



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

January 27, 2017

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 February 10, 2017
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, 2016 (April 1, 2016 through December 31, 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	%
Nine months ended December 31, 2016	246,809	1.5	2,920	(59.9)	2,675	(61.9)	1,518	(63.8)
December 31, 2015	243,168	6.8	7,287	23.9	7,019	20.5	4,189	24.6

Note: Comprehensive income

Nine months ended December 31, 2016	1,937 million yen	[(57.6)%]
Nine months ended December 31, 2015	4,571 million yen	[17.1%]

	Net income per share -Basic	Net income per share - diluted
Nine months ended	Yen	Yen
December 31, 2016	9.04	—
December 31, 2015	24.95	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2016	283,217	157,612	52.0	876.70
March 31, 2016	277,327	159,286	53.5	884.26

Reference: Net assets excluding non-controlling interests	December 31, 2016	147,207 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	—	11.00	—	—	—
Fiscal year ending March 31, 2017 (forecast)	—	—	—	—	—

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

2. 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)

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

December 31, 2016	653,041
March 31, 2016	636,945
 - 3) Average number of shares

Nine months ended December 31, 2016	167,921,243
Nine months ended December 31, 2015	167,939,810

* 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	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	22,838	23,545
Notes receivable, accounts receivable from completed construction contracts and other	6,765	7,086
Costs on uncompleted construction contracts	6,474	14,880
Real estate for sale in process	68,912	91,742
Merchandise and finished goods	1,079	1,380
Work in process	62	73
Raw materials and supplies	195	244
Deposit paid in subsidiaries and associates	103,000	74,000
Other	5,834	8,416
Allowance for doubtful accounts	(22)	(34)
Total current assets	215,139	221,336
Noncurrent assets		
Property, plant and equipment		
Land	20,594	20,543
Other, net	18,267	18,640
Total property, plant and equipment	38,861	39,184
Intangible assets	3,704	3,139
Investments and other assets		
Investment securities	7,138	6,717
Other	12,818	13,184
Allowance for doubtful accounts	(335)	(345)
Total investments and other assets	19,621	19,557
Total noncurrent assets	62,188	61,881
Total assets	277,327	283,217

(Millions of yen)

	March 31, 2016	December 31, 2016
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	47,546	43,846
Short-term loans payable	480	1,129
Accrued income taxes	3,410	757
Advances received on uncompleted construction contracts	24,949	40,346
Provision for bonuses	3,467	1,299
Provision for warranties for completed construction	1,258	1,363
Provision for sales rebates	4	37
Provision for loss on construction contracts	24	33
Other	17,759	16,080
Total current liabilities	98,901	104,894
Noncurrent liabilities		
Long-term loans payable	–	1,588
Provision for stock payment	–	9
Net defined benefit liability	8,271	8,143
Asset retirement obligations	707	706
Other	10,161	10,262
Total noncurrent liabilities	19,140	20,710
Total liabilities	118,041	125,605
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	41,071	41,104
Retained earnings	91,199	89,172
Treasury stock	(357)	(404)
Total shareholders' equity	160,289	158,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	263
Revaluation reserve for land	(6,129)	(6,111)
Foreign currency translation adjustments	(80)	(51)
Remeasurements of defined benefit plans	(5,821)	(5,141)
Total accumulated other comprehensive income	(11,799)	(11,041)
Non-controlling interests	10,796	10,404
Total net assets	159,286	157,612
Total liabilities and net assets	277,327	283,217

(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, 2015	Nine months ended December 31, 2016
Net sales	243,168	246,809
Cost of sales	187,165	191,607
Gross profit	56,002	55,201
Selling, general and administrative expenses	48,715	52,281
Operating income	7,287	2,920
Non-operating income		
Interest income	170	165
Dividend income	21	17
Other	232	194
Total non-operating income	425	377
Non-operating expenses		
Interest expenses	53	60
Share issuance cost	101	–
Equity in losses of affiliates	221	265
Delinquency charges	76	131
Other	238	164
Total non-operating expenses	692	622
Ordinary income	7,019	2,675
Extraordinary income		
Gain on sales of noncurrent assets	2	0
Gain on sales of investment securities	71	–
Gain on bargain purchase	228	–
Total extraordinary income	302	0
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	106	41
Loss on valuation of investment securities	–	0
Impairment loss	7	9
Loss on step acquisitions	250	–
Cost of change in corporate name of a subsidiary	–	52
Total extraordinary losses	364	103
Income before income taxes	6,957	2,572
Income taxes	2,739	1,368
Net income	4,217	1,203
Income (loss) attributable to non-controlling interests	28	(315)
Net income attributable to owners of parent	4,189	1,518

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	4,217	1,203
Other comprehensive income		
Valuation difference on available-for-sale securities	(65)	39
Foreign currency translation adjustments	(63)	22
Remeasurements of defined benefit plans, net of tax	515	679
Share of other comprehensive income of entities accounted for using equity method	(33)	(7)
Total other comprehensive income	354	733
Comprehensive income	4,571	1,937
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	4,543	2,259
Comprehensive income attributable to non-controlling interests	28	(321)

Orders and Sales

1. Orders

	Category	Nine months ended December 31, 2015		Nine months ended December 31, 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	95,047	34.7%	90,518	34.3%	95.2%	132,341	35.4%
	Apartments	50,542	18.4%	51,895	19.7%	102.7%	70,873	18.9%
	Housing materials	9,992	3.6%	9,258	3.5%	92.7%	14,269	3.8%
	Custom-Built Housing	155,581	56.7%	151,672	57.5%	97.5%	217,484	58.1%
	Property development	36,579	13.3%	31,987	12.1%	87.4%	49,444	13.2%
	Condominium development	16,403	6.0%	8,361	3.2%	51.0%	17,314	4.7%
	Urban Development	52,982	19.3%	40,348	15.3%	76.2%	66,759	17.9%
	Home remodeling	35,584	13.0%	35,346	13.4%	99.3%	47,188	12.6%
	Property management services	24,094	8.8%	27,536	10.4%	114.3%	32,879	8.8%
	Residential Stock	59,678	21.8%	62,882	23.8%	105.4%	80,067	21.4%
Overseas	5,984	2.2%	8,835	3.4%	147.7%	9,857	2.6%	
Total	274,227	100.0%	263,740	100.0%	96.2%	374,168	100.0%	

	Category	December 31, 2015		December 31, 2016		YoY	March 31, 2016	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Backlog of orders	Custom-built detached housing	100,281	46.4%	98,404	44.1%	98.1%	101,268	49.1%
	Apartments	70,352	32.6%	78,278	35.1%	111.3%	65,764	31.9%
	Housing materials	6,703	3.1%	8,230	3.7%	122.8%	7,988	3.9%
	Custom-Built Housing	177,337	82.1%	184,913	82.9%	104.3%	175,022	84.9%
	Property development	10,656	4.9%	8,105	3.6%	76.1%	9,877	4.8%
	Condominium development	14,467	6.7%	9,176	4.1%	63.4%	6,695	3.2%
	Urban Development	25,123	11.6%	17,281	7.7%	68.8%	16,573	8.0%
	Home remodeling	6,019	2.8%	6,958	3.1%	115.6%	5,335	2.6%
	Property management services	-	-	-	-	-	-	-
	Residential Stock	6,019	2.8%	6,958	3.1%	115.6%	5,335	2.6%
Overseas	7,570	3.5%	13,966	6.3%	184.5%	9,258	4.5%	
Total	216,050	100.0%	223,120	100.0%	103.3%	206,189	100.0%	

2. Sales

	Category	Nine months ended December 31, 2015		Nine months ended December 31, 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	94,188	38.7%	93,383	37.8%	99.1%	130,495	37.0%
	Apartments	38,579	15.9%	39,382	16.0%	102.1%	63,498	18.0%
	Housing materials	10,933	4.5%	9,015	3.6%	82.5%	13,925	3.9%
	Custom-Built Housing	143,701	59.1%	141,781	57.4%	98.7%	207,919	58.9%
	Property development	33,727	13.9%	33,759	13.7%	100.1%	47,371	13.4%
	Condominium development	3,276	1.3%	5,880	2.4%	179.5%	11,959	3.4%
	Urban Development	37,003	15.2%	39,640	16.1%	107.1%	59,330	16.8%
	Home remodeling	35,157	14.5%	33,723	13.7%	95.9%	47,445	13.5%
	Property management services	24,094	9.9%	27,536	11.1%	114.3%	32,879	9.3%
	Residential Stock	59,251	24.4%	61,259	24.8%	103.4%	80,324	22.8%
Overseas	3,211	1.3%	4,128	1.7%	128.5%	5,396	1.5%	
Total	243,168	100.0%	246,809	100.0%	101.5%	352,971	100.0%	

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