



Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2016
(April 1, 2015 through June 30, 2015)
Prepared in Conformity with Generally Accepted Accounting Principles in Japan
English translation from the original Japanese-Language document

July 28, 2015

Name of listed company : **PanaHome Corporation**
Listed stock exchanges : Tokyo Stock Exchange
Code number : 1924
URL : <http://www.panahome.jp>
Representative : Yasuteru Fujii
Contact person : Kouji Kitano, Executive Senior Councilor
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Filing Date of quarterly securities report : Scheduled for August 10, 2015
Payment of dividends : -
Supplemental materials for financial results : Yes
Briefing session for financial results : None

(Amounts less than one million yen are rounded off)

1. Consolidated Results for the three months ended June 30, 2015 (April 1, 2015 through June 30, 2015)

(1) Consolidated Financial Results (% of change from the corresponding period of the previous fiscal year)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|----------------------------------|-----------------|-------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2015 | 64,351 | (7.3) | (1,654) | — | (1,907) | — | (1,454) | — |
| June 30, 2014 | 69,446 | 14.4 | 178 | — | (16) | — | (267) | — |

Note: Comprehensive income

Three months ended June 30, 2015 (1,237) million yen [—%]
Three months ended June 30, 2014 (71) million yen [—%]

| | Net income per share -Basic | Net income per share - diluted |
|--------------------|-----------------------------|--------------------------------|
| Three months ended | Yen | Yen |
| June 30, 2015 | (8.66) | — |
| June 30, 2014 | (1.59) | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| June 30, 2015 | 248,912 | 132,514 | 53.1 | 786.32 |
| March 31, 2015 | 246,747 | 135,165 | 54.7 | 803.60 |

Reference: Net assets excluding non-controlling interests
June 30, 2015 132,050 million yen
March 31, 2015 134,965 million yen

2. Cash Dividends

| | Annual dividends per share | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|----------|--------|
| | End of 1 st quarter | End of 2 nd quarter | End of 3 rd quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2015 | — | 10.00 | — | 10.00 | 20.00 |
| Fiscal year ending March 31, 2016 | — | | | | |
| Fiscal year ending March 31, 2016 (forecast) | | 10.00 | — | 10.00 | 20.00 |

Note: Revision of the dividend forecast most recently announced: None

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 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 |

Note: Revision of the consolidated results forecast most recently announced: None

Notes

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

Scope of consolidation and application of the equity method:

New: — Excluded: —

- (2) Adoption of accounting treatment specific to preparation of quarterly consolidated financial statements: Yes

- (3) 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

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

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

June 30, 2015 168,563, 533

March 31, 2015 168,563, 533

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

June 30, 2015 628,207

March 31, 2015 611,183

- 3) Average number of shares

Three months ended June 30, 2015 167,948,956

Three months ended June 30, 2014 167,974,752

* Status of quarterly review procedures

This quarterly financial results is out of the scope of the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. The quarterly review procedures for the financial statements under this Act have not been completed as of the time of disclosure of this document.

* 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.

Contents of the Attachment Document

Quarterly Consolidated Financial Statements4
 (1) Quarterly Consolidated Balance Sheets4
 (2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income6
 Quarterly Consolidated Statements of Income.....6
 Quarterly Consolidated Statements of Comprehensive Income.....7
Orders and Sales.....8

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | March 31, 2015 | June 30, 2015 |
|---|----------------|---------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 17,876 | 22,042 |
| Notes receivable, accounts receivable from completed construction contracts and other | 5,308 | 4,722 |
| Costs on uncompleted construction contracts | 6,776 | 13,805 |
| Real estate for sale in process | 59,292 | 66,595 |
| Merchandise and finished goods | 845 | 1,241 |
| Work in process | 42 | 84 |
| Raw materials and supplies | 157 | 167 |
| Deposit paid in subsidiaries and associates | 85,000 | 69,000 |
| Other | 6,424 | 7,027 |
| Allowance for doubtful accounts | (22) | (10) |
| Total current assets | 181,702 | 184,676 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Land | 20,220 | 20,744 |
| Other, net | 17,977 | 18,709 |
| Total property, plant and equipment | 38,197 | 39,454 |
| Intangible assets | 3,852 | 3,725 |
| Investments and other assets | | |
| Investment securities | 8,590 | 7,011 |
| Other | 14,750 | 14,464 |
| Allowance for doubtful accounts | (345) | (419) |
| Total Investments and other assets | 22,995 | 21,056 |
| Total noncurrent assets | 65,045 | 64,236 |
| Total assets | 246,747 | 248,912 |

(Millions of yen)

| | March 31, 2015 | June 30, 2015 |
|--|----------------|---------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 44,267 | 38,091 |
| Short-term loans payable | 355 | 518 |
| Accrued income taxes | 3,242 | 229 |
| Advances received on uncompleted construction contracts | 24,695 | 38,233 |
| Provision for bonuses | 2,931 | 1,186 |
| Provision for warranties for completed construction | 1,283 | 1,315 |
| Provision for sales rebates | 7 | 43 |
| Other | 16,294 | 17,236 |
| Total current liabilities | 93,078 | 96,855 |
| Noncurrent liabilities | | |
| Long-term loans payable | 613 | 613 |
| Net defined benefit liability | 7,671 | 8,262 |
| Asset retirement obligations | 634 | 714 |
| Other | 9,584 | 9,952 |
| Total noncurrent liabilities | 18,503 | 19,543 |
| Total liabilities | 111,582 | 116,398 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 28,375 | 28,375 |
| Capital surplus | 31,985 | 31,996 |
| Retained earnings | 84,578 | 81,427 |
| Treasury stock | (332) | (343) |
| Total shareholders' equity | 144,607 | 141,456 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 401 | 399 |
| Revaluation reserve for land | (6,280) | (6,263) |
| Foreign currency translation adjustments | 50 | 98 |
| Remeasurements of defined benefit plans | (3,812) | (3,640) |
| Total accumulated other comprehensive income | (9,641) | (9,406) |
| Non-controlling interests | 199 | 463 |
| Total net assets | 135,165 | 132,514 |
| Total liabilities and net assets | 246,747 | 248,912 |

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

(Millions of yen)

| | Three months ended June 30, 2014 | Three months ended June 30, 2015 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 69,446 | 64,351 |
| Cost of sales | 54,554 | 50,593 |
| Gross profit | 14,892 | 13,758 |
| Selling, general and administrative expenses | 14,714 | 15,412 |
| Operating income (loss) | 178 | (1,654) |
| Non-operating income | | |
| Interest income | 60 | 52 |
| Dividend income | 7 | 11 |
| Other | 66 | 66 |
| Total non-operating income | 133 | 130 |
| Non-operating expenses | | |
| Interest expenses | 22 | 22 |
| Equity in losses of affiliates | 254 | 320 |
| Other | 50 | 40 |
| Total non-operating expenses | 328 | 383 |
| Ordinary loss | (16) | (1,907) |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | – | 0 |
| Gain on sales of investment securities | – | 64 |
| Gain on bargain purchase | – | 228 |
| Total extraordinary income | – | 292 |
| Extraordinary losses | | |
| Loss on sales and retirement of noncurrent assets | 3 | 5 |
| Impairment loss | 45 | – |
| Loss on step acquisitions | – | 250 |
| Total extraordinary losses | 49 | 255 |
| Income (loss) before income taxes and minority interests | (66) | (1,870) |
| Income taxes | 200 | (414) |
| Net loss | (266) | (1,456) |
| Income (loss) attributable to non-controlling interests | 1 | (2) |
| Net loss attributable to owners of parent | (267) | (1,454) |

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | Three months ended June 30, 2014 | Three months ended June 30, 2015 |
|--|-------------------------------------|-------------------------------------|
| Net loss | (266) | (1,456) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 25 | (11) |
| Foreign currency translation adjustments | (3) | 48 |
| Remeasurements of defined benefit plans, net of tax | 171 | 171 |
| Share of other comprehensive income of entities accounted for using equity method | 1 | 8 |
| Total other comprehensive income | 194 | 218 |
| Comprehensive income | (71) | (1,237) |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | (73) | (1,235) |
| Comprehensive income attributable to non-controlling interests | 1 | (2) |

Orders and Sales

1. Orders

| | Category | Three months ended June 30, 2014 | | Three months ended June 30, 2015 | | YoY | Fiscal Year ended March 31, 2015 | |
|-----------------|-------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|--------|-------------------------------------|-------------|
| | | Millions of yen | Composition | Millions of yen | Composition | | Millions of yen | Composition |
| Orders | Custom-built detached housing | 29,227 | 39.6% | 29,874 | 32.9% | 102.2% | 119,651 | 38.1% |
| | Apartments | 11,710 | 15.8% | 14,117 | 15.6% | 120.5% | 52,492 | 16.7% |
| | Housing materials | 3,961 | 5.4% | 4,532 | 5.0% | 114.4% | 19,251 | 6.1% |
| | Custom-Built Housing | 44,899 | 60.8% | 48,524 | 53.5% | 108.1% | 191,394 | 60.9% |
| | Property development | 8,729 | 11.8% | 11,745 | 12.9% | 134.6% | 40,102 | 12.8% |
| | Condominium development | 3,387 | 4.6% | 11,257 | 12.4% | 332.3% | 9,853 | 3.1% |
| | Urban Development | 12,116 | 16.4% | 23,003 | 25.3% | 189.9% | 49,955 | 15.9% |
| | Home remodeling | 9,878 | 13.3% | 10,947 | 12.1% | 110.8% | 40,490 | 12.9% |
| | Property management services | 6,782 | 9.2% | 7,531 | 8.3% | 111.0% | 28,015 | 8.9% |
| | Residential Stock | 16,660 | 22.5% | 18,749 | 20.4% | 110.9% | 68,505 | 21.8% |
| Overseas | 223 | 0.3% | 748 | 0.8% | 334.6% | 4,557 | 1.4% | |
| Total | | 73,900 | 100.0% | 90,755 | 100.0% | 122.8% | 314,413 | 100.0% |

| | Category | June 30, 2014 | | June 30, 2015 | | YoY | March 31, 2015 | |
|----------------------|-------------------------------|--------------------|-------------|--------------------|-------------|--------|--------------------|-------------|
| | | Millions of yen | Composition | Millions of yen | Composition | | Millions of yen | Composition |
| Backlog of orders | Custom-built detached housing | 95,260 | 49.8% | 106,126 | 50.2% | 111.4% | 93,145 | 53.1% |
| | Apartments | 57,504 | 30.1% | 65,232 | 30.9% | 113.4% | 53,102 | 30.2% |
| | Housing materials | 10,731 | 5.6% | 8,082 | 3.8% | 75.3% | 10,714 | 6.1% |
| | Custom-Built Housing | 163,496 | 85.5% | 179,441 | 84.9% | 109.8% | 156,963 | 89.4% |
| | Property development | 11,501 | 6.0% | 10,156 | 4.8% | 88.3% | 7,376 | 4.2% |
| | Condominium development | 6,874 | 3.6% | 10,998 | 5.2% | 160.0% | 1,340 | 0.8% |
| | Urban Development | 18,375 | 9.6% | 21,155 | 10.0% | 115.1% | 8,716 | 5.0% |
| | Home remodeling | 5,669 | 3.0% | 6,191 | 2.9% | 109.2% | 5,079 | 2.9% |
| | Property management services | - | - | - | - | - | - | - |
| | Residential Stock | 5,669 | 3.0% | 6,191 | 2.9% | 109.2% | 5,079 | 2.9% |
| Overseas | 3,678 | 1.9% | 4,607 | 2.2% | 125.3% | 4,797 | 2.7% | |
| Total | | 191,220 | 100.0% | 211,396 | 100.0% | 110.6% | 175,557 | 100.0% |

2. Sales

| | Category | Three months ended June 30, 2014 | | Three months ended June 30, 2015 | | YoY | Fiscal Year ended March 31, 2015 | |
|-----------------|-------------------------------|-------------------------------------|-------------|-------------------------------------|-------------|--------|-------------------------------------|-------------|
| | | Millions of yen | Composition | Millions of yen | Composition | | Millions of yen | Composition |
| Sales | Custom-built detached housing | 26,803 | 38.6% | 23,171 | 36.0% | 86.4% | 119,342 | 36.7% |
| | Apartments | 10,769 | 15.5% | 7,275 | 11.3% | 67.6% | 55,953 | 17.2% |
| | Housing materials | 4,050 | 5.8% | 4,093 | 6.4% | 101.1% | 19,357 | 5.9% |
| | Custom-Built Housing | 41,624 | 59.9% | 34,540 | 53.7% | 83.0% | 194,653 | 59.8% |
| | Property development | 9,186 | 13.2% | 9,393 | 14.6% | 102.3% | 44,685 | 13.7% |
| | Condominium development | 1,401 | 2.0% | 1,598 | 2.5% | 114.1% | 13,401 | 4.1% |
| | Urban Development | 10,588 | 15.2% | 10,992 | 17.1% | 103.8% | 58,086 | 17.8% |
| | Home remodeling | 10,070 | 14.5% | 10,348 | 16.1% | 102.8% | 41,272 | 12.7% |
| | Property management services | 6,782 | 9.8% | 7,531 | 11.7% | 111.0% | 28,015 | 8.6% |
| | Residential Stock | 16,853 | 24.3% | 17,880 | 27.8% | 106.1% | 69,287 | 21.3% |
| Overseas | 380 | 0.6% | 938 | 1.4% | 246.5% | 3,595 | 1.1% | |
| Total | | 69,446 | 100.0% | 64,351 | 100.0% | 92.7% | 325,622 | 100.0% |

Notes:

- Owing to the consolidation of an affiliate previously accounted for using the equity method, the figure arrived at by adding orders in the three months ended June 30, 2015, to backlog of orders as of March 31, 2015, and subtracting sales in the three months ended June 30, 2015, differs from actual backlog of orders as of June 30, 2015.
- Figures are calculated based on sales prices exclusive of consumption tax and others.