



Consolidated Financial Results for the Fiscal Year Ended March 31, 2015

Prepared in Conformity with Generally Accepted Accounting Principles in Japan

English translation from the original Japanese-Language document

April 27, 2015

Name of listed company : **PanaHome Corporation**
 Listed stock exchanges : Tokyo Stock Exchange
 Code number : 1924
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Date of the ordinary general meeting of shareholders : Scheduled for June 24, 2015
 Payment of dividends : Scheduled for May 28, 2015
 Filing Date of annual securities report : Scheduled for June 24, 2015
 Supplemental materials for financial results : Yes
 Briefing session for financial results : Yes (for securities analysts and institutional investors)

(Amounts less than one million yen are rounded off)

1. Consolidated Results for the fiscal year ended March, 2015 (April 1, 2014 - March 31, 2015)

(1) Consolidated Financial Results

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	325,622	0.4	12,759	(10.3)	13,003	(12.3)	7,995	(10.4)
March 31, 2014	324,458	12.1	14,222	28.3	14,834	27.7	8,925	21.7

Note: Comprehensive income

Fiscal year ended March 31, 2015 9,177 million yen [4.1%]

Fiscal year ended March 31, 2014 8,815 million yen [15.7%]

	Net income per share -Basic	Net income per share - diluted	Return on equity (ROE)	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2015	47.60	—	6.1	5.3	3.9
March 31, 2014	53.13	—	7.0	6.3	4.4

Reference: Equity in earnings of affiliated companies

Fiscal year ended March 31, 2015 105 million yen

Fiscal year ended March 31, 2014 385 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2015	246,747	135,165	54.7	803.60
March 31, 2014	245,861	129,080	52.4	767.28

Reference: Net assets excluding minority interests March 31, 2015 134,965 million yen

March 31, 2014 128,885 million yen

(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 year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	6,598	(2,914)	(3,786)	62,335
March 31, 2014	27,125	(12,970)	(2,788)	62,322

2. Cash Dividends

	Annual dividends per share					Total amount of dividends (annual)	Dividends payout ratio (consolidated)	Ratio of dividends to total equity (consolidated)
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Year-end	Annual			
Fiscal year ended March 31, 2014	Yen —	Yen 7.50	Yen —	Yen 12.50	Yen 20.00	Millions of yen 3,360	% 37.6	% 2.6
March 31, 2015	—	10.00	—	10.00	20.00	3,359	42.0	2.5
Fiscal year ending March 31, 2016 (forecast)	—	10.00	—	10.00	20.00		32.6	

Note: Cash dividends for the fiscal year ended 2014 comprised ¥7.50 per share as an ordinary dividend and ¥5.00 per share as the 50th anniversary commemorative dividend.

3. Forecast of Consolidated Results for the Fiscal Year ending March 31, 2016 (April 1, 2015 through March 31, 2016)

(% of change from the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	157,000	3.0	4,500	1.8	4,600	1.9	2,700	2.4	16.08
Full year	345,000	6.0	17,100	34.0	17,200	32.3	10,300	28.8	61.33

Notes

- (1) Changes in significant subsidiaries (changes in the scope of consolidation affecting specified subsidiaries): None

Scope of consolidation and application of the equity method:

Consolidated subsidiaries : 17 New: — Excluded: —

Equity-method affiliates : 13 New: — Excluded: —

- (2) Changes in accounting policies, changes in accounting estimates and restatement

1) Changes in accounting policies due to revision of accounting standards : Yes

2) Changes in accounting policies other than (2)-1) above : None

3) Changes in accounting estimates : None

4) Restatement : None

- (3) Number of issued and outstanding shares (common stock)

- 1) Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

March 31, 2015 168,563, 533

March 31, 2014 168,563, 533

- 2) Number of treasury stock at the end of fiscal year

March 31, 2015 611,183

March 31, 2014 587,809

- 3) Average number of shares

Fiscal year ended March 31, 2015 167,965,600

Fiscal year ended March 31, 2014 167,993,379

* Status of audit procedures

As of the time of disclosure of this document, audit procedures pursuant to the Financial Instruments and Exchange Act had not been completed.

* Appropriate use of business forecasts, other items

Forecasts of future performance and other forward-looking statements herein are based on information currently available and reasonable assumptions. Actual results may differ materially from these statements as a consequence of various factors.

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Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2014	March 31, 2015
Assets		
Current assets		
Cash and cash equivalents	17,831	17,876
Notes receivable, accounts receivable from completed construction contracts and other	6,630	5,308
Costs on uncompleted construction contracts	11,893	6,776
Real estate for sale in process	55,429	59,292
Merchandise and finished goods	1,020	845
Work in process	48	42
Raw materials and supplies	150	157
Deposit paid in subsidiaries and associates	85,000	85,000
Deferred tax assets	2,925	2,548
Other	3,034	3,875
Allowance for doubtful accounts	(11)	(22)
Total current assets	183,954	181,702
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	15,165	14,433
Machinery, equipment and vehicles, net	2,337	2,823
Land	20,736	20,220
Lease assets, net	85	82
Construction in progress	102	221
Other, net	453	416
Total property, plant and equipment	38,881	38,197
Intangible assets	3,513	3,852
Investments and other assets		
Investment securities	8,398	8,590
Long-term loans receivable	2,176	1,867
Net defined benefit asset	2,839	6,101
Deferred tax assets	2,944	1,656
Other	3,566	5,124
Allowance for doubtful accounts	(413)	(345)
Total Investments and other assets	19,511	22,995
Total noncurrent assets	61,906	65,045
Total assets	245,861	246,747

(Millions of yen)

	March 31, 2014	March 31, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	43,813	44,267
Short-term loans payable	94	355
Lease obligations	35	43
Accrued income taxes	3,586	3,242
Advances received on uncompleted construction contracts	31,608	24,695
Provision for bonuses	2,911	2,931
Provision for warranties for completed construction	1,393	1,283
Provision for sales rebates	6	7
Other	14,503	16,251
Total current liabilities	97,953	93,078
Noncurrent liabilities		
Long-term loans payable	824	613
Lease obligations	52	45
Deferred tax liabilities for land revaluation	1,804	1,580
Net defined benefit liability	7,517	7,671
Asset retirement obligations	637	634
Other	7,990	7,958
Total noncurrent liabilities	18,827	18,503
Total liabilities	116,780	111,582
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	31,985	31,985
Retained earnings	79,627	84,578
Treasury stock	(314)	(332)
Total shareholders' equity	139,674	144,607
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	348	401
Revaluation reserve for land	(6,416)	(6,280)
Foreign currency translation adjustments	14	50
Remeasurements of defined benefit plans	(4,735)	(3,812)
Total accumulated other comprehensive income	(10,789)	(9,641)
Minority interests	195	199
Total net assets	129,080	135,165
Total liabilities and net assets	245,861	246,747

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Net sales	324,458	325,622
Cost of sales	248,568	252,952
Gross profit	75,890	72,670
Selling, general and administrative expenses	61,667	59,910
Operating income	14,222	12,759
Non-operating income		
Interest income	219	236
Dividend income	24	24
Equity in earnings of affiliates	385	105
Rebate income	96	70
Other	320	237
Total non-operating income	1,046	674
Non-operating expenses		
Interest expenses	83	73
Bad debt expenses	–	159
Other	349	198
Total non-operating expenses	433	430
Ordinary income	14,834	13,003
Extraordinary income		
Gain on sales of noncurrent assets	18	68
Total extraordinary income	18	68
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	100	67
Impairment loss	231	97
Total extraordinary losses	332	164
Income before income taxes and minority interests	14,520	12,907
Income taxes–current	5,410	4,495
Income taxes–deferred	176	411
Total income taxes	5,586	4,906
Income before minority interests	8,933	8,000
Minority interests in income	7	4
Net income	8,925	7,995

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Income before minority interests	8,933	8,000
Other comprehensive income		
Valuation difference on available-for-sale securities	(127)	25
Revaluation reserve for land	–	165
Foreign currency translation adjustments	3	36
Remeasurements of defined benefit plans, net of tax	–	922
Share of other comprehensive income of entities accounted for using equity method	5	27
Total other comprehensive income	(117)	1,176
Comprehensive income	8,815	9,177
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	8,807	9,172
Comprehensive income attributable to minority interests	7	4

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	28,375	31,984	73,338	(293)	133,405
Cumulative effects of changes in accounting policies					-
Restated balance	28,375	31,984	73,338	(293)	133,405
Changes of items during period					
Dividends of surplus			(2,520)		(2,520)
Net income			8,925		8,925
Reversal of revaluation reserve for land			(116)		(116)
Purchase of treasury stock				(21)	(21)
Disposal of treasury stock		0		1	1
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	6,288	(20)	6,269
Balance at end of the period	28,375	31,985	79,627	(314)	139,674

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	470	(6,533)	10	-	(6,052)	187	127,540
Cumulative effects of changes in accounting policies							-
Restated balance	470	(6,533)	10	-	(6,052)	187	127,540
Changes of items during period							
Dividends of surplus							(2,520)
Net income							8,925
Reversal of revaluation reserve for land							(116)
Purchase of treasury stock							(21)
Disposal of treasury stock							1
Net changes of items other than shareholders' equity	(121)	116	3	(4,735)	(4,736)	7	(4,728)
Total changes of items during the period	(121)	116	3	(4,735)	(4,736)	7	1,540
Balance at end of the period	348	(6,416)	14	(4,735)	(10,789)	195	129,080

Fiscal Year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	28,375	31,985	79,627	(314)	139,674
Cumulative effects of changes in accounting policies			705		705
Restated balance	28,375	31,985	80,333	(314)	140,380
Changes of items during period					
Dividends of surplus			(3,780)		(3,780)
Net income			7,995		7,995
Reversal of revaluation reserve for land			29		29
Purchase of treasury stock				(19)	(19)
Disposal of treasury stock		0		0	1
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	4,245	(18)	4,227
Balance at end of the period	28,375	31,985	84,578	(332)	144,607

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	348	(6,416)	14	(4,735)	(10,789)	195	129,080
Cumulative effects of changes in accounting policies							705
Restated balance	348	(6,416)	14	(4,735)	(10,789)	195	129,786
Changes of items during period							
Dividends of surplus							(3,780)
Net income							7,995
Reversal of revaluation reserve for land							29
Purchase of treasury stock							(19)
Disposal of treasury stock							1
Net changes of items other than shareholders' equity	52	136	36	922	1,147	4	1,151
Total changes of items during the period	52	136	36	922	1,147	4	5,379
Balance at end of the period	401	(6,280)	50	(3,812)	(9,641)	199	135,165

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	14,520	12,907
Depreciation	3,967	3,976
Impairment loss	231	97
Increase (decrease) in provision for bonuses	287	19
Increase (decrease) in provision for retirement benefits	2,766	–
Increase (decrease) in net defined benefit liability	(2,678)	(283)
Increase (decrease) in provision for warranties for completed construction	(220)	(110)
Interest and dividend income	(243)	(260)
Interest expenses	83	73
Equity in (earnings) losses of affiliates	(385)	(105)
Loss on sales and retirement of noncurrent assets	100	67
Decrease (increase) in notes and accounts receivable - trade	(2,569)	1,312
Decrease (increase) in inventories	(4,897)	1,459
Increase (decrease) in notes and accounts payable - trade	7,103	372
Increase (decrease) in advances received on uncompleted construction contracts	12,033	(6,930)
Other, net	2,149	(1,375)
Subtotal	32,248	11,220
Interest and dividend income received	272	302
Interest expenses paid	(84)	(77)
Income taxes paid	(5,311)	(4,847)
Net cash provided by operating activities	27,125	6,598
Cash flows from investing activities		
Payments for time deposits	(1,018)	(1,051)
Proceeds from withdrawal of time deposits	508	1,020
Purchase of property, plant and equipment	(1,959)	(2,645)
Proceeds from sales of property, plant and equipment	146	402
Purchase of intangible assets	(1,014)	(868)
Collection of loans receivable	398	305
Deposit paid in subsidiaries and associates	(75,000)	(80,000)
Withdrawal of deposit paid in subsidiaries and associates	65,000	80,000
Other, net	(33)	(77)
Net cash used in investing activities	(12,970)	(2,914)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	93	258
Repayments of long-term loans payable	(249)	(211)
Purchase of treasury stock	(21)	(19)
Cash dividends paid	(2,520)	(3,779)
Repayments of finance lease obligations	(91)	(36)
Other, net	1	1
Net cash used in financing activities	(2,788)	(3,786)
Effect of exchange rate change on cash and cash equivalents	7	116
Net increase (decrease) in cash and cash equivalents	11,373	13
Cash and cash equivalents at the beginning of the period	50,948	62,322
Cash and cash equivalents at the end of the period	62,322	62,335

Orders and Sales

1. Orders

	Category	Fiscal Year ended March 31, 2014		Fiscal Year ended March 31, 2015		YoY
		Millions of yen	Composition	Millions of yen	Composition	
Orders	Custom-built detached housing	130,664	37.4%	119,651	38.1%	91.6%
	Apartments	57,521	16.5%	52,492	16.7%	91.3%
	Housing materials	21,592	6.2%	19,251	6.1%	89.2%
	Custom-Built Housing	209,778	60.1%	191,394	60.9%	91.2%
	Property development	51,749	14.8%	40,102	12.8%	77.5%
	Condominium development	15,223	4.4%	9,853	3.1%	64.7%
	Urban Development	66,972	19.2%	49,955	15.9%	74.6%
	Home remodeling	42,816	12.2%	40,490	12.9%	94.6%
	Property management services	25,435	7.3%	28,015	8.9%	110.1%
	Residential Stock	68,251	19.5%	68,505	21.8%	100.4%
	Overseas	4,160	1.2%	4,557	1.4%	109.5%
	Total	349,163	100.0%	314,413	100.0%	90.0%

	Category	March 31, 2014		March 31, 2015		YoY
		Millions of yen	Composition	Millions of yen	Composition	
Backlog of orders	Custom-built detached housing	92,836	49.7%	93,145	53.1%	100.3%
	Apartments	56,563	30.3%	53,102	30.2%	93.9%
	Housing materials	10,821	5.8%	10,714	6.1%	99.0%
	Custom-Built Housing	160,221	85.8%	156,963	89.4%	98.0%
	Property development	11,958	6.4%	7,376	4.2%	61.7%
	Condominium development	4,888	2.6%	1,340	0.8%	27.4%
	Urban Development	16,847	9.0%	8,716	5.0%	51.7%
	Home remodeling	5,861	3.1%	5,079	2.9%	86.7%
	Property management services	–	–	–	–	–
	Residential Stock	5,861	3.1%	5,079	2.9%	86.7%
	Overseas	3,835	2.1%	4,797	2.7%	125.1%
	Total	186,766	100.0%	175,557	100.0%	94.0%

2. Sales

	Category	Fiscal Year ended March 31, 2014		Fiscal Year ended March 31, 2015		YoY
		Millions of yen	Composition	Millions of yen	Composition	
Sales	Custom-built detached housing	125,195	38.6%	119,342	36.7%	95.3%
	Apartments	42,763	13.2%	55,953	17.2%	130.8%
	Housing materials	22,271	6.8%	19,357	5.9%	86.9%
	Custom-Built Housing	190,231	58.6%	194,653	59.8%	102.3%
	Property development	49,131	15.2%	44,685	13.7%	91.0%
	Condominium development	15,656	4.8%	13,401	4.1%	85.6%
	Urban Development	64,787	20.0%	58,086	17.8%	89.7%
	Home remodeling	42,326	13.1%	41,272	12.7%	97.5%
	Property management services	25,435	7.8%	28,015	8.6%	110.1%
	Residential Stock	67,762	20.9%	69,287	21.3%	102.3%
	Overseas	1,676	0.5%	3,595	1.1%	214.4%
	Total	324,458	100.0%	325,622	100.0%	100.4%

Notes:

- Effective from the fiscal year ended March 31, 2015, the Company has reorganized its operations into four business segments: Custom-Built Housing, Urban Development, Residential Stock and Overseas. Figures for previous fiscal years have been restated to conform to the new segmentation.
- Figures are calculated based on sales prices exclusive of consumption tax and others.