

The information below is an English translation of the Consolidated Financial Report for the year ended March 31, 2017.

Consolidated Financial Report [J-GAAP] (Financial Report for the Year Ended March 31, 2017)

April 28, 2017

Stock Exchange Listed: Tokyo

Name of Listed Company: Keihan Holdings Co., Ltd.
 Code: 9045 URL: <http://www.keihan-holdings.co.jp/>
 Representative: Yoshifumi Kato, Representative Director, President, CEO & COO
 Contact: Norio Shirono, General Manager, Accounting & Finance, Corporate Management Office
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Annual General Meeting of Shareholders: June 20, 2017
 Commencement of payment of year-end dividends: June 21, 2017
 Scheduled submission date of the Securities Report: June 20, 2017
 Support documentation of FY2017 financial results: Yes (in Japanese only)
 Holding of investors meeting for FY2017 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, 2017 (April 1, 2016 to March 31, 2017)

(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, 2017	302,917	0.9	32,343	2.6	30,335	6.6	22,636	1.1
Year ended March 31, 2016	300,188	1.8	31,524	7.1	28,461	3.7	22,385	25.3

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

Year ended March 31, 2016: ¥20,409 million (down 22.6%)

	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, 2017	42.20	42.20	11.6	4.5	10.7
Year ended March 31, 2016	39.95	—	11.9	4.3	10.5

(Reference) Equity in earnings (losses) of affiliates: Year ended March 31, 2017: ¥(16)million Year ended March 31, 2016: ¥21 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	679,631	203,455	29.5	374.20
As of March 31, 2016	670,333	191,790	28.2	349.13

(Reference) Shareholders' equity: March 31, 2017: ¥200,570 million March 31, 2016: ¥189,128 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 end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2017	38,569	(29,597)	(20,020)	18,324
Year ended March 31, 2016	36,334	(27,750)	(5,768)	29,372

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	Million yen	%	%
Year ended March 31, 2016	—	3.00	—	3.00	6.00	3,311	15.0	1.8
Year ended March 31, 2017	—	3.00	—	3.00	6.00	3,216	14.2	1.7
Year ending March 31, 2018 (forecast)	—	3.00	—	3.00	6.00		16.9	

(Note) As announced today, April 28, 2017, Keihan Holdings plans to exercise a share consolidation of each 5 shares of common stock into one share effective on October 1, 2017. However, annual dividend per share for the fiscal year ending March 31, 2018, do not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2018(forecast), total annual dividend per share will be ¥30. There will be no change in the payout ratio (consolidated), 16.9%, for the fiscal year ending March 31, 2018.

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	138,000	(2.2)	13,000	(24.9)	12,000	(26.4)	10,000	(17.0)	18.66
Full year	300,000	(1.0)	27,000	(16.5)	24,500	(19.2)	19,000	(16.1)	35.45

(Note) As announced today, April 28, 2017, Keihan Holdings plans to exercise a share consolidation of each 5 shares of common stock into one share effective on October 1, 2017. However, earnings per share in the forecast of consolidated financial results for the year ending March 31, 2018, does not account for the share consolidation. Assuming that the share consolidation is exercised at the beginning of the fiscal year ending March 31, 2018, earnings per share will be as follows:

Six months ending September 30, 2017: ¥93.28; Fiscal year ending March 31, 2018: ¥177.24

* 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.: Yes

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, 2017	565,913,515	As of March 31, 2016	565,913,515
As of March 31, 2017	29,912,535	As of March 31, 2016	24,193,867
Year ended March 31, 2017	536,367,450	Year ended March 31, 2016	560,357,916

* 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 Friday, May 11, 2017. 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.