

Consolidated Financial Statements Summary
for the First Quarter of FY2019 (February 1, 2019 through April 30, 2019)
(Japanese Standard)

June 7, 2019

Company name : **Sekisui House, Ltd.** (URL <https://www.sekisuihouse.co.jp>)
Listed exchanges : Tokyo, Nagoya
Stock code : 1928
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Filing date of quarterly securities report : June 14, 2019
Date of scheduled payment of dividends : -
Quarterly earnings supplementary explanatory documents : Yes
Quarterly earnings results briefing : Yes (for institutional investors and analysts, in Japanese)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Results for the Three Months Ended April 30, 2019 (February 1, 2019 through April 30, 2019)

(1) Consolidated Financial Results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended Apr. 30, 2019	477,156	3.7	34,174	9.8	34,946	8.7	23,653	5.7
Three months ended Apr. 30, 2018	459,947	4.4	31,130	(7.2)	32,143	(8.8)	22,369	(12.9)

(Note) Comprehensive income:

Three months ended Apr. 30, 2019: ¥31,603 million (-%) Three months ended Apr. 30, 2018: ¥(6,662) million (-%)

	Profit per share	Fully diluted profit per share
	¥	¥
Three months ended Apr. 30, 2019	34.37	34.33
Three months ended Apr. 30, 2018	32.42	32.37

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	¥ million	¥ million	%
As of April 30, 2019	2,393,990	1,200,071	49.5
As of January 31, 2019	2,413,035	1,196,923	49.0

(Reference) Equity capital* As of April 30, 2019: ¥1,186,176 million As of January 31, 2019: ¥1,182,808 million

* Equity capital shows the amount of the net assets excluding non-controlling interests and stock subscription rights.

2. Cash Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	¥	¥	¥	¥	¥
Year ended Jan. 31, 2019	-	39.00	-	40.00	79.00
Year ending Jan. 31, 2020	-				
Year ending Jan. 31, 2020 (forecast)		40.00	-	41.00	81.00

(Note) Revised dividend forecast for the quarter under review: None

3. Consolidated Results Forecast for FY2019 (February 1, 2019 through January 31, 2020)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Year ending January 31, 2020	2,367,000	9.6	205,000	8.3	208,000	6.6	139,000	8.1	201.99

(Note) Revised forecast for the quarter under review: None

Notes

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation): Not applicable

New Consolidated Companies: -

Excluded: -

(2) Application of accounting treatment specific to the preparations for consolidated quarterly financial statements: Not applicable

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accounting policies due to amendment of accounting standards: Applicable

(b) Changes in accounting policies due other than (a): Not applicable

(c) Changes in accounting estimates: Not applicable

(d) Restatements: Not applicable

(Note) Please see “(3) Notes Regarding Quarterly Financial Statements” in “2. Consolidated Quarterly Financial Statements and Notes” of the “Attached Material” on page 13.

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of each period (including treasury stock):

As of Apr. 30, 2019: 690,683,466 shares

As of Jan. 31, 2019: 690,683,466 shares

(ii) Number of treasury stock at the end of each period:

As of Apr. 30, 2019: 2,515,139 shares

As of Jan. 31, 2019: 2,531,961 shares

(iii) Average number of shares outstanding in each period (cumulative quarterly consolidated accounting period):

Three months ended Apr. 30, 2019: 688,159,159 shares Three months ended Apr. 30, 2018: 690,099,664 shares

*** This quarterly financial results report is exempt from quarterly review.***** Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters**

Descriptions regarding forward-looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. For the assumptions underlying the earnings forecast, please see “(3) Information Regarding Consolidated Results Forecast” in “1. Qualitative Information Regarding Consolidated Results for the Three Months under Review” of the “Attached Material” on page 9.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on June 7, 2019. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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Appendix: Segment breakdown for the Three Months Ended April 30, 2019**Consolidated**

(1) Sales

¥ millions

		Three months ended April 30, 2018	Three months ended April 30, 2019	YOY(%)
Built-to-order Business	Custom detached houses	72,512	85,180	17.5
	Rental housing	98,284	95,649	(2.7)
	Subtotal	170,797	180,830	5.9
Supplied Housing Business	Remodeling	28,664	32,379	13.0
	Real estate management fees	128,473	133,529	3.9
	Subtotal	157,137	165,908	5.6
Development Business	Houses for sale	28,610	36,932	29.1
	Condominiums	33,936	19,719	(41.9)
	Urban redevelopment	16,447	14,387	(12.5)
	Subtotal	78,993	71,039	(10.1)
Overseas Business		34,779	40,512	16.5
Other businesses		18,239	18,865	3.4
Consolidated		459,947	477,156	3.7

(2) Operating income and OP margin

¥ millions

		Three months ended April 30, 2018	Three months ended April 30, 2019	YOY(%)
		Amount OP margin	Amount OP margin	
Built-to-order Business	Custom detached houses	5,728 7.9%	8,932 10.5%	55.9
	Rental housing	10,405 10.6%	8,828 9.2%	(15.2)
	Subtotal	16,134 9.4%	17,761 9.8%	10.1
Supplied Housing Business	Remodeling	3,736 13.0%	4,417 13.6%	18.2
	Real estate management fees	10,675 8.3%	11,680 8.7%	9.4
	Subtotal	14,412 9.2%	16,097 9.7%	11.7
Development Business	Houses for sale	1,613 5.6%	2,875 7.8%	78.2
	Condominiums	4,826 14.2%	2,841 14.4%	(41.1)
	Urban redevelopment	3,650 22.2%	2,088 14.5%	(42.8)
	Subtotal	10,090 12.8%	7,805 11.0%	(22.7)
Overseas Business		(203) (0.6%)	2,969 7.3%	-
Other businesses		(448) (2.5%)	(86) (0.5%)	-
Eliminations and back office		(8,854)	(10,372)	-
Consolidated		31,130 6.8%	34,174 7.2%	9.8

(3) Orders

¥ millions

		Three months ended April 30, 2018	Three months ended April 30, 2019	YOY(%)
Built-to-order Business	Custom detached houses	88,395	102,798	16.3
	Rental housing	101,779	125,333	23.1
	Subtotal	190,174	228,132	20.0
Supplied Housing Business	Remodeling	36,556	42,507	16.3
	Real estate management fees	128,473	133,529	3.9
	Subtotal	165,030	176,036	6.7
Development Business	Houses for sale	41,985	36,765	(12.4)
	Condominiums	22,633	14,860	(34.3)
	Urban redevelopment	16,692	16,709	0.1
	Subtotal	81,310	68,335	(16.0)
Overseas Business		46,091	99,690	116.3
Other businesses		15,749	23,920	51.9
Consolidated		498,355	596,114	19.6

(4) Accumulated orders

¥ millions

		As of January 31, 2019	As of April 30, 2019	YOY (%)
Built-to-order Business	Custom detached houses	229,004	246,622	7.7
	Rental housing	407,403	437,086	7.3
	Subtotal	636,407	683,709	7.4
Supplied Housing Business	Remodeling	30,989	41,117	32.7
	Real estate management fees	-	-	-
	Subtotal	30,989	41,117	32.7
Development Business	Houses for sale	49,481	49,314	(0.3)
	Condominiums	118,054	113,196	(4.1)
	Urban redevelopment	1,888	4,209	122.9
	Subtotal	169,424	166,720	(1.6)
Overseas Business		111,303	170,481	53.2
Other businesses		47,716	52,771	10.6
Consolidated		995,842	1,114,800	11.9

1. Qualitative Information Regarding the Consolidated Results for the Three Months under Review

(1) Information Regarding Consolidated Business Results

During the first quarter of the consolidated fiscal year under review, the Japanese economy continued its moderate recovery, driven by a pickup in consumer spending and an increase in capital spending, although the improvement in corporate earnings came to a temporary standstill. Overseas, while the U.S. continued to enjoy a steady economic recovery due to increases in consumption and capital spending, China's economic development slowed. Uncertainties still remained with regard to the future outlook, mainly reflecting trade problems and fluctuations in the financial and capital markets.

In the housing market in Japan, the construction of rental housing declined, mainly due to a downturn in investor confidence caused by the tightened lending attitude of financial institutions and concerns about the vacancy risk, but the construction of custom detached houses increased. As a result, the number of new housing starts increased from the previous fiscal year. In terms of orders, orders received for rental housing increased to some extent thanks to the last-minute demand ahead of the consumption tax hike amid the continuing situation in which attention needed to be paid to the impact of the consumption tax hike.

Under these circumstances, the Company stepped up its efforts to strengthen the housing and residential-related business and expand new business areas under the core policy adopted in the Fourth Mid-Term Management Plan (2017-2019) of Building the foundation for residential-related business BEYOND 2020 in the final year of that Plan, while the entire Sekisui House Group pursued the value that housing can provide to society. The Company continued its efforts to develop the Platform House that assists happiness in the era of the 100-year life toward its launch in spring 2020, as well as roadside hotels that will open in 15 prefectures from autumn 2020 under the Trip Base Michi-no-Eki Stations Project, a regional revitalization project. The Company also decided to convert Otori Holdings, Co., Ltd. (a holding company of Konoike Construction Co., Ltd.), an equity method affiliate of the Company, into a consolidated subsidiary in October 2019 to lead to the further growth of the Group by strengthening its collaboration with Konoike Construction Co., Ltd. and creating Group business synergies in an integrated manner.

On top of this, the Company also worked on ESG (environment, society, governance), one of the key management issues, with the aim of becoming a leading company in ESG management.

In the first quarter of the consolidated fiscal year under review, net sales amounted to ¥477,156 million (up 3.7% year-on-year). Operating income amounted to ¥34,174 million (up 9.8% year-on-year), ordinary income to ¥34,946 million (up 8.7% year-on-year) and profit attributable to owners of parent to ¥23,653 million (up 5.7% year-on-year).

Business results by segments are as follows.

<Built-to-Order Business>

(Custom Detached Houses Business)

In the Custom Detached Houses Business, the Company has expanded the variations of the Family Suite, a living room with a large area for maintaining a comfortable sense of distance among family members, through the achievements of a study of Houses in which the more you live, the happier you will be and the advanced technologies, and promoted its sales. The Company also promoted sales of Green First Zero, our original net zero energy house (ZEH) that achieves an energy balance by saving and creating energy while maintaining a comfortable life. Its adoption rate reached 79% in 2018. As a result of these efforts, orders received increased year-on-year.

Sales in the Custom Detached Houses Business amounted to ¥85,180 million, up 17.5% year-on-year, and operating income to 8,932 million, up 55.9% year-on-year.

(Rental Housing Business)

In the Rental Housing Business, the Company sought to win more orders for rental houses centered on those with three or four-stories by conducting exhaustive marketing in specific areas focused on urban districts and making attractive proposals that lead to stable management in the long term, such as the supply of rental properties of good quality. In addition, the Company sought to meet diverse construction demand and bolster its ability to propose applications, such as houses for combined residential and commercial use, hotels, day nurseries, and medical institutions. As a result, sales progressed solidly for non-housing segments. In addition, the Company facilitated the promotion of ZEH, which had been believed to be difficult in apartment complexes. Thanks to these efforts and some last-minute demand ahead of the consumption tax hike, orders received increased from the same period of the previous fiscal year.

Sales in the Rental Housing Business amounted to ¥95,649 million, down 2.7% year-on-year, and operating income to ¥8,828 million, down 15.2% year-on-year.

<Supplied Housing Business>

(Remodeling Business)

In the Remodeling Business, the Company promoted its shift from maintenance-based remodeling to proposal-based remodeling, which offers lifestyle ideas, and environment-based remodeling, such as energy-saving renovation, and took steps to bolster its sales structure. Orders received increased year-on-year because the proposal of Idokoro Dan-netsu products based on the Green First Renovation Concept, which was launched in December 2018 based on the idea of partial insulation for targeted area, led to boost large-scale remodeling.

In addition, the Company made aggressive proposals that contribute to stable management in the long term, including the maintenance and improvement of rent levels and occupancy rates, to the owners of Sha-Maison rental houses.

Sales in the Remodeling Business amounted to ¥32,379 million, up 13.0% year-on-year, and operating income to ¥4,417 million, up 18.2% year-on-year.

(Real Estate Management Fees Business)

In the Real Estate Management Fees Business, the number of Sha-Maison rental housing units for block leasing and that of housing units under management is commissioned achieved solid growth through a group-based collaboration with Sekiwa Real Estate companies. Under this condition, the Company maintained high occupancy rates by meeting demand for high-quality rental houses featuring hotel-like specifications. To strengthen the brokerage business in the future, the Company has established the Broking and Leasing Business Headquarters.

Sales in the Real Estate Management Fees Business amounted to ¥133,529 million, up 3.9% year-on-year, and operating income to ¥11,680 million, up 9.4% year-on-year.

<Development Business>

(Houses for Sale Business)

In the Houses for Sale Business, the Company continued to procure land actively for first-time buyers, and at the same time, the Company furthered events and other initiatives to promote sales. In addition, the Company advanced efforts to develop communities of high quality that can be passed on to the next generation in the forms of initiatives for planning and proposing not only individual gardens and external facilities but also integrated rows of houses and activities for supporting community development, adopting the concept of beauty that blooms with time in which attractions and value grow over the years.

Sales in the Houses for Sale Business amounted to ¥36,932 million, up 29.1% year-on-year, and operating income to ¥2,875 million, up 78.2% year-on-year.

(Condominiums Business)

In the Condominium Business, the Company advanced its brand strategies by thoroughly enforcing area-specific strategies and integrating homebuilding knowhow gained through custom detached houses. Grande Maison Nakano Fujimi-cho (Nakano-ku, Tokyo) and Grande Maison Shin-Kawasaki Kaseyama (Kawasaki City, Kanagawa) were sold out, and sales also remained steady in the Osaka, Nagoya and Fukuoka areas. Handovers also made progress as planned for properties such as Grande Maison Kakuzan Kikuzakacho (Nagoya City, Aichi) with all dwelling units in accordance with ZEH specifications.

Sales in the Condominiums Business amounted to ¥19,719 million, down 41.9% year-on-year, and operating income to ¥2,841 million, down 41.1% year-on-year.

(Urban Redevelopment Business)

In the Urban Redevelopment Business, occupancy rates for rental properties owned by the Sekisui House Group, such as offices, commercial buildings and Prime Maison rental houses developed by the Company, remained high.

Sales in the Urban Redevelopment Business amounted to ¥14,387 million, down 12.5% year-on-year, and operating income to ¥2,088 million, down 42.8% year-on-year.

<Overseas Business>

In the United States, the homebuilding business of Woodside Homes Company, LLC and the master-planned community business remained firm, and contract for property sales was completed for one property in the multifamily business. In China, the handovers of condominiums in the city of Suzhou made steady progress.

Sales in the Overseas Business amounted to ¥40,512 million, up 16.5% year-on-year, and operating income to ¥2,969 million.

<Other Businesses>

In the Exterior Business, the Company worked to step up integrated proposals for houses and external facilities. The Company made aggressively proposals for building original gardens and external facilities in custom detached houses, rental houses and condominiums based on the *Gohon no Ki* landscaping plan through which garden trees are selected from native species to match the local climate.

Sales in the Other Businesses amounted to ¥18,865 million, up 3.4% year-on-year, and operating loss to ¥86 million.

The Company's specific efforts regarding ESG were as follows.

The Company was selected for the Silver Class in the Homebuilding category of the SAM Sustainability Award 2019, a sustainability assessment undertaken by RobecoSAM, a global class assessor of social responsibility investment (SRI).

With respect to environmental efforts, the Company made a decarbonization declaration in 2008 to help build a sustainable society, with 2050 as the target year. The Company has continuously promoted efforts to popularize ZEH and reduce greenhouse gases generated from its business activities.

To improve its sociality, the Company focused on creating systems to enable employees to have a active and healthy work life and workplace for the purpose of making diversity a growth driver, including a childcare leave system for male employees in which all male employees who have children under the age of three can take childcare leave of at least one month. One third of the eligible male employees have taken this leave.

In the area of governance, the Company focused on securing the independence of chief managers in charge of general affairs, who are the core of governance in each operating base, and the strengthening of their checking function, as well as improving the integrity of the future chief branch managers through their cultivation and selection programs. In addition, the Company also worked to further strengthen its corporate governance system by embarking on a fundamental review of the executive remuneration system, including the introduction of a restricted stock remuneration plan, and by beginning to consider shortening the term of office of directors and the standards for their appointment and dismissal.

(2) Information Regarding Consolidated Financial Conditions

Total assets decreased by ¥19,045 million to ¥2,393,990 million at the end of the first quarter of the consolidated fiscal year under review. This was primarily attributable to a decrease in cash and deposits in accordance with payments of notes and accounts payable and income taxes. Liabilities decreased ¥22,193 million to ¥1,193,918 million, mainly due to the decreases in notes and accounts payable and income taxes payment. Net asset, despite payments of dividends, increased ¥3,148 million to ¥1,200,071 million, mainly due to posting profit attributable to owners of parent and an increase in translation adjustment.

(3) Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2020 remained unchanged from the plan announced on March 7, 2019, considering the progress in improvements in the respective business segments.

2. Consolidated Quarterly Financial Statements**(1) Consolidated Quarterly Balance Sheet**

	(¥ million)	
	As of January 31, 2019	As of April 30, 2019
Assets		
Current assets		
Cash and deposits	343,358	264,507
Notes receivable, accounts receivable from completed construction contracts	42,503	45,108
Costs on uncompleted construction contracts	12,168	17,529
Buildings for sale	393,538	417,287
Land for sale in lots	579,000	607,451
Undeveloped land for sale	106,934	113,879
Other inventories	8,546	9,449
Other	84,706	86,541
Less allowance for doubtful accounts	(1,440)	(1,413)
Total current assets	1,569,318	1,560,341
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	188,497	184,672
Machinery, equipment and vehicles	8,579	8,287
Land	304,370	294,307
Construction in progress	21,888	20,214
Other, net	7,058	8,273
Total property, plant and equipment	530,394	515,754
Intangible assets	20,566	20,535
Investments and other assets		
Investment in securities	156,959	164,097
Long-term loans receivable	24,157	24,028
Asset for retirement benefits	382	188
Deferred tax assets	37,727	32,552
Other	73,747	76,710
Less allowance for doubtful accounts	(218)	(218)
Total investments and other assets	292,755	297,358
Total noncurrent assets	843,717	833,649
Total assets	2,413,035	2,393,990

	(¥ million)	
	As of January 31, 2019	As of April 30, 2019
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	94,001	75,220
Electronically recorded obligations-operating	53,427	47,060
Short-term loans	239,472	222,848
Short-term bonds	20,000	35,000
Current portion of long-term loans payable	64,303	65,686
Accrued income taxes	33,008	7,561
Advances received on construction contracts in progress	156,605	176,704
Accrued employees' bonuses	25,527	20,098
Accrued directors' and corporate auditors' bonuses	1,477	245
Provision for warranties for completed construction	2,788	2,802
Other	90,706	86,746
Total current liabilities	781,318	739,974
Long-term liabilities		
Bonds payable	215,000	200,000
Long-term loans payable	94,006	131,373
Guarantee deposits received	60,701	57,651
Deferred income taxes	1,090	919
Accrued retirement benefits for directors and corporate auditors	1,060	764
Liabilities for retirement benefits	49,988	49,585
Other	12,946	13,648
Total long-term liabilities	434,794	453,943
Total liabilities	1,216,112	1,193,918
Net assets		
Shareholders' equity		
Common stock	202,591	202,591
Capital surplus	251,563	251,467
Retained earnings	700,949	696,548
Less treasury stock, at cost	(4,215)	(4,186)
Total shareholders' equity	1,150,888	1,146,420
Accumulated other comprehensive income		
Net unrealized holding gain on securities	33,146	36,900
Deferred (loss) gain on hedges	(56)	(30)
Translation adjustments	21,269	25,557
Retirement benefits liability adjustments	(22,440)	(22,670)
Total accumulated other comprehensive income	31,919	39,756
Stock subscription rights	803	805
Non-controlling interests	13,312	13,089
Total net assets	1,196,923	1,200,071
Total liabilities and net assets	2,413,035	2,393,990

(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income
(Consolidated Quarterly Statement of Income)
For the three months ended April 30, 2018 and 2019

	(¥ million)	
	Feb. 1, 2018– Apr. 30, 2018	Feb. 1, 2019 – Apr. 30, 2019
Net sales	459,947	477,156
Cost of sales	367,040	378,463
Gross profit	92,907	98,693
Selling, general and administrative expenses	61,776	64,518
Operating income	31,130	34,174
Non-operating income		
Interest income	371	353
Dividends income	52	42
Foreign exchange gain	-	579
Equity in earnings of affiliates	1,779	1,397
Other	535	724
Total non-operating income	2,739	3,097
Non-operating expenses		
Interest expenses	1,013	1,519
Foreign exchange losses	183	-
Other	529	806
Total non-operating expenses	1,726	2,325
Ordinary income	32,143	34,946
Extraordinary loss		
Loss on sales or disposal of fixed assets	221	291
Loss on impairment of fixed assets	20	2
Total extraordinary losses	242	293
Profit before income taxes	31,901	34,653
Income taxes-current	4,929	7,593
Income taxes-deferred	4,732	3,302
Total income taxes	9,662	10,896
Profit	22,238	23,756
Profit attributable to non-controlling interests	(131)	103
Profit attributable to owners of parent	22,369	23,653

(Consolidated Quarterly Statement of Comprehensive Income)**For the three months ended April 30, 2018 and 2019**

	Feb. 1, 2018 – Apr. 30, 2018	Feb. 1, 2019 – Apr. 30, 2019
Profit	22,238	23,756
Other comprehensive income		
Net unrealized holding gain (loss) on securities	(3,201)	3,826
Translation adjustments	(23,029)	4,034
Retirement benefits liability adjustments	(2,048)	(237)
Share of other comprehensive gain (loss) of affiliates accounted for by the equity method	(621)	223
Total other comprehensive income	(28,900)	7,847
Comprehensive income	(6,662)	31,603
Comprehensive income attributable to		
Owners of the parent	(6,519)	31,490
Non-controlling shareholders' interests	(143)	113

(3) Notes to Consolidated Quarterly Financial Statements**(Notes Regarding Assumption of a Going Concern)**

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Changes in accounting policies)

(Adoption of ASU2014-09 "Revenue from Contracts with Customers.")

Overseas subsidiaries adopting U.S. GAAP have adopted ASU2014-09 "Revenue from Contracts with Customers" (May 28, 2014) from the beginning of the first quarter of the consolidated fiscal year under review.

Due to the adoption of ASU2014-09, revenue is recognized at the time the promised goods or services are transferred to the customer, in an amount that reflects the consideration expected to be received in exchange for the goods or services.

The impact on the consolidated statement of income for the first quarter of the fiscal year under review is immaterial.

(Adoption of IFRS16 "Leases")

Overseas subsidiaries adopting the International Financial Reporting Standards ("IFRS") have adopted IFRS16 "Leases" (January 13, 2016) from the first quarter of the consolidated fiscal year under review.

Due to the adoption, the Company principally recognizes assets and liabilities of lease as a lessee.

The impact on the consolidated statement of income for the first quarter of the fiscal year under review is immaterial.

(Additional information)

(Adoption of the "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc.)

The Company has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018), etc. from the beginning of the first quarter of the consolidated fiscal year under review. As a result, deferred tax assets are presented in investments and other assets, and deferred tax liabilities are presented in long-term liabilities.