



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

October 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
Tel +81-6-6834-5111

Filing Date of quarterly securities report : Scheduled for November 11, 2015
Payment of dividends : Scheduled for November 27, 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 Six Months Ended September 30, 2015 (April 1, 2015 through September 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	%
Six months ended September 30, 2015	162,999	6.9	4,739	7.3	4,566	1.2	2,704	2.5
September 30, 2014	152,410	3.3	4,419	(18.2)	4,512	(18.0)	2,637	(20.2)

Note: Comprehensive income

Six months ended September 30, 2015 2,883 million yen [(4.4)%]
Six months ended September 30, 2014 3,017 million yen [(6.6)%]

	Net income per share -Basic	Net income per share - diluted
Six months ended September 30, 2015	Yen 16.10	Yen —
September 30, 2014	15.70	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2015	257,624	136,637	52.8	810.64
March 31, 2015	246,747	135,165	54.7	803.60

Reference: Net assets excluding non-controlling interests
September 30, 2015 136,138 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	—	10.00			
Fiscal year ending March 31, 2016 (forecast)			—	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
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
- (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)

September 30, 2015	168,563, 533
March 31, 2015	168,563, 533
 - 2) Number of treasury stock at the end of fiscal year

September 30, 2015	623,565
March 31, 2015	611,183
 - 3) Average number of shares

Six months ended June 30, 2015	167,940,781
Six months ended June 30, 2014	167,971,159

* 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.

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Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	March 31, 2015	September 30, 2015
Assets		
Current assets		
Cash and cash equivalents	17,876	21,931
Notes receivable, accounts receivable from completed construction contracts and other	5,308	6,093
Costs on uncompleted construction contracts	6,776	9,240
Real estate for sale in process	59,292	64,988
Merchandise and finished goods	845	1,446
Work in process	42	92
Raw materials and supplies	157	183
Deposit paid in subsidiaries and associates	85,000	83,000
Other	6,424	6,471
Allowance for doubtful accounts	(22)	(12)
Total current assets	181,702	193,435
Noncurrent assets		
Property, plant and equipment		
Land	20,220	20,720
Other, net	17,977	18,334
Total property, plant and equipment	38,197	39,055
Intangible assets	3,852	3,634
Investments and other assets		
Investment securities	8,590	6,974
Other	14,750	14,944
Allowance for doubtful accounts	(345)	(418)
Total investments and other assets	22,995	21,499
Total noncurrent assets	65,045	64,189
Total assets	246,747	257,624

(Millions of yen)

	March 31, 2015	September 30, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,267	44,386
Short-term loans payable	355	495
Accrued income taxes	3,242	1,946
Advances received on uncompleted construction contracts	24,695	34,726
Provision for bonuses	2,931	3,291
Provision for warranties for completed construction	1,283	1,334
Provision for sales rebates	7	5
Other	16,294	15,782
Total current liabilities	93,078	101,967
Noncurrent liabilities		
Long-term loans payable	613	–
Net defined benefit liability	7,671	8,244
Asset retirement obligations	634	710
Other	9,584	10,064
Total noncurrent liabilities	18,503	19,020
Total liabilities	111,582	120,987
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	31,985	31,999
Retained earnings	84,578	85,586
Treasury stock	(332)	(345)
Total shareholders' equity	144,607	145,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	401	264
Revaluation reserve for land	(6,280)	(6,263)
Foreign currency translation adjustments	50	(8)
Remeasurements of defined benefit plans	(3,812)	(3,468)
Total accumulated other comprehensive income	(9,641)	(9,476)
Non-controlling interests	199	498
Total net assets	135,165	136,637
Total liabilities and net assets	246,747	257,624

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

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	152,410	162,999
Cost of sales	118,569	125,852
Gross profit	33,840	37,146
Selling, general and administrative expenses	29,421	32,407
Operating income	4,419	4,739
Non-operating income		
Interest income	117	111
Dividend income	13	16
Other	149	159
Total non-operating income	280	286
Non-operating expenses		
Interest expenses	38	37
Equity in losses of affiliates	49	174
Other	99	248
Total non-operating expenses	187	460
Ordinary income	4,512	4,566
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Gain on sales of investment securities	–	71
Gain on bargain purchase	–	228
Total extraordinary income	0	300
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	10	70
Impairment loss	45	–
Loss on step acquisitions	–	250
Total extraordinary losses	56	321
Income before income taxes and minority interests	4,457	4,544
Income taxes	1,816	1,808
Net income	2,641	2,736
Income attributable to non-controlling interests	3	31
Net income attributable to owners of parent	2,637	2,704

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income	2,641	2,736
Other comprehensive income		
Valuation difference on available-for-sale securities	15	(106)
Foreign currency translation adjustments	11	(59)
Remeasurements of defined benefit plans, net of tax	342	343
Share of other comprehensive income of entities accounted for using equity method	7	(30)
Total other comprehensive income	376	147
Comprehensive income	3,017	2,883
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,014	2,852
Comprehensive income attributable to non-controlling interests	3	31

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,457	4,544
Depreciation	1,925	2,157
Impairment loss	45	-
Loss (gain) on step acquisitions	-	250
Gain on bargain purchase	-	(228)
Increase (decrease) in provision for bonuses	(105)	(82)
Interest and dividend income	(131)	(127)
Interest expenses	38	37
Equity in (earnings) losses of affiliates	49	174
Decrease (increase) in notes and accounts receivable - trade	1,855	(891)
Decrease (increase) in inventories	1,984	(6,092)
Increase (decrease) in notes and accounts payable - trade	(4,467)	(1,064)
Increase (decrease) in advances received on uncompleted construction contracts	(1,173)	6,454
Other, net	(2,505)	813
Subtotal	1,972	5,945
Interest and dividend income received	173	160
Interest expenses paid	(43)	(37)
Income taxes paid	(3,421)	(3,058)
Net cash provided by operating activities	(1,319)	3,009
Cash flows from investing activities		
Payments for time deposits	(540)	(1,684)
Proceeds from withdrawal of time deposits	509	1,656
Purchase of property, plant and equipment	(1,335)	(1,309)
Proceeds from sales of property, plant and equipment	35	64
Purchase of intangible assets	(495)	(1,135)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	2,250
Collection of loans receivable	236	61
Deposit paid in subsidiaries and associates	(40,000)	(40,000)
Withdrawal of deposit paid in subsidiaries and associates	40,000	40,000
Other, net	(42)	38
Net cash used in investing activities	(1,632)	(57)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	166	10
Repayments of long-term loans payable	(54)	(613)
Purchase of treasury stock	(9)	(15)
Cash dividends paid	(2,099)	(1,679)
Repayments of finance lease obligations	(17)	(40)
Other, net	(0)	(5)
Net cash used in financing activities	(2,014)	(2,344)
Effect of exchange rate change on cash and cash equivalents	16	(63)
Net increase (decrease) in cash and cash equivalents	(4,949)	544
Cash and cash equivalents at the beginning of the period	62,322	62,335
Cash and cash equivalents at the end of the period	57,372	62,879

Orders and Sales

1. Orders

	Category	Six months ended September 30, 2014		Six months ended September 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	62,760	39.6%	64,065	34.1%	102.1%	119,651	38.1%
	Apartments	26,462	16.7%	34,934	18.6%	132.0%	52,492	16.7%
	Housing materials	9,391	5.9%	7,481	4.0%	79.7%	19,251	6.1%
	Custom-Built Housing	98,614	62.2%	106,481	56.7%	108.0%	191,394	60.9%
	Property development	18,953	11.9%	24,992	13.3%	131.9%	40,102	12.8%
	Condominium development	5,978	3.8%	14,596	7.8%	244.2%	9,853	3.1%
	Urban Development	24,931	15.7%	39,588	21.1%	158.8%	49,955	15.9%
	Home remodeling	20,454	12.9%	22,971	12.2%	112.3%	40,490	12.9%
	Property management services	13,654	8.6%	15,705	8.4%	115.0%	28,015	8.9%
	Residential Stock	34,109	21.5%	38,676	20.6%	113.4%	68,505	21.8%
Overseas	930	0.6%	3,096	1.6%	332.8%	4,557	1.4%	
Total		158,585	100.0%	187,843	100.0%	118.4%	314,413	100.0%

	Category	September 30, 2014		September 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	96,692	50.1%	100,060	47.7%	103.5%	93,145	53.1%
	Apartments	58,863	30.5%	67,374	32.1%	114.5%	53,102	30.2%
	Housing materials	11,334	5.9%	7,592	3.6%	67.0%	10,714	6.1%
	Custom-Built Housing	166,890	86.5%	175,027	83.4%	104.9%	156,963	89.4%
	Property development	10,314	5.4%	10,306	4.9%	99.9%	7,376	4.2%
	Condominium development	6,633	3.4%	12,888	6.1%	194.3%	1,340	0.8%
	Urban Development	16,948	8.8%	23,194	11.0%	136.9%	8,716	5.0%
	Home remodeling	5,609	2.9%	6,021	2.9%	107.3%	5,079	2.9%
	Property management services	-	-	-	-	-	-	-
	Residential Stock	5,609	2.9%	6,021	2.9%	107.3%	5,079	2.9%
Overseas	3,493	1.8%	5,592	2.7%	160.1%	4,797	2.7%	
Total		192,942	100.0%	209,836	100.0%	108.8%	175,557	100.0%

2. Sales

	Category	Six months ended September 30, 2014		Six months ended September 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	58,904	38.6%	63,427	38.9%	107.7%	119,342	36.7%
	Apartments	24,162	15.9%	25,951	15.9%	107.4%	55,953	17.2%
	Housing materials	8,878	5.8%	7,532	4.6%	84.8%	19,357	5.9%
	Custom-Built Housing	91,945	60.3%	96,911	59.4%	105.4%	194,653	59.8%
	Property development	20,597	13.5%	22,490	13.8%	109.2%	44,685	13.7%
	Condominium development	4,233	2.8%	3,048	1.9%	72.0%	13,401	4.1%
	Urban Development	24,831	16.3%	25,538	15.7%	102.9%	58,086	17.8%
	Home remodeling	20,706	13.6%	22,542	13.8%	108.9%	41,272	12.7%
	Property management services	13,654	9.0%	15,705	9.7%	115.0%	28,015	8.6%
	Residential Stock	34,361	22.6%	38,247	23.5%	111.3%	69,287	21.3%
Overseas	1,272	0.8%	2,301	1.4%	180.9%	3,595	1.1%	
Total		152,410	100.0%	162,999	100.0%	106.9%	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 six months ended September 30, 2015, to backlog of orders as of March 31, 2015, and subtracting sales in the six months ended September 30, 2015, differs from actual backlog of orders as of September 30, 2015.
- Figures are calculated based on sales prices exclusive of consumption tax and others.