



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

October 27, 2016

Name of listed company : **PanaHome Corporation**  
Listed stock exchanges : Tokyo Stock Exchange  
Code number : 1924  
URL : <http://www.panahome.jp>  
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Filing Date of quarterly securities report : Scheduled for November 10, 2016  
Payment of dividends : Scheduled for November 30, 2016  
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, 2016 (April 1, 2016 through September 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	%
Six months ended September 30, 2016	162,302	(0.4)	1,661	(64.9)	1,482	(67.5)	852	(68.5)
Six months ended September 30, 2015	162,999	6.9	4,739	7.3	4,566	1.2	2,704	2.5

Note: Comprehensive income

Six months ended September 30, 2016	926 million yen	[(67.9)%]
Six months ended September 30, 2015	2,883 million yen	[(4.4)%]

	Net income per share -Basic	Net income per share - diluted
Six months ended September 30, 2016	Yen 5.08	—
Six months ended September 30, 2015	16.10	—

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2016	283,258	158,456	52.3	881.63
March 31, 2016	277,327	159,286	53.5	884.26

Reference: Net assets excluding non-controlling interests  
September 30, 2016 148,043 million yen  
March 31, 2016 148,490 million yen

**2. Cash Dividends**

	Annual dividends per share				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> 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	—	11.00			
Fiscal year ending March 31, 2017 (forecast)			—	—	—

Notes:

- Revision of the dividend forecast most recently announced: None
- On August 26, 2016, plans regarding the payment of an interim dividend were announced. The year-end 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
Full year	370,000	4.8	16,000	0.9	15,900	0.2	10,100	0.5	60.15

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)
 

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

September 30, 2016	644,752
March 31, 2016	636,945
  - 3) Average number of shares
 

Six months ended September 30, 2016	167,923,361
Six months ended September 30, 2015	167,940,781

#### \* 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	September 30, 2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents	22,838	23,572
Notes receivable, accounts receivable from completed construction contracts and other	6,765	7,243
Costs on uncompleted construction contracts	6,474	10,563
Real estate for sale in process	68,912	87,681
Merchandise and finished goods	1,079	1,409
Work in process	62	96
Raw materials and supplies	195	193
Deposit paid in subsidiaries and associates	103,000	84,000
Other	5,834	6,697
Allowance for doubtful accounts	(22)	(28)
Total current assets	215,139	221,429
Noncurrent assets		
Property, plant and equipment		
Land	20,594	20,533
Other, net	18,267	18,508
Total property, plant and equipment	38,861	39,041
Intangible assets	3,704	3,211
Investments and other assets		
Investment securities	7,138	6,824
Other	12,818	13,077
Allowance for doubtful accounts	(335)	(326)
Total investments and other assets	19,621	19,575
Total noncurrent assets	62,188	61,828
Total assets	277,327	283,258

(Millions of yen)

	March 31, 2016	September 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	47,546	47,164
Short-term loans payable	480	885
Accrued income taxes	3,410	1,707
Advances received on uncompleted construction contracts	24,949	34,393
Provision for bonuses	3,467	3,335
Provision for warranties for completed construction	1,258	1,303
Provision for sales rebates	4	5
Provision for loss on construction contracts	24	60
Other	17,759	15,807
<b>Total current liabilities</b>	<b>98,901</b>	<b>104,664</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	–	1,032
Provision for stock payment	–	4
Net defined benefit liability	8,271	8,156
Asset retirement obligations	707	706
Other	10,161	10,236
<b>Total noncurrent liabilities</b>	<b>19,140</b>	<b>20,136</b>
<b>Total liabilities</b>	<b>118,041</b>	<b>124,801</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	28,375	28,375
Capital surplus	41,071	41,104
Retained earnings	91,199	90,355
Treasury stock	(357)	(397)
<b>Total shareholders' equity</b>	<b>160,289</b>	<b>159,438</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	231	223
Revaluation reserve for land	(6,129)	(6,111)
Foreign currency translation adjustments	(80)	(138)
Remeasurements of defined benefit plans	(5,821)	(5,368)
<b>Total accumulated other comprehensive income</b>	<b>(11,799)</b>	<b>(11,395)</b>
<b>Non-controlling interests</b>	<b>10,796</b>	<b>10,413</b>
<b>Total net assets</b>	<b>159,286</b>	<b>158,456</b>
<b>Total liabilities and net assets</b>	<b>277,327</b>	<b>283,258</b>

(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, 2015	Six months ended September 30, 2016
Net sales	162,999	162,302
Cost of sales	125,852	125,747
Gross profit	37,146	36,554
Selling, general and administrative expenses	32,407	34,893
Operating income	4,739	1,661
Non-operating income		
Interest income	111	118
Dividend income	16	12
Other	159	127
Total non-operating income	286	258
Non-operating expenses		
Interest expenses	37	38
Equity in losses of affiliates	174	190
Other	248	208
Total non-operating expenses	460	437
Ordinary income	4,566	1,482
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	300	0
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	70	27
Loss on valuation of investment securities	–	0
Impairment loss	–	9
Loss on step acquisitions	250	–
Cost of change in corporate name of a subsidiary	–	52
Total extraordinary losses	321	89
Income before income taxes	4,544	1,393
Income taxes	1,808	843
Net income	2,736	550
Income (loss) attributable to non-controlling interests	31	(302)
Net income attributable to owners of parent	2,704	852

**(Quarterly Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net income	2,736	550
Other comprehensive income		
Valuation difference on available-for-sale securities	(106)	(11)
Foreign currency translation adjustments	(59)	(68)
Remeasurements of defined benefit plans, net of tax	343	453
Share of other comprehensive income of entities accounted for using equity method	(30)	3
Total other comprehensive income	147	376
Comprehensive income	2,883	926
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,852	1,239
Comprehensive income attributable to non-controlling interests	31	(312)

**(3) Quarterly Consolidated Statements of Cash Flows**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Cash flows from operating activities</b>		
Income before income taxes	4,544	1,393
Depreciation	2,157	2,318
Impairment loss	–	9
Loss (gain) on step acquisitions	250	–
Gain on bargain purchase	(228)	–
Increase (decrease) in provision for bonuses	(82)	(130)
Interest and dividend income	(127)	(131)
Interest expenses	37	38
Equity in (earnings) losses of affiliates	174	190
Decrease (increase) in notes and accounts receivable - trade	(891)	(558)
Decrease (increase) in inventories	(6,092)	(23,405)
Increase (decrease) in notes and accounts payable - trade	(1,064)	1
Increase (decrease) in advances received on uncompleted construction contracts	6,454	9,460
Other, net	813	(1,976)
Subtotal	5,945	(12,789)
Interest and dividend income received	160	170
Interest expenses paid	(37)	(35)
Income taxes paid	(3,058)	(2,948)
Net cash provided by operating activities	3,009	(15,604)
<b>Cash flows from investing activities</b>		
Payments for time deposits	(1,684)	(1,821)
Proceeds from withdrawal of time deposits	1,656	1,766
Purchase of property, plant and equipment	(1,309)	(1,911)
Proceeds from sales of property, plant and equipment	64	35
Purchase of intangible assets	(1,135)	(479)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	2,250	–
Payment of loans receivable	(109)	(129)
Collection of loans receivable	61	167
Deposit paid in subsidiaries and associates	(40,000)	–
Withdrawal of deposit paid in subsidiaries and associates	40,000	10,000
Other, net	148	(58)
Net cash used in investing activities	(57)	7,568
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	10	505
Proceeds from long-term loans payable	–	1,049
Repayments of long-term loans payable	(613)	–
Purchase of treasury stock	(15)	(6)
Cash dividends paid	(1,679)	(1,679)
Repayments of finance lease obligations	(40)	(10)
Other, net	(5)	(69)
Net cash used in financing activities	(2,344)	(211)
Effect of exchange rate change on cash and cash equivalents	(63)	(73)
Net increase (decrease) in cash and cash equivalents	544	(8,320)
Cash and cash equivalents at the beginning of the period	62,335	63,968
Cash and cash equivalents at the end of the period	62,879	55,648



## Orders and Sales

### 1. Orders

	Category	Six months ended September 30, 2015		Six months ended September 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	64,065	34.1%	66,457	35.8%	103.7%	132,341	35.4%
	Apartments	34,934	18.6%	37,725	20.4%	108.0%	70,873	18.9%
	Housing materials	7,481	4.0%	6,503	3.5%	86.9%	14,269	3.8%
	<b>Custom-Built Housing</b>	106,481	56.7%	110,685	59.7%	103.9%	217,484	58.1%
	Property development	24,992	13.3%	22,322	12.0%	89.3%	49,444	13.2%
	Condominium development	14,596	7.8%	4,201	2.3%	28.8%	17,314	4.7%
	<b>Urban Development</b>	39,588	21.1%	26,524	14.3%	67.0%	66,759	17.9%
	Home remodeling	22,971	12.2%	23,184	12.5%	100.9%	47,188	12.6%
	Property management services	15,705	8.4%	18,203	9.8%	115.9%	32,879	8.8%
	<b>Residential Stock</b>	38,676	20.6%	41,388	22.3%	107.0%	80,067	21.4%
<b>Overseas</b>	3,096	1.6%	6,843	3.7%	221.0%	9,857	2.6%	
<b>Total</b>	187,843	100.0%	185,442	100.0%	98.7%	374,168	100.0%	

	Category	September 30, 2015		September 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	100,060	47.7%	104,374	45.5%	104.3%	101,268	49.1%
	Apartments	67,374	32.1%	78,016	34.0%	115.8%	65,764	31.9%
	Housing materials	7,592	3.6%	8,934	3.9%	117.7%	7,988	3.9%
	<b>Custom-Built Housing</b>	175,027	83.4%	191,325	83.4%	109.3%	175,022	84.9%
	Property development	10,306	4.9%	8,916	3.9%	86.5%	9,877	4.8%
	Condominium development	12,888	6.1%	8,428	3.7%	65.4%	6,695	3.2%
	<b>Urban Development</b>	23,194	11.0%	17,344	7.6%	74.8%	16,573	8.0%
	Home remodeling	6,021	2.9%	7,312	3.2%	121.4%	5,335	2.6%
	Property management services	-	-	-	-	-	-	-
	<b>Residential Stock</b>	6,021	2.9%	7,312	3.2%	121.4%	5,335	2.6%
<b>Overseas</b>	5,592	2.7%	13,346	5.8%	238.6%	9,258	4.5%	
<b>Total</b>	209,836	100.0%	229,329	100.0%	109.3%	206,189	100.0%	

### 2. Sales

	Category	Six months ended September 30, 2015		Six months ended September 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	63,427	38.9%	63,351	39.0%	99.9%	130,495	37.0%
	Apartments	25,951	15.9%	25,473	15.7%	98.2%	63,498	18.0%
	Housing materials	7,532	4.6%	5,556	3.4%	73.8%	13,925	3.9%
	<b>Custom-Built Housing</b>	96,911	59.4%	94,382	58.1%	97.4%	207,919	58.9%
	Property development	22,490	13.8%	23,283	14.4%	103.5%	47,371	13.4%
	Condominium development	3,048	1.9%	2,469	1.5%	81.0%	11,959	3.4%
	<b>Urban Development</b>	25,538	15.7%	25,753	15.9%	100.8%	59,330	16.8%
	Home remodeling	22,542	13.8%	21,207	13.1%	94.1%	47,445	13.5%
	Property management services	15,705	9.7%	18,203	11.2%	115.9%	32,879	9.3%
	<b>Residential Stock</b>	38,247	23.5%	39,410	24.3%	103.0%	80,324	22.8%
<b>Overseas</b>	2,301	1.4%	2,755	1.7%	119.8%	5,396	1.5%	
<b>Total</b>	162,999	100.0%	162,302	100.0%	99.6%	352,971	100.0%	

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