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Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 13, 2021

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, 2021
 Scheduled date of commencing dividend payments: June 21, 2021
 Scheduled date of filing annual securities report: June 25, 2021
 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, 2021 (April 01, 2020 to March 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	%
Fiscal year ended March 31, 2021	15,333	0.1	5,295	(2.2)	5,081	(2.6)	8,251	110.6
March 31, 2020	15,319	2.2	5,414	(0.7)	5,214	0.0	3,919	(2.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 8,091 million [230.3%]
 Fiscal year ended March 31, 2020: ¥ 2,449 million [(39.6)%]

	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, 2021	158.80	158.25	12.3	3.5	34.5
March 31, 2020	74.63	74.37	6.1	3.9	35.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ - million

Fiscal year ended March 31, 2020: ¥ - million

Ordinary income after tax before depreciation: Fiscal year ended March 31, 2021: ¥ 5,796 million [(0.1)%]

Fiscal year ended March 31, 2020: ¥ 5,802 million [(0.5)%]

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	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	154,043	70,539	45.7	1,361.99
March 31, 2020	136,605	64,377	47.0	1,236.50

(Reference) Equity: As of March 31, 2021: ¥ 70,419 million

As of March 31, 2020: ¥ 64,256 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	7,693	(5,566)	6,219	21,550
March 31, 2020	6,693	(9,705)	298	13,205

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, 2020	-	11.50	-	15.50	27.00	1,411	36.2	2.2
March 31, 2021	-	13.50	-	17.50	31.00	1,606	19.5	2.4
Fiscal year ending								
March 31, 2022 (Forecast)	-	15.50	-	15.50	31.00		48.6	

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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	17,600	14.8	5,100	(3.7)	4,900	(3.6)	3,300	(60.0)	63.83

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

* 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, 2021: 52,184,498 shares

March 31, 2020: 52,882,298 shares

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

March 31, 2021: 481,029 shares

March 31, 2020: 916,057 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 51,964,295 shares

Fiscal Year ended March 31, 2020: 52,516,869 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(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, 2021	15,034	0.5	5,157	(2.0)	5,034	(2.7)	8,248	110.1
March 31, 2020	14,954	2.8	5,263	(0.3)	5,174	0.4	3,926	(1.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2021	158.73	158.18
March 31, 2020	74.77	74.51

(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, 2021	153,682	70,216	45.6	1,355.74
March 31, 2020	136,200	64,057	46.9	1,230.35

(Reference) Equity: As of March 31, 2021: ¥ 70,096 million

As of March 31, 2020: ¥ 63,936 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 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 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	13,205,088	21,550,649
Notes and accounts receivable - trade	408,750	331,797
Other	129,071	720,947
Total current assets	13,742,910	22,603,394
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,041,896	70,499,470
Accumulated depreciation	(38,143,867)	(39,354,505)
Buildings and structures, net	28,898,029	31,144,965
Land	52,664,231	52,424,697
Buildings in trust	3,343,060	3,343,060
Accumulated depreciation	(1,250,372)	(1,418,331)
Buildings in trust, net	2,092,687	1,924,729
Land in trust	11,038,280	11,038,280
Construction in progress	12,614,237	19,990,264
Other	811,357	932,810
Accumulated depreciation	(658,187)	(689,991)
Other, net	153,170	242,818
Total property, plant and equipment	107,460,636	116,765,755
Intangible assets	116,323	125,912
Investments and other assets		
Investment securities	12,629,349	11,910,639
Leasehold and guarantee deposits	2,193,232	2,193,646
Deferred tax assets	12,111	12,668
Other	450,550	431,365
Total investments and other assets	15,285,244	14,548,320
Total non-current assets	122,862,203	131,439,988
Total assets	136,605,113	154,043,383

(Thousand yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,356	3,533
Short-term borrowings	4,146,000	4,285,200
Income taxes payable	1,013,600	3,043,744
Provision for bonuses	32,972	38,609
Other	3,177,760	2,207,845
Total current liabilities	8,378,689	9,578,931
Non-current liabilities		
Bonds payable	40,000,000	45,000,000
Long-term borrowings	14,255,950	17,359,950
Long-term leasehold and guarantee deposits received	6,212,865	7,867,733
Deferred tax liabilities	1,971,127	1,759,638
Deferred tax liabilities for land revaluation	1,142,377	1,214,541
Retirement benefit liability	75,349	63,770
Asset retirement obligations	114,198	114,570
Other	76,800	544,556
Total non-current liabilities	63,848,668	73,924,761
Total liabilities	72,227,357	83,503,692
Net assets		
Shareholders' equity		
Share capital	9,827,611	9,827,611
Capital surplus	9,199,840	9,199,840
Retained earnings	45,281,222	50,938,631
Treasury shares	(1,200,452)	(697,656)
Total shareholders' equity	63,108,221	69,268,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,844,230	5,683,794
Revaluation reserve for land	(4,696,213)	(4,532,546)
Total accumulated other comprehensive income	1,148,016	1,151,248
Share acquisition rights	121,518	120,015
Total net assets	64,377,755	70,539,690
Total liabilities and net assets	136,605,113	154,043,383

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	15,319,075	15,333,960
Cost of sales	8,487,813	8,491,012
Gross profit	6,831,262	6,842,947
Selling, general and administrative expenses	1,416,881	1,547,429
Operating profit	5,414,380	5,295,518
Non-operating income		
Interest income	1,124	498
Dividend income	301,475	290,777
Other	9,064	12,268
Total non-operating income	311,664	303,544
Non-operating expenses		
Interest expenses	164,979	164,380
Interest on bonds	295,755	307,208
Bond issuance costs	35,720	33,220
Other	14,661	12,589
Total non-operating expenses	511,116	517,398
Ordinary profit	5,214,928	5,081,663
Extraordinary income		
Gain on sale of non-current assets	1,833	803,567
Gain on sale of investment securities	696,084	6,032,219
Other	-	1,320
Total extraordinary income	697,917	6,837,107
Extraordinary losses		
Loss on retirement of non-current assets	23,778	12,767
Loss on valuation of investment securities	147,080	-
Total extraordinary losses	170,858	12,767
Profit before income taxes	5,741,987	11,906,003
Income taxes - current	1,826,083	3,735,434
Income taxes - deferred	(3,188)	(81,235)
Total income taxes	1,822,895	3,654,199
Profit	3,919,092	8,251,804
Profit attributable to owners of parent	3,919,092	8,251,804

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	3,919,092	8,251,804
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,541,425)	(160,435)
Revaluation reserve for land	72,164	-
Total other comprehensive income	(1,469,261)	(160,435)
Comprehensive income	2,449,830	8,091,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,449,830	8,091,368
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,827,611	9,786,093	43,029,004	(1,126,658)	61,516,050
Changes during period					
Dividends of surplus			(1,290,563)		(1,290,563)
Profit attributable to owners of parent			3,919,092		3,919,092
Purchase of treasury shares				(1,046,095)	(1,046,095)
Disposal of treasury shares		(3,913)		13,652	9,738
Cancellation of treasury shares		(958,649)		958,649	-
Transfer from retained earnings to capital surplus		376,309	(376,309)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(586,253)	2,252,218	(73,794)	1,592,171
Balance at end of period	9,827,611	9,199,840	45,281,222	(1,200,452)	63,108,221

	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 period	7,385,655	(4,768,378)	2,617,277	95,530	64,228,858
Changes during period					
Dividends of surplus					(1,290,563)
Profit attributable to owners of parent					3,919,092
Purchase of treasury shares					(1,046,095)
Disposal of treasury shares					9,738
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(1,541,425)	72,164	(1,469,261)	25,987	(1,443,273)
Total changes during period	(1,541,425)	72,164	(1,469,261)	25,987	148,897
Balance at end of period	5,844,230	(4,696,213)	1,148,016	121,518	64,377,755

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,827,611	9,199,840	45,281,222	(1,200,452)	63,108,221
Changes during period					
Dividends of surplus			(1,507,194)		(1,507,194)
Profit attributable to owners of parent			8,251,804		8,251,804
Reversal of revaluation reserve for land			(163,667)		(163,667)
Purchase of treasury shares				(467,991)	(467,991)
Disposal of treasury shares		(9,097)		56,351	47,253
Cancellation of treasury shares		(914,436)		914,436	-
Transfer from retained earnings to capital surplus		923,534	(923,534)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,657,408	502,795	6,160,204
Balance at end of period	9,827,611	9,199,840	50,938,631	(697,656)	69,268,426

	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 period	5,844,230	(4,696,213)	1,148,016	121,518	64,377,755
Changes during period					
Dividends of surplus					(1,507,194)
Profit attributable to owners of parent					8,251,804
Reversal of revaluation reserve for land					(163,667)
Purchase of treasury shares					(467,991)
Disposal of treasury shares					47,253
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(160,435)	163,667	3,232	(1,502)	1,729
Total changes during period	(160,435)	163,667	3,232	(1,502)	6,161,934
Balance at end of period	5,683,794	(4,532,546)	1,151,248	120,015	70,539,690

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit before income taxes	5,741,987	11,906,003
Depreciation	2,183,777	2,270,205
Share-based payment expenses	35,709	36,575
Increase (decrease) in retirement benefit liability	8,645	(11,579)
Increase (decrease) in provision for bonuses	(1,018)	5,637
Interest and dividend income	(302,600)	(291,275)
Interest expenses	164,979	164,380
Interest expenses on bonds	295,755	307,208
Bond issuance costs	35,720	33,220
Loss (gain) on sale of investment securities	(696,084)	(6,032,219)
Loss (gain) on valuation of investment securities	147,080	-
Loss (gain) on sale of property, plant and equipment	(1,833)	(803,567)
Loss on retirement of property, plant and equipment	23,778	12,767
Other extraordinary loss (income)	-	(1,320)
Decrease (increase) in trade receivables	79,020	(494,685)
Increase (decrease) in trade payables	845,904	2,571,092
Increase (decrease) in accrued consumption taxes	105,742	(50,656)
Other, net	9,149	8,686
Subtotal	8,675,715	9,630,472
Interest and dividends received	302,600	291,275
Interest paid	(463,894)	(454,246)
Income taxes paid	(1,821,043)	(1,774,394)
Net cash provided by (used in) operating activities	6,693,378	7,693,107
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,432,128)	(13,344,906)
Proceeds from sales of property, plant and equipment	1,833	1,269,467
Purchase of intangible assets	(59,850)	(23,084)
Proceeds from sales of investment securities	784,490	6,530,292
Other, net	-	1,555
Net cash provided by (used in) investing activities	(9,705,655)	(5,566,675)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,000,000	5,000,000
Repayments of long-term borrowings	(2,307,800)	(1,756,800)
Proceeds from issuance of bonds	5,000,000	5,000,000
Redemption of bonds	(5,000,000)	-
Payments for issuance of bonds	(57,695)	(49,703)
Purchase of treasury shares	(1,046,095)	(467,991)
Dividends paid	(1,289,606)	(1,506,390)
Other, net	15	15
Net cash provided by (used in) financing activities	298,818	6,219,129
Net increase (decrease) in cash and cash equivalents	(2,713,458)	8,345,561
Cash and cash equivalents at beginning of period	15,918,547	13,205,088
Cash and cash equivalents at end of period	13,205,088	21,550,649