



Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2017
(April 1, 2016 through June 30, 2016)
Prepared in Conformity with Generally Accepted Accounting Principles in Japan
English translation from the original Japanese-Language document

July 28, 2016

Name of listed company : **PanaHome Corporation**
Listed stock exchanges : Tokyo Stock Exchange
Code number : 1924
URL : <http://www.panahome.jp>
Representative : Ryuji Matsushita
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Filing Date of quarterly securities report : Scheduled for August 8, 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 three months ended June 30, 2016 (April 1, 2016 through June 30, 2016)

(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, 2016	69,284	7.7	(2,509)	—	(2,745)	—	(1,945)	—
June 30, 2015	64,351	(7.3)	(1,654)	—	(1,907)	—	(1,454)	—

Note: Comprehensive income

Three months ended June 30, 2016 (2,088) million yen [—%]
Three months ended June 30, 2015 (1,237) million yen [—%]

	Net income per share -Basic	Net income per share - diluted
Three months ended	Yen	Yen
June 30, 2016	(11.58)	—
June 30, 2015	(8.66)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2016	268,602	155,444	54.0	863.18
March 31, 2016	277,327	159,286	53.5	884.26

Reference: Net assets excluding non-controlling interests
June 30, 2016 144,946 million yen
March 31, 2016 148,490 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, 2016	—	10.00	—	10.00	20.00
Fiscal year ending March 31, 2017	—	—	—	—	—
Fiscal year ending March 31, 2017 (forecast)	—	—	—	—	—

Notes: 1. Revision of the dividend forecast most recently announced: None

2. Dividend forecast for the fiscal year ending March 31, 2017 has yet to be decided.

3. Forecast of Consolidated Results for the Fiscal Year ending March 31, 2017 (April 1, 2016 through March 31, 2017)

(% 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	179,000	9.8	5,500	16.0	5,400	18.3	3,200	18.3	19.06
Full year	400,000	13.3	21,500	35.6	21,500	35.5	13,300	32.3	79.20

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 : None
 - 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)

June 30, 2016	168,563, 533
March 31, 2016	168,563, 533
 - 2) Number of treasury stock at the end of fiscal year

June 30, 2016	641,200
March 31, 2016	636,945
 - 3) Average number of shares

Three months ended June 30, 2016	167,925,620
Three months ended June 30, 2015	167,948,956

* 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, 2016	June 30, 2016
Assets		
Current assets		
Cash and cash equivalents	22,838	25,083
Notes receivable, accounts receivable from completed construction contracts and other	6,765	6,398
Costs on uncompleted construction contracts	6,474	10,582
Real estate for sale in process	68,912	69,295
Merchandise and finished goods	1,079	1,423
Work in process	62	97
Raw materials and supplies	195	175
Deposit paid in subsidiaries and associates	103,000	87,000
Other	5,834	6,831
Allowance for doubtful accounts	(22)	(23)
Total current assets	215,139	206,863
Noncurrent assets		
Property, plant and equipment		
Land	20,594	20,560
Other, net	18,267	18,324
Total property, plant and equipment	38,861	38,884
Intangible assets	3,704	3,455
Investments and other assets		
Investment securities	7,138	6,694
Other	12,818	13,021
Allowance for doubtful accounts	(335)	(317)
Total Investments and other assets	19,621	19,398
Total noncurrent assets	62,188	61,739
Total assets	277,327	268,602

(Millions of yen)

	March 31, 2016	June 30, 2016
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	47,546	36,706
Short-term loans payable	480	1,220
Accrued income taxes	3,410	393
Advances received on uncompleted construction contracts	24,949	34,296
Provision for bonuses	3,467	1,311
Provision for warranties for completed construction	1,258	1,279
Provision for sales rebates	4	23
Other	17,783	18,882
Total current liabilities	98,901	94,113
Noncurrent liabilities		
Net defined benefit liability	8,271	8,231
Asset retirement obligations	707	685
Other	10,161	10,127
Total noncurrent liabilities	19,140	19,043
Total liabilities	118,041	113,157
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	41,071	41,071
Retained earnings	91,199	87,575
Treasury stock	(357)	(361)
Total shareholders' equity	160,289	156,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	190
Revaluation reserve for land	(6,129)	(6,129)
Foreign currency translation adjustments	(80)	(180)
Remeasurements of defined benefit plans	(5,821)	(5,594)
Total accumulated other comprehensive income	(11,799)	(11,714)
Non-controlling interests	10,796	10,497
Total net assets	159,286	155,444
Total liabilities and net assets	277,327	268,602

(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, 2015	Three months ended June 30, 2016
Net sales	64,351	69,284
Cost of sales	50,593	54,414
Gross profit	13,758	14,869
Selling, general and administrative expenses	15,412	17,378
Operating loss	(1,654)	(2,509)
Non-operating income		
Interest income	52	62
Dividend income	11	6
Other	66	73
Total non-operating income	130	142
Non-operating expenses		
Interest expenses	22	17
Equity in losses of affiliates	320	262
Other	40	99
Total non-operating expenses	383	378
Ordinary loss	(1,907)	(2,745)
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Gain on sales of investment securities	64	—
Gain on bargain purchase	228	—
Total extraordinary income	292	0
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	5	25
Loss on valuation of investment securities	—	0
Loss on step acquisitions	250	—
Cost of change in corporate name of a subsidiary	—	52
Total extraordinary losses	255	77
Loss before income taxes	(1,870)	(2,823)
Income taxes	(414)	(657)
Net loss	(1,456)	(2,166)
Loss attributable to non-controlling interests	(2)	(221)
Net loss attributable to owners of parent	(1,454)	(1,945)

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net loss	(1,456)	(2,166)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	(41)
Foreign currency translation adjustments	48	(107)
Remeasurements of defined benefit plans, net of tax	171	226
Share of other comprehensive income of entities accounted for using equity method	8	0
Total other comprehensive income	218	77
Comprehensive income	(1,237)	(2,088)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(1,235)	(1,860)
Comprehensive income attributable to non-controlling interests	(2)	(228)

Orders and Sales

1. Orders

	Category	Three months ended June 30, 2015		Three months ended June 30, 2016		YoY	Fiscal Year ended March 31, 2016	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Orders	Custom-built detached housing	29,874	32.9%	31,217	35.4%	104.5%	132,341	35.4%
	Apartments	14,117	15.6%	17,647	20.0%	125.0%	70,873	18.9%
	Housing materials	4,532	5.0%	2,857	3.3%	63.1%	14,269	3.8%
	Custom-Built Housing	48,524	53.5%	51,722	58.7%	106.6%	217,484	58.1%
	Property development	11,745	12.9%	9,594	10.9%	81.7%	49,444	13.2%
	Condominium development	11,257	12.4%	1,563	1.8%	13.9%	17,314	4.7%
	Urban Development	23,003	25.3%	11,158	12.7%	48.5%	66,759	17.9%
	Home remodeling	10,947	12.1%	11,703	13.3%	106.9%	47,188	12.6%
	Property management services	7,531	8.3%	9,047	10.2%	120.1%	32,879	8.8%
	Residential Stock	18,479	20.4%	20,750	23.5%	112.3%	80,067	21.4%
Overseas	748	0.8%	4,502	5.1%	601.7%	9,857	2.6%	
Total	90,755	100.0%	88,134	100.0%	97.1%	374,168	100.0%	

	Category	June 30, 2015		June 30, 2016		YoY	March 31, 2016	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Backlog of orders	Custom-built detached housing	106,126	50.2%	106,146	47.2%	100.0%	101,268	49.1%
	Apartments	65,232	30.9%	75,441	33.5%	115.7%	65,764	31.9%
	Housing materials	8,082	3.8%	8,800	3.9%	108.9%	7,988	3.9%
	Custom-Built Housing	179,441	84.9%	190,388	84.6%	106.1%	175,022	84.9%
	Property development	10,156	4.8%	9,126	4.1%	89.9%	9,877	4.8%
	Condominium development	10,998	5.2%	5,920	2.6%	53.8%	6,695	3.2%
	Urban Development	21,155	10.0%	15,047	6.7%	71.1%	16,573	8.0%
	Home remodeling	6,191	2.9%	6,846	3.0%	110.6%	5,335	2.6%
	Property management services	-	-	-	-	-	-	-
	Residential Stock	6,191	2.9%	6,846	3.0%	110.6%	5,335	2.6%
Overseas	4,607	2.2%	12,757	5.7%	276.8%	9,258	4.5%	
Total	211,396	100.0%	225,039	100.0%	106.5%	206,189	100.0%	

2. Sales

	Category	Three months ended June 30, 2015		Three months ended June 30, 2016		YoY	Fiscal Year ended March 31, 2016	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Sales	Custom-built detached housing	23,171	36.0%	26,340	38.0%	113.7%	130,495	37.0%
	Apartments	7,275	11.3%	7,971	11.5%	109.6%	63,498	18.0%
	Housing materials	4,093	6.4%	2,045	3.0%	50.0%	13,925	3.9%
	Custom-Built Housing	34,540	53.7%	36,356	52.5%	105.3%	207,919	58.9%
	Property development	9,393	14.6%	10,345	14.9%	110.1%	47,371	13.4%
	Condominium development	1,598	2.5%	2,338	3.4%	146.3%	11,959	3.4%
	Urban Development	10,992	17.1%	12,684	18.3%	115.4%	59,330	16.8%
	Home remodeling	10,348	16.1%	10,191	14.7%	98.5%	47,445	13.5%
	Property management services	7,531	11.7%	9,047	13.1%	120.1%	32,879	9.3%
	Residential Stock	17,880	27.8%	19,239	27.8%	107.6%	80,324	22.8%
Overseas	938	1.4%	1,004	1.4%	107.1%	5,396	1.5%	
Total	64,351	100.0%	69,284	100.0%	107.7%	352,971	100.0%	

Note: Figures are calculated based on sales prices exclusive of consumption tax and others.