

The information below is an English translation of the Consolidated Financial Report for the year ended March 31, 2018.

Consolidated Financial Report [J-GAAP] (Financial Report for the Year Ended March 31, 2018)

May 9, 2018

Stock Exchange Listed: Tokyo

Name of Listed Company: Keihan Holdings Co., Ltd.
 Code: 9045 URL: <https://www.keihan-holdings.co.jp/>
 Representative: Yoshifumi Kato, Representative Director, President, CEO & COO
 Contact: Norio Shirono, General Manager, Accounting & Finance, Corporate Management Office
 Tel.: +81-6-6944-2527

Annual General Meeting of Shareholders: June 19, 2018
 Commencement of payment of year-end dividends: June 20, 2018
 Scheduled submission date of the Securities Report: June 19, 2018
 Support documentation of FY2018 financial results: Yes (in Japanese only)
 Holding of investors meeting for FY2018 financial results: Yes (for analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results

(The percentages indicate the rates of change from the same period of the previous year.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2018	322,276	6.4	31,458	(2.7)	29,630	(2.3)	22,712	0.3
Year ended March 31, 2017	302,917	0.9	32,343	2.6	30,335	6.6	22,636	1.1

(Note) Comprehensive income: Year ended March 31, 2018: ¥23,359 million (up 21.1%)

Year ended March 31, 2017: ¥19,294 million (down 5.5%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2018	211.87	211.85	10.8	4.3	9.8
Year ended March 31, 2017	211.01	211.00	11.6	4.5	10.7

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2018: ¥(59)million Year ended March 31, 2017: ¥(16) million

(Note) Keihan Holdings Co., Ltd. has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2017. Earnings per share and diluted earnings per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	699,207	223,559	31.5	2,055.87
As of March 31, 2017	679,631	203,455	29.5	1,870.99

(Reference) Shareholders' equity: March 31, 2018: ¥220,375 million March 31, 2017: ¥200,570 million

(Note) Keihan Holdings Co., Ltd. has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2017. Book-value per share has been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2018	44,438	(32,603)	(9,858)	20,300
Year ended March 31, 2017	38,569	(29,597)	(20,020)	18,324

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2017	—	3.00	—	3.00	6.00	3,216	14.2	1.7
Year ended March 31, 2018	—	3.00	—	20.00	—	3,751	16.5	1.8
Year ending March 31, 2019 (forecast)	—	17.50	—	17.50	35.00		18.8	

(Note) Keihan Holdings Co., Ltd. has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2017. Consequently, the impact of this consolidation of shares is factored into the figures for the fiscal year-end cash dividends per share for the fiscal year ended March 31, 2018, and the total figures for annual cash dividends are omitted. The annual cash dividends per share converted on the basis after the consolidation of shares would be 30 yen for the fiscal year ended March 31, 2017 and 35 yen for the fiscal year ended March 31, 2018.

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(The percentages indicate the rates of change from the same period of the previous year.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	148,000	3.0	15,600	(0.9)	14,700	(1.0)	10,000	(20.2)	93.29
Full year	322,500	0.1	30,000	(4.6)	28,000	(5.5)	20,000	(11.9)	186.58

* Notes

- (1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries entailing a change in the scope of consolidation): None
- (2) Changes in accounting principles, changes in accounting estimates and restatements
- 1) Changes in accounting principles associated with amendment of accounting standards, etc.: None
- 2) Changes in accounting principles other than the above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(3) Number of shares issued (common stock)

1) Number of shares issued
(including treasury shares)

2) Number of treasury shares

3) Average number of shares outstanding

As of March 31, 2018	113,182,703	As of March 31, 2017	113,182,703
As of March 31, 2018	5,989,571	As of March 31, 2017	5,982,507
Year ended March 31, 2018	107,197,343	Year ended March 31, 2017	107,273,490

(Note) Keihan Holdings Co., Ltd. has conducted a consolidation of common shares at a rate of one share for every five shares with an effective date of October 1, 2017. Number of shares issued (including treasury shares), number of treasury shares and average number of shares outstanding have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

* Statement regarding auditing status

This Consolidated Financial Report is exempt from audit procedures under the Financial Instruments and Exchange Act. Audit of consolidated financial statements was under way as of the time this report was disclosed.

* Statement regarding the proper use of financial forecasts and other special remarks

Business forecasts and other forward-looking statements contained in this report are based on information currently available to the Company and on certain assumptions deemed as rational, and are not a guarantee of performance. Actual results may differ materially from forecasts due to various factors.

(How to obtain financial results presentation materials)

The Company will hold an investors meeting for analysts and institutional investors on Tuesday, May 15, 2018. Materials used at the meeting will be posted on the Company website promptly after the meeting (in Japanese only). English translation of the materials will be posted on the Company website at a later date.