



Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2018
(April 1, 2017 through June 30, 2017)
Prepared in Conformity with Generally Accepted Accounting Principles in Japan
English translation from the original Japanese-Language document

July 31, 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 August 7, 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 three months ended June 30, 2017 (April 1, 2017 through June 30, 2017)

(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, 2017	64,814	(6.5)	(4,140)	—	(4,347)	—	(3,101)	—
June 30, 2016	69,284	7.7	(2,509)	—	(2,745)	—	(1,945)	—

Note: Comprehensive income

Three months ended June 30, 2017 (3,117) million yen [—%]
Three months ended June 30, 2016 (2,088) million yen [—%]

	Net income per share -Basic	Net income per share - diluted
Three months ended June 30, 2017	Yen (18.47)	Yen —
June 30, 2016	(11.58)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
June 30, 2017	Millions of yen 276,947	Millions of yen 159,494	53.8%	Yen 887.68
March 31, 2017	287,780	164,287	53.4	915.49

Reference: Net assets excluding non-controlling interests
June 30, 2017 149,075 million yen
March 31, 2017 153,720 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
Fiscal year ended March 31, 2017	Yen —	Yen 11.00	Yen —	Yen 10.00	Yen 21.00
Fiscal year ending March 31, 2018	—	—	—	—	—
Fiscal year ending March 31, 2018 (forecast)	—	0.00	—	—	—

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

When it is confirmed that the transformation of PanaHome into a wholly owned subsidiary of Panasonic Corporation—the result of the tender offer described in PanaHome's press release of April 21, 2017, titled

“Announcement of Termination by Mutual Agreement of the Share Exchange Agreement with Panasonic Corporation, the Controlling Shareholder of PanaHome, and PanaHome's Opinion in Favor of the Tender Offer for PanaHome's Shares by Panasonic Corporation and Recommendation to Tender Shares ”—will be completed by the end of October 2017, PanaHome will not pay interim dividends for the fiscal year ending March 31, 2018.

3. Forecast of Consolidated Results for the Fiscal Year ending March 31, 2018 (April 1, 2017 through March 31, 2018)

(% 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	2.9	13,000	9.7	13,000	11.8	8,200	8.5	48.83

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, 2017	168,563, 533
March 31, 2017	168,563, 533
 - 2) Number of treasury stock at the end of fiscal year

June 30, 2017	624,549
March 31, 2017	653,015
 - 3) Average number of shares

Three months ended June 30, 2017	167,899,182
Three months ended June 30, 2016	167,925,620

* 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.

* 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, 2017	June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	23,507	22,613
Notes receivable, accounts receivable from completed construction contracts and other	11,890	9,279
Costs on uncompleted construction contracts	7,839	13,277
Real estate for sale in process	94,633	109,573
Merchandise and finished goods	868	1,270
Work in process	46	82
Raw materials and supplies	280	194
Deposit paid in subsidiaries and associates	80,000	50,000
Other	6,031	7,927
Allowance for doubtful accounts	(52)	(58)
Total current assets	225,046	214,159
Noncurrent assets		
Property, plant and equipment		
Land	20,516	20,504
Other, net	18,695	19,162
Total property, plant and equipment	39,211	39,666
Intangible assets	3,327	3,109
Investments and other assets		
Investment securities	7,053	6,827
Other	13,449	13,489
Allowance for doubtful accounts	(308)	(305)
Total Investments and other assets	20,194	20,011
Total noncurrent assets	62,733	62,788
Total assets	287,780	276,947

(Millions of yen)

	March 31, 2017	June 30, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	51,511	36,872
Short-term loans payable	1,230	219
Current portion of long-term loans payable	1,256	2,431
Accrued income taxes	2,131	485
Advances received on uncompleted construction contracts	24,820	36,466
Provision for bonuses	3,400	1,343
Provision for warranties for completed construction	1,369	1,322
Provision for sales rebates	6	28
Provision for loss on construction contracts	18	7
Other	18,072	19,207
Total current liabilities	103,818	98,384
Noncurrent liabilities		
Long-term loans payable	369	–
Provision for stock payment	14	–
Net defined benefit liability	8,054	7,995
Asset retirement obligations	708	711
Other	10,528	10,361
Total noncurrent liabilities	19,675	19,067
Total liabilities	123,493	117,452
Net assets		
Shareholders' equity		
Capital stock	28,375	28,375
Capital surplus	41,109	41,109
Retained earnings	95,190	90,408
Treasury stock	(412)	(406)
Total shareholders' equity	164,263	159,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	287	299
Revaluation reserve for land	(6,088)	(6,088)
Foreign currency translation adjustments	(1)	(68)
Remeasurements of defined benefit plans	(4,741)	(4,554)
Total accumulated other comprehensive income	(10,543)	(10,411)
Non-controlling interests	10,567	10,419
Total net assets	164,287	159,494
Total liabilities and net assets	287,780	276,947

(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, 2016	Three months ended June 30, 2017
Net sales	69,284	64,814
Cost of sales	54,414	51,023
Gross profit	14,869	13,791
Selling, general and administrative expenses	17,378	17,932
Operating loss	(2,509)	(4,140)
Non-operating income		
Interest income	62	27
Dividend income	6	7
Other	73	80
Total non-operating income	142	115
Non-operating expenses		
Interest expenses	17	25
Equity in losses of affiliates	262	162
Loss related to termination of stock options	–	70
Other	99	63
Total non-operating expenses	378	321
Ordinary loss	(2,745)	(4,347)
Extraordinary income		
Gain on sales of noncurrent assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	25	21
Loss on valuation of investment securities	0	–
Impairment loss	–	9
Cost of change in corporate name of a subsidiary	52	–
Total extraordinary losses	77	30
Loss before income taxes	(2,823)	(4,376)
Income taxes	(657)	(1,162)
Net loss	(2,166)	(3,214)
Loss attributable to non-controlling interests	(221)	(112)
Net loss attributable to owners of parent	(1,945)	(3,101)

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net loss	(2,166)	(3,214)
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	10
Foreign currency translation adjustments	(107)	(65)
Remeasurements of defined benefit plans, net of tax	226	150
Share of other comprehensive income of entities accounted for using equity method	0	1
Total other comprehensive income	77	96
Comprehensive income	(2,088)	(3,117)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(1,860)	(2,970)
Comprehensive income attributable to non-controlling interests	(228)	(147)

Orders and Sales

1. Orders

	Category	Three months ended June 30, 2016		Three months ended June 30, 2017		YoY	Fiscal Year ended March 31, 2017	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Orders	Custom-built detached housing	31,217	35.4%	28,758	35.5%	92.1%	125,572	34.8%
	Apartments	17,647	20.0%	10,448	12.9%	59.2%	68,299	19.0%
	Housing materials	2,857	3.3%	2,192	2.7%	76.7%	12,671	3.5%
	Custom-Built Housing	51,722	58.7%	41,398	51.1%	80.0%	206,543	57.3%
	Property development	9,594	10.9%	9,985	12.3%	104.1%	45,119	12.5%
	Condominium development	1,563	1.8%	6,519	8.1%	417.0%	13,293	3.7%
	Urban Development	11,158	12.7%	16,505	20.4%	147.9%	58,413	16.2%
	Home remodeling	11,703	13.3%	11,946	14.7%	102.1%	47,262	13.1%
	Property management services	9,047	10.2%	10,109	12.5%	111.7%	37,326	10.3%
	Residential Stock	20,750	23.5%	22,056	27.2%	106.3%	84,589	23.4%
Overseas	4,502	5.1%	1,023	1.3%	22.7%	11,236	3.1%	
Total	88,134	100.0%	80,983	100.0%	91.9%	360,782	100.0%	

	Category	June 30, 2016		June 30, 2017		YoY	March 31, 2017	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Backlog of orders	Custom-built detached housing	106,146	47.2%	104,402	46.7%	98.4%	95,730	46.2%
	Apartments	75,441	33.5%	69,940	31.3%	92.7%	67,946	32.8%
	Housing materials	8,800	3.9%	8,506	3.8%	96.7%	8,621	4.1%
	Custom-Built Housing	190,388	84.6%	182,849	81.8%	96.0%	172,299	83.1%
	Property development	9,126	4.1%	8,156	3.7%	89.4%	7,328	3.5%
	Condominium development	5,920	2.6%	11,708	5.2%	197.8%	7,500	3.6%
	Urban Development	15,047	6.7%	19,864	8.9%	132.0%	14,828	7.1%
	Home remodeling	6,846	3.0%	7,643	3.4%	111.6%	6,382	3.1%
	Property management services	–	–	–	–	–	–	–
	Residential Stock	6,846	3.0%	7,643	3.4%	111.6%	6,382	3.1%
Overseas	12,757	5.7%	13,177	5.9%	103.3%	13,854	6.7%	
Total	225,039	100.0%	223,534	100.0%	99.3%	207,365	100.0%	

2. Sales

	Category	Three months ended June 30, 2016		Three months ended June 30, 2017		YoY	Fiscal Year ended March 31, 2017	
		Millions of yen	Composition	Millions of yen	Composition		Millions of yen	Composition
Sales	Custom-built detached housing	26,340	38.0%	20,086	31.0%	76.3%	131,110	36.5%
	Apartments	7,971	11.5%	8,454	13.0%	106.1%	66,117	18.4%
	Housing materials	2,045	3.0%	2,308	3.6%	112.8%	12,037	3.3%
	Custom-Built Housing	36,356	52.5%	30,848	47.6%	84.9%	209,266	58.2%
	Property development	10,345	14.9%	9,158	14.1%	88.5%	47,668	13.2%
	Condominium development	2,338	3.4%	2,311	3.6%	98.8%	12,489	3.5%
	Urban Development	12,684	18.3%	11,470	17.7%	90.4%	60,157	16.7%
	Home remodeling	10,191	14.7%	10,685	16.5%	104.8%	46,215	12.8%
	Property management services	9,047	13.1%	10,109	15.6%	111.7%	37,326	10.4%
	Residential Stock	19,239	27.8%	20,795	32.1%	108.1%	83,542	23.2%
Overseas	1,004	1.4%	1,700	2.6%	169.3%	6,641	1.9%	
Total	69,284	100.0%	64,814	100.0%	93.5%	359,607	100.0%	

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