14.8	5,100	(3.7)	4,900	(3.6)	4,900	(40.6)	97.71

(Note) Revision to the financial results forecast announced most recently: Yes

(Reference) Ordinary income after tax before depreciation: ¥ 7,000 million [20.8 %]

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2021

(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: Yes

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):

December 31, 2021: 50,309,498 shares

March 31, 2021: 52,184,498 shares

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

December 31, 2021: 161,597 shares

March 31, 2021: 481,029 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 50,577,908 shares

Nine months ended December 31, 2020: 51,979,509 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 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 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	21,550,649	5,802,182
Notes and accounts receivable - trade	331,797	383,355
Other	720,947	2,558,106
Total current assets	22,603,394	8,743,644
Non-current assets		
Property, plant and equipment		
Buildings and structures	70,499,470	102,070,056
Accumulated depreciation	(39,354,505)	(41,896,095)
Buildings and structures, net	31,144,965	60,173,961
Land	52,424,697	52,941,954
Buildings in trust	3,343,060	3,343,060
Accumulated depreciation	(1,418,331)	(1,544,299)
Buildings in trust, net	1,924,729	1,798,760
Land in trust	11,038,280	11,038,280
Construction in progress	19,990,264	61,840
Other	932,810	1,028,737
Accumulated depreciation	(689,991)	(723,073)
Other, net	242,818	305,664
Total property, plant and equipment	116,765,755	126,320,461
Intangible assets	125,912	120,740
Investments and other assets		
Investment securities	11,910,639	11,595,551
Other	2,637,680	2,678,171
Total investments and other assets	14,548,320	14,273,723
Total non-current assets	131,439,988	140,714,925
Total assets	154,043,383	149,458,569

(Thousand yen)

	As of March 31,2021	As of December 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,533	82
Short-term borrowings	4,285,200	4,099,925
Income taxes payable	3,043,744	23,120
Provisions	38,609	-
Other	2,207,845	3,084,919
Total current liabilities	9,578,931	7,208,047
Non-current liabilities		
Bonds payable	45,000,000	45,000,000
Long-term borrowings	17,359,950	16,177,700
Retirement benefit liability	63,770	65,438
Asset retirement obligations	114,570	114,850
Other	11,386,470	10,980,334
Total non-current liabilities	73,924,761	72,338,324
Total liabilities	83,503,692	79,546,371
Net assets		
Shareholders' equity		
Share capital	9,827,611	9,827,611
Capital surplus	9,199,840	9,199,840
Retained earnings	50,938,631	49,975,302
Treasury shares	(697,656)	(232,034)
Total shareholders' equity	69,268,426	68,770,719
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,683,794	5,554,009
Revaluation reserve for land	(4,532,546)	(4,532,546)
Total accumulated other comprehensive income	1,151,248	1,021,462
Share acquisition rights	120,015	120,015
Total net assets	70,539,690	69,912,198
Total liabilities and net assets	154,043,383	149,458,569

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Net sales	11,481,178	13,323,396
Cost of sales	6,227,114	8,429,619
Gross profit	5,254,063	4,893,776
Selling, general and administrative expenses	1,113,699	1,116,838
Operating profit	4,140,363	3,776,938
Non-operating income		
Interest income	418	396
Dividend income	284,887	255,084
Other	8,952	9,222
Total non-operating income	294,257	264,703
Non-operating expenses		
Interest expenses	121,237	125,778
Interest on bonds	225,004	253,395
Bond issuance costs	33,220	-
Other	8,546	14,183
Total non-operating expenses	388,008	393,358
Ordinary profit	4,046,613	3,648,283
Extraordinary income		
Gain on sale of non-current assets	803,567	-
Gain on sale of investment securities	924,525	1,257,193
Contribution for construction	-	20,300
Total extraordinary income	1,728,092	1,277,493
Extraordinary losses		
Loss on retirement of non-current assets	9,605	3,676
Loss on sale of non-current assets	-	317
Total extraordinary losses	9,605	3,994
Profit before income taxes	5,765,100	4,921,782
Income taxes - current	1,699,506	1,523,096
Income taxes - deferred	64,682	(13,554)
Total income taxes	1,764,189	1,509,541
Profit	4,000,911	3,412,241
Profit attributable to owners of parent	4,000,911	3,412,241

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

(Thousand yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	4,000,911	3,412,241
Other comprehensive income		
Valuation difference on available-for-sale securities	3,350,061	(129,785)
Total other comprehensive income	3,350,061	(129,785)
Comprehensive income	7,350,972	3,282,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,350,972	3,282,455
Comprehensive income attributable to non-controlling interests	-	-