



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

January 29, 2016

Name of listed company : **PanaHome Corporation**
Listed stock exchanges : Tokyo Stock Exchange
Code number : 1924
URL : <http://www.panahome.jp>
Representative : Yasuteru Fujii
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Filing Date of quarterly securities report : Scheduled for February 9, 2016
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 Nine Months Ended December 31, 2015 (April 1, 2015 through December 31, 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	%
Nine months ended December 31, 2015	243,168	6.8	7,287	23.9	7,019	20.5	4,189	24.6
December 31, 2014	227,614	3.9	5,883	(17.0)	5,825	(19.2)	3,361	(21.3)

Note: Comprehensive income

Nine months ended December 31, 2015 4,571 million yen [17.1%]
Nine months ended December 31, 2014 3,904 million yen [(7.8)%]

	Net income per share -Basic	Net income per share - diluted
Nine months ended December 31, 2015	Yen 24.95	Yen —
December 31, 2014	20.01	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2015	280,091	155,851	51.8	864.73
March 31, 2015	246,747	135,165	54.7	803.60

Reference: Net assets excluding non-controlling interests
December 31, 2015 145,214 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 (3)-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)

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

December 31, 2015	631,988
March 31, 2015	611,183
 - 3) Average number of shares

Nine months ended December 31, 2015	167,939,810
Nine months ended December 31, 2014	167,968,262

* 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	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	17,876	22,206
Notes receivable, accounts receivable from completed construction contracts and other	5,308	4,673
Costs on uncompleted construction contracts	6,776	14,516
Real estate for sale in process	59,292	70,743
Merchandise and finished goods	845	1,362
Work in process	42	74
Raw materials and supplies	157	190
Deposit paid in subsidiaries and associates	85,000	95,000
Other	6,424	6,931
Allowance for doubtful accounts	(22)	(13)
Total current assets	181,702	215,686
Noncurrent assets		
Property, plant and equipment		
Land	20,220	20,742
Other, net	17,977	18,437
Total property, plant and equipment	38,197	39,179
Intangible assets	3,852	3,502
Investments and other assets		
Investment securities	8,590	6,883
Other	14,750	15,180
Allowance for doubtful accounts	(345)	(342)
Total investments and other assets	22,995	21,721
Total noncurrent assets	65,045	64,404
Total assets	246,747	280,091

(Millions of yen)

	March 31, 2015	December 31, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,267	44,058
Short-term loans payable	355	579
Accrued income taxes	3,242	824
Advances received on uncompleted construction contracts	24,695	41,260
Provision for bonuses	2,931	1,250
Provision for warranties for completed construction	1,283	1,351
Provision for sales rebates	7	36
Other	16,294	15,702
Total current liabilities	93,078	105,063
Noncurrent liabilities		
Long-term loans payable	613	–
Net defined benefit liability	7,671	8,297
Asset retirement obligations	634	720
Other	9,584	10,158
Total noncurrent liabilities	18,503	19,176
Total liabilities	111,582	124,239
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	31,985	41,071
Retained earnings	84,578	85,294
Treasury stock	(332)	(353)
Total shareholders' equity	144,607	154,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	401	303
Revaluation reserve for land	(6,280)	(6,166)
Foreign currency translation adjustments	50	(13)
Remeasurements of defined benefit plans	(3,812)	(3,296)
Total accumulated other comprehensive income	(9,641)	(9,173)
Non-controlling interests	199	10,637
Total net assets	135,165	155,851
Total liabilities and net assets	246,747	280,091

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

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	227,614	243,168
Cost of sales	177,327	187,165
Gross profit	50,287	56,002
Selling, general and administrative expenses	44,403	48,715
Operating income	5,883	7,287
Non-operating income		
Interest income	176	170
Dividend income	18	21
Other	206	232
Total non-operating income	401	425
Non-operating expenses		
Interest expenses	54	53
Share issuance cost	–	101
Equity in losses of affiliates	224	221
Other	179	315
Total non-operating expenses	458	692
Ordinary income	5,825	7,019
Extraordinary income		
Gain on sales of noncurrent assets	54	2
Gain on sales of investment securities	–	71
Gain on bargain purchase	–	228
Total extraordinary income	54	302
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	27	106
Impairment loss	66	7
Loss on step acquisitions	–	250
Total extraordinary losses	94	364
Income before income taxes and minority interests	5,786	6,957
Income taxes	2,421	2,739
Net income	3,365	4,217
Income attributable to non-controlling interests	3	28
Net income attributable to owners of parent	3,361	4,189

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net income	3,365	4,217
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	(65)
Foreign currency translation adjustments	19	(63)
Remeasurements of defined benefit plans, net of tax	513	515
Share of other comprehensive income of entities accounted for using equity method	10	(33)
Total other comprehensive income	538	354
Comprehensive income	3,904	4,571
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,900	4,543
Comprehensive income attributable to non-controlling interests	3	28

Orders and Sales

1. Orders

	Category	Nine months ended December 31, 2014		Nine months ended December 31, 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	86,692	37.8%	95,047	34.7%	109.6%	119,651	38.1%
	Apartments	38,674	16.9%	50,542	18.4%	130.7%	52,492	16.7%
	Housing materials	13,362	5.8%	9,992	3.6%	74.8%	19,251	6.1%
	Custom-Built Housing	138,729	60.5%	155,581	56.7%	112.1%	191,394	60.9%
	Property development	30,052	13.1%	36,579	13.3%	121.7%	40,102	12.8%
	Condominium development	7,866	3.4%	16,403	6.0%	208.5%	9,853	3.1%
	Urban Development	37,919	16.5%	52,982	19.3%	139.7%	49,955	15.9%
	Home remodeling	30,285	13.2%	35,584	13.0%	117.5%	40,490	12.9%
	Property management services	20,673	9.0%	24,094	8.8%	116.5%	28,015	8.9%
	Residential Stock	50,959	22.2%	59,678	21.8%	117.1%	68,505	21.8%
Overseas	1,840	0.8%	5,984	2.2%	325.2%	4,557	1.4%	
Total		229,447	100.0%	274,227	100.0%	119.5%	314,413	100.0%

	Category	December 31, 2014		December 31, 2015		YoY	March 31, 2015	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Backlog of orders	Custom-built detached housing	94,230	49.9%	100,281	46.4%	106.4%	93,145	53.1%
	Apartments	61,241	32.5%	70,352	32.6%	114.9%	53,102	30.2%
	Housing materials	10,178	5.4%	6,703	3.1%	65.9%	10,714	6.1%
	Custom-Built Housing	165,650	87.8%	177,337	82.1%	107.1%	156,963	89.4%
	Property development	9,542	5.1%	10,656	4.9%	111.7%	7,376	4.2%
	Condominium development	4,574	2.4%	14,467	6.7%	316.2%	1,340	0.8%
	Urban Development	14,117	7.5%	25,123	11.6%	178.0%	8,716	5.0%
	Home remodeling	5,338	2.8%	6,019	2.8%	112.8%	5,079	2.9%
	Property management services	-	-	-	-	-	-	-
	Residential Stock	5,338	2.8%	6,019	2.8%	112.8%	5,079	2.9%
Overseas	3,493	1.9%	7,570	3.5%	216.7%	4,797	2.7%	
Total		188,599	100.0%	216,050	100.0%	114.6%	175,557	100.0%

2. Sales

	Category	Nine months ended December 31, 2014		Nine months ended December 31, 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	85,298	37.5%	94,188	38.7%	110.4%	119,342	36.7%
	Apartments	33,996	14.9%	38,579	15.9%	113.5%	55,953	17.2%
	Housing materials	14,005	6.2%	10,933	4.5%	78.1%	19,357	5.9%
	Custom-Built Housing	133,300	58.6%	143,701	59.1%	107.8%	194,653	59.8%
	Property development	32,468	14.3%	33,727	13.9%	103.9%	44,685	13.7%
	Condominium development	8,180	3.6%	3,276	1.3%	40.1%	13,401	4.1%
	Urban Development	40,649	17.9%	37,003	15.2%	91.0%	58,086	17.8%
	Home remodeling	30,809	13.5%	35,157	14.5%	114.1%	41,272	12.7%
	Property management services	20,673	9.1%	24,094	9.9%	116.5%	28,015	8.6%
	Residential Stock	51,482	22.6%	59,251	24.4%	115.1%	69,287	21.3%
Overseas	2,182	0.9%	3,211	1.3%	147.1%	3,595	1.1%	
Total		227,614	100.0%	243,168	100.0%	106.8%	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 nine months ended December 31, 2015, to backlog of orders as of March 31, 2015, and subtracting sales in the nine months ended December 31, 2015, differs from actual backlog of orders as of December 31, 2015.
- Figures are calculated based on sales prices exclusive of consumption tax and others.