

**Consolidated Financial Statements Summary**  
**for the Second Quarter of FY2021 (February 1, 2021 through July 31, 2021)**  
**(Japanese Standard)**

September 9, 2021

Company name : **Sekisui House, Ltd.** (URL <https://www.sekisuihouse.co.jp>)  
Listed exchanges : Tokyo, Nagoya  
Stock code : 1928  
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Tel +81 6 6440 3111  
Filing date of quarterly securities report : September 13, 2021  
Date of scheduled payment of dividends : September 30, 2021  
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 Six Months Ended July 31, 2021 (February 1, 2021 through July 31, 2021)**

(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	%
Six months ended Jul. 31, 2021	1,223,605	4.8	109,693	18.4	111,370	22.8	72,552	22.1
Six months ended Jul. 31, 2020	1,167,986	(3.3)	92,644	(18.0)	90,671	(22.2)	59,442	(23.2)

(Note) Comprehensive income:

Six months ended Jul. 31, 2021: ¥116,227 million (161.0%) Six months ended Jul. 31, 2020: ¥44,525 million (-35.7%)

	Profit per share	Fully diluted profit per share
	¥	¥
Six months ended Jul. 31, 2021	106.90	106.84
Six months ended Jul. 31, 2020	87.10	87.03

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	¥ million	¥ million	%
As of July 31, 2021	2,710,718	1,445,751	51.7
As of January 31, 2021	2,625,861	1,368,887	50.5

(Reference) Equity capital\* As of July 31, 2021: ¥1,400,301 million As of January 31, 2021: ¥1,326,535 million

**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, 2021	-	45.00	-	39.00	84.00
Year ending Jan. 31, 2022		43.00			
Year ending Jan. 31, 2022 (forecast)			-	45.00	88.00

(Note) Revised dividend forecast for the quarter under review: Yes

**3. Consolidated Results Forecast for FY2021 (February 1, 2021 through January 31, 2022)**

(% 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, 2022	2,553,000	4.3	220,000	18.0	218,000	18.0	148,000	19.8	218.65

(Note) Revised forecast for the quarter under review: Yes

**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: Not Applicable

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

(c) Changes in accounting estimates: Not applicable

(d) Restatements: Not applicable

(4) Number of shares outstanding (common stock)

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

As of Jul. 31, 2021: 684,683,466 shares

As of Jan. 31, 2021: 684,683,466 shares

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

As of Jul. 31, 2021: 9,373,692 shares

As of Jan. 31, 2021: 3,753,722 shares

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

Six months ended Jul. 31, 2021: 678,706,145 shares

Six months ended Jul. 31, 2020: 682,458,886 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 Six Months under Review” of the “Attached Material” on page 6.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on September 9, 2021. 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 Six Months Ended July 31, 2021****Consolidated****(1) Sales**

¥ millions

		Six months ended July 31, 2020	Six months ended July 31, 2021	YOY(%)
Built-to-order Business	Custom detached houses	157,560	167,118	6.1
	Rental housing	176,322	183,069	3.8
	Architectural/Civil Engineering	160,110	137,051	(14.4)
	Subtotal	493,993	487,239	(1.4)
Supplied Housing Business	Remodeling	68,978	79,764	15.6
	Real estate management fees	277,058	291,433	5.2
	Subtotal	346,036	371,197	7.3
Development Business	Houses for sale	62,771	86,173	37.3
	Condominiums	41,796	40,252	(3.7)
	Urban redevelopment	46,558	51,835	11.3
	Subtotal	151,126	178,262	18.0
Overseas Business		140,523	149,507	6.4
Other businesses		36,306	37,399	3.0
Consolidated		1,167,986	1,223,605	4.8

**(2) Operating income and Operating margin**

¥ millions

		Six months ended July 31, 2020	Six months ended July 31, 2021	YOY(%)
		Amount	Amount	
		Operating margin	Operating margin	
Built-to-order Business	Custom detached houses	14,904 9.5%	20,338 12.2%	36.5
	Rental housing	21,814 12.4%	25,846 14.1%	18.5
	Architectural/Civil Engineering	11,668 7.3%	11,750 8.6%	0.7
	Subtotal	48,388 9.8%	57,935 11.9%	19.7
Supplied Housing Business	Remodeling	9,789 14.2%	13,250 16.6%	35.4
	Real estate management fees	22,729 8.2%	26,567 9.1%	16.9
	Subtotal	32,518 9.4%	39,818 10.7%	22.4
Development Business	Houses for sale	3,620 5.8%	6,838 7.9%	88.9
	Condominiums	6,050 14.5%	5,966 14.8%	(1.4)
	Urban redevelopment	9,556 20.5%	3,655 7.1%	(61.8)
	Subtotal	19,226 12.7%	16,460 9.2%	(14.4)
Overseas Business		15,616 11.1%	18,147 12.1%	16.2
Other businesses		(1,417) (3.9%)	(580) (1.6%)	-
Eliminations and back office		(21,687)	(22,086)	-
Consolidated		92,644 7.9%	109,693 9.0%	18.4

## (3) Orders

¥ millions

		Six months ended July 31, 2020	Six months ended July 31, 2021	YOY(%)
Built-to-order Business	Custom detached houses	155,304	179,243	15.4
	Rental housing	178,667	192,726	7.9
	Architectural/Civil Engineering	136,302	157,738	15.7
	Subtotal	470,274	529,707	12.6
Supplied Housing Business	Remodeling	66,593	81,123	21.8
	Real estate management fees	277,058	291,433	5.2
	Subtotal	343,651	372,557	8.4
Development Business	Houses for sale	67,223	102,447	52.4
	Condominiums	28,236	40,903	44.9
	Urban redevelopment	33,686	66,573	97.6
	Subtotal	129,145	209,925	62.5
Overseas Business		160,488	189,645	18.2
Other businesses		31,865	40,348	26.6
Consolidated		1,135,426	1,342,184	18.2

## (4) Order backlog

¥ millions

		As of January 31, 2021	As of July 31, 2021	YOY (%)
Built-to-order Business	Custom detached houses	183,298	195,423	6.6
	Rental housing	372,723	382,379	2.6
	Architectural/Civil Engineering	362,407	383,093	5.7
	Subtotal	918,428	960,897	4.6
Supplied Housing Business	Remodeling	28,584	29,943	4.8
	Real estate management fees	-	-	-
	Subtotal	28,584	29,943	4.8
Development Business	Houses for sale	47,705	63,979	34.1
	Condominiums	91,651	92,302	0.7
	Urban redevelopment	28,901	43,639	51.0
	Subtotal	168,259	199,922	18.8
Overseas Business		199,620	239,759	20.1
Other businesses		48,527	51,476	6.1
Consolidated		1,363,421	1,481,999	8.7

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

### (1) Information Regarding Consolidated Business Results

During the first quarter of the consolidated fiscal year under review, the global economy remained in difficult conditions due to the adverse effects COVID-19 generated through its global spread. Although progress was made in COVID-19 vaccinations, concerns remained over the economic outlook, reflecting the resurgence of infections, mainly due to the outbreak of variants. In Japan's housing market, there were signs of the recovery of housing starts and condominium sales in the Tokyo metropolitan area. The purchase of housing drew increasing attention against a backdrop of measures supporting the purchase of housing, including a green housing point system and the extension of the mortgage loan tax deduction, and changes in lifestyles during the COVID-19 pandemic, and new needs for housing increased.

In this business environment, the Company is steadily working to become a global company that offers integrated proposals of technologies, lifestyle design and services based on the residential domain under the fundamental policies of its fifth mid-term management plan (FY2020-FY2022), to further strengthening core businesses and embarking on new businesses to achieve the Group's global vision, "Make home the happiest place in the world." The Company prioritized the safety of its customers, suppliers, affiliates and employees, and continued to take the steps necessary to prevent the spread of COVID-19, including online negotiations with customers and the development of new products.

In addition, the Company has been promoting the development of the Platform House Concept to offer services with a focus on health, connectedness and learning by utilizing big data on living, with a view to providing happiness in the era of the 100-year lifespan. As a first step, the Company launched the PLATFORM HOUSE touch, a floor plan-linked smart home service that enables the user to control a house's facilities from outside, which the Company had been researching and developing. Through this, it decided to offer a connectedness-oriented service.

In the second quarter of the consolidated fiscal year under review, net sales came to ¥1,223,605 million (up 4.8% year on year), reflecting very strong performances in custom detached houses and rental houses related businesses in Japan and abroad. Operating income amounted to ¥109,693 million (up 18.4% year-on-year), ordinary income to ¥111,370 million (up 22.8% year-on-year) and profit attributable to owners of parent to ¥72,552 million (up 22.1% year-on-year).

Business results by segments are as follows.

#### <Built-to-Order Business>

##### (Custom Detached Houses Business)

Net sales in the Custom Detached Houses Business amounted to ¥167,118 million, up 6.1% year-on-year, and operating income to ¥20,338 million, up 36.5% year-on-year. Strong orders received from the second half of the previous fiscal year contributed to the increase in net sales.

As a result of sales promotion with a focus on mid-range and high-end products, the Family Suite Ouchi Premium, which proposes the latest lifestyle ideas responding to the diverse needs of residents and changes in lifestyles amid the COVID-19 pandemic, Japan Green First ZERO, a net zero energy house (ZEH) with an adoption rate of 91% (FY2020), and SMART-ECS, a next-generation indoor environment system whose adoption rate exceeded 80% in the six months after its launch, were well received, and orders received remained strong.

In addition, the Company remodeled the *Sumai no Yume Kojo* facilities, which had been operated in five locations nationwide, into the Tomorrow's Life Museums, upscaling them to offer lifestyle model houses, in which visitors can experience real living conditions under the concept of empathy, and facilities where they can experience and enjoy leaning and deepening their understanding about the Technology and Structure Pavilion, Environmental Pavilion and other pavilions on a one-stop basis, thereby further increasing the satisfaction level of customers' experience.

**(Rental Housing Business)**

Net sales in the Rental Housing Business amounted to ¥183,069 million, up 3.8% year-on-year, and operating income to ¥25,846 million, up 18.5% year-on-year.

The Company focused its efforts on exhaustive marketing in specific areas, concentrating on urban districts and sales promotion of three- or four-story rental houses built with the Company's original construction method that achieves robust structures and flexible design. Orders for rental houses continued to be strong, helped by high value-added proposals such as Sha-Maison ZEH rental housing and rental housing featuring hotel-like specifications, as well as by the successful property management by Sekisui House Real Estate companies that maintained high occupancy rates and rent levels. However, orders for non-housing products, including small hotels, saw sluggish growth, adversely effected by the COVID-19 pandemic.

**(Architectural and Civil Engineering)**

Net sales in the Architectural / Civil Engineering Business amounted to ¥137,051 million, down 14.4% year-on-year, and operating income to ¥11,750 million, up 0.7% year-on-year.

The construction and civil engineering business of Konoike Construction Co., Ltd. made progress as planned, but sales fell year on year, reflecting sales from large projects in the previous fiscal year. Orders for hotels and commercial facilities saw sluggish growth due to the adverse effects of the COVID-19 pandemic.

**<Supplied Housing Business>****(Remodeling Business)**

Net sales in the Remodeling Business amounted to ¥79,764 million, up 15.6% year-on-year, and operating income to ¥13,250 million, up 35.4% year-on-year. Strong orders received from the second half of the previous fiscal year contributed to the increase in net sales.

Proposal-based remodeling responding to increasing interest in more comfortable houses and lifestyle changes, and environment-based remodeling, such as energy saving renovation, were well received, and orders remained strong.

**(Real Estate Management Fees Business)**

Net sales in the Real Estate Management Fees Business amounted to ¥291,433 million, up 5.2% year-on-year, and operating income to ¥26,567 million, up 16.9% year-on-year.

The number of housing units under management increased steadily due to the supply of Sha-Maison, high-quality, high-performance rental housing built in good locations. The Company provided high-quality building management and services that enhanced the lives of residents, which helps achieve stable management over the long term. The occupancy rate and rent, consequently, remained high, which contributed to the increase in sales.

**<Development Business>****(Houses for Sale Business)**

Net sales in the Houses for sale business amounted to ¥86,173 million, up 37.3% year on year, and operating income for the business came to ¥6,838 million, up 88.9% year-on-year.

The Company continued to actively procure prime land while at the same time reinforcing its sales system for responding to high demand, thereby focusing on promoting sales to customers who were considering purchasing land as the first step. As a result, orders remained strong.

**(Condominiums Business)**

Net sales in the Condominiums business amounted to ¥40,252 million, down 3.7% year-on-year, and operating income to ¥5,966 million, down 1.4% year-on-year.

The Company developed high value-added properties following thorough area-specific strategies, proposing environmental features and lifestyles developed in the custom detached houses business, and delivered the Grande Maison Shirokanedai 5-chome (Mintako-ku, Tokyo) and the Grande Maison Ohorikoen The Tower Residence (Chuo-ku, Fukuoka), among other properties, as scheduled. Sales remained strong for condominiums such as Grande Maison Josui Garden City Forest I (Chuo-ku, Fukuoka).

**(Urban Redevelopment Business)**

Net sales in the Urban Redevelopment Business amounted to ¥51,835 million, up 11.3% year-on-year, and operating income to ¥3,655 million, down 61.8% year-on-year.

Occupancy rates remained steady for office buildings developed by the Company and properties owned by the Group, such as the Prime Maison rental houses. However, income from hotels declined, reflecting a decrease in the number of people traveling due to COVID-19. Progress was made in the sale of properties through the conclusion of a sales agreement with Sekisui House Reit. Inc. with respect to five rental properties including Prime Maison Shimokitazawa (Setagaya-ku, Tokyo).

**<Overseas Business>**

Net sales in the Overseas Business amounted to ¥149,507 million, up 6.4% year-on-year, and operating income to ¥18,147 million, up 16.2% year-on-year.

The Company's activities operated in line with the different measures taken in each country during the COVID-19 pandemic, and the effects were minor and insignificant.

In the United States, the homebuilding business of Woodside Homes Company, LLC continued to be strong, partly aided by historically low mortgage rates. In the multifamily business, sales increased with the completion of the delivery of Zera (Portland). In Australia, the delivery of units in the high-rise building in phase 1 of Sanctuary (Sydney) began in the condominiums business. In China, delivery made progress as scheduled, but sales fell in reaction to a concentration of deliveries of condominiums in Suzhou in the previous fiscal year.

**<Other Businesses>**

Net sales in the Other Businesses amounted to ¥37,399 million, up 3.0% year-on-year, and operating loss to ¥580 million.

In the Exterior Business, the Company advanced its Gohon no Ki landscaping project, where the Company proposes for custom detached houses and rental houses etc, and enhances the integrated proposal for houses and external facilities and proposes the planting native trees.

**< ESG management >**

The Company has set themes with the goal of being a leading company in environmental, social, and governance (ESG) management: ensuring the happiness of all people related to the Sekisui House Group, continuing to contribute to society through business and undertaking progressive initiatives to make society better. The Company will advance its ESG management, increasing all of its employees' awareness and understanding of the themes to achieve sustainable business growth.

Regarding the environment, ZEH were 91% of new custom detached houses in FY2020, achieving the target of 90% set for the final year of the fifth mid-term management plan, ahead of the plan. The total number of ZEH houses has exceeded 60,000 (March 31, 2021). The Company also built Sha-Maison ZEH rental houses, contributing to the creation of a new green market in the housing industry. The Company will continue to strongly promote decarbonization in housing and actively aid the Japanese government in its achievement of its greenhouse gas emissions reduction target, 46%.



To strengthen its position on social issues, the Company strives to steadily and systematically cultivate female managers through its Sekisui House Women's College training program. The program received recognition, and the Company was selected as a Nadeshiko Brand for the sixth time in 2020.

Moreover, the Company decided to participate in the All Japan Minecraft Cup 2021 as a gold partner to support programming training that helps children, the key to a happy future society, develop a logical way of thinking. In doing so, it will provide opportunities through which children can learn about house building and experience living conditions that lead to SDGs.

In the area of governance, the percentage of outside directors was set at 40%, and the percentage of female directors was set at 30% at the Ordinary General Meeting of Shareholders held in April. Through the selection of a Chairperson of the Board from among outside Directors, the Company improved the independence and diversity of the Board of Directors, and further strengthened the ability of the Board of Directors to oversee management. To gradually separate management oversight and business execution, the Board of Directors' authority to execute operations is being delegated to Executive Officers and other people.

## (2) Information Regarding Consolidated Financial Conditions

Total assets increased by ¥84,856 million to ¥2,710,718 million at the end of the second quarter of the consolidated fiscal year under review, primarily owing to the increases in real estate for sale. Liabilities increased ¥7,991 million to ¥1,264,966 million, despite a decrease in the redemption of bonds, due to the increase in loans payable. Net asset, despite payments of dividends, increased ¥76,864 million to ¥1,445,751 million, mainly due to posting profit attributable to owners of parent.

## (3) Information Regarding Consolidated Results Forecast

### (i) Consolidated results forecast

The consolidated results forecast for the fiscal year ending January 31, 2022 was revised because of the Company's previous forecast on March 4, 2021. Reasons for the revision mainly reflected strong orders for custom detached houses and rental houses-businesses in Japan and abroad and increased profitability, as well as improvements in financial results in the first six months of the consolidated fiscal year under review.

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
	¥ millions	¥ millions	¥ millions	¥ millions	¥
Initial plan (A)	2,552,000	200,000	200,000	135,000	200.62
Revised plan for the current term (B)	2,553,000	220,000	218,000	148,000	218.65
Amount changed (B-A)	1,000	20,000	18,000	13,000	
Change (%)	0.0%	10.0%	9.0%	9.6%	
Reference Previous period results FY2020	2,446,904	186,519	184,697	123,542	181.18

### (ii) Dividend forecast

The Company regards the maximization of shareholder value as one of its most important management issues. Accordingly, it will strive to increase earnings per share through sustainable business growth, and will also seek to invest in growth and enhance shareholder returns, taking into comprehensive account the status of profits and cash flows in each fiscal year and future business development, among other factors. In light of this, the Company established a basic policy of maintaining a medium-term payout ratio of at least 40%, while also flexibly repurchasing its own stock in an effort to improve shareholder value. With this basic policy in mind, the Company reviewed the initial dividend plan to reflect steady

improvements in financial results in the first six month of the consolidated fiscal year under review, and has decided to revise the dividend forecast for the fiscal year ending January 31, 2022 announced on March 4, 2021, as follows.

	Cash dividends per share		
	End of second quarter	Year-end	Annual
	¥	¥	¥
Initial dividend plan	43.00	43.00	86.00
Revised dividend plan		45.00	88.00
Dividends to be paid in the current fiscal year ending January 31, 2022	43.00		
Dividends paid in the previous fiscal year ended January 31, 2021	45.00	39.00	84.00

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheet

(¥ million)

	As of January 31, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	600,284	593,227
Notes receivable, accounts receivable from completed construction contracts	144,253	119,158
Costs on uncompleted construction contracts	16,451	15,568
Buildings for sale	341,721	422,292
Land for sale in lots	495,950	509,270
Undeveloped land for sale	86,290	107,771
Other inventories	7,333	8,611
Other	89,500	92,249
Less allowance for doubtful accounts	(1,073)	(1,094)
Total current assets	1,780,711	1,867,055
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	186,720	190,600
Machinery, equipment and vehicles	9,061	9,215
Land	287,307	289,203
Construction in progress	42,516	38,470
Other, net	9,787	10,136
Total property, plant and equipment	535,393	537,626
Intangible assets	19,727	19,628
Investments and other assets		
Investment in securities	180,570	193,979
Long-term loans receivable	18,952	4,403
Asset for retirement benefits	1,381	1,528
Deferred tax assets	24,597	20,979
Other	65,026	65,842
Less allowance for doubtful accounts	(498)	(325)
Total investments and other assets	290,029	286,407
Total noncurrent assets	845,150	843,662
Total assets	2,625,861	2,710,718

(¥ million)

	As of January 31, 2021	As of July 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts	104,972	115,591
Electronically recorded obligations-operating	97,780	80,313
Short-term loans	166,019	189,112
Short-term bonds	30,000	—
Current portion of long-term loans payable	56,520	51,472
Accrued income taxes	29,704	26,260
Advances received on construction contracts in progress	208,750	232,131
Accrued employees' bonuses	26,105	22,946
Accrued directors' and corporate auditors' bonuses	1,258	414
Provision for warranties for completed construction	3,164	3,359
Other	111,485	107,401
<b>Total current liabilities</b>	<b>835,763</b>	<b>829,002</b>
<b>Long-term liabilities</b>		
Bonds payable	170,000	170,000
Long-term loans payable	132,665	148,950
Guarantee deposits received	59,169	58,754
Deferred income taxes	364	296
Accrued retirement benefits for directors and corporate auditors	857	785
Liabilities for retirement benefits	43,011	42,536
Other	15,142	14,638
<b>Total long-term liabilities</b>	<b>421,211</b>	<b>435,963</b>
<b>Total liabilities</b>	<b>1,256,974</b>	<b>1,264,966</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	202,591	202,591
Capital surplus	258,989	258,989
Retained earnings	839,985	887,857
Less treasury stock, at cost	(6,883)	(19,786)
<b>Total shareholders' equity</b>	<b>1,294,682</b>	<b>1,329,651</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gain on securities	40,174	44,331
Deferred (loss) gain on hedges	△45	—
Translation adjustments	2,355	35,076
Retirement benefits liability adjustments	(10,631)	(8,757)
<b>Total accumulated other comprehensive income</b>	<b>31,852</b>	<b>70,650</b>
Stock subscription rights	508	203
Non-controlling interests	41,842	45,246
<b>Total net assets</b>	<b>1,368,887</b>	<b>1,445,751</b>
<b>Total liabilities and net assets</b>	<b>2,625,861</b>	<b>2,710,718</b>

**(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income**  
**(Consolidated Quarterly Statement of Income)**  
**For the six months ended July 31, 2020 and 2021**

	(¥ million)	
	Feb. 1, 2020– Jul. 31, 2020	Feb. 1, 2021 – Jul. 31, 2021
Net sales	1,167,986	1,223,605
Cost of sales	937,536	970,896
Gross profit	230,450	252,709
Selling, general and administrative expenses	137,805	143,016
Operating income	92,644	109,693
Non-operating income		
Interest income	1,611	1,322
Dividends income	1,092	1,014
Foreign exchange gain	—	1,170
Equity in earnings of affiliates	916	—
Other	1,552	1,575
Total non-operating income	5,173	5,083
Non-operating expenses		
Interest expenses	1,424	1,459
Foreign exchange losses	3,351	—
Equity in losses of affiliates	—	103
Other	2,370	1,843
Total non-operating expenses	7,146	3,405
Ordinary income	90,671	111,370
Extraordinary income		
Gain on step acquisitions	—	757
Total extraordinary income	—	757
Extraordinary loss		
Loss on sales or disposal of fixed assets	379	809
Loss on impairment of fixed assets	52	61
Loss on revaluation of investments in securities	411	21
Loss related to COVID-19	615	19
Total extraordinary losses	1,460	912
Profit before income taxes	89,210	111,216
Income taxes-current	22,470	32,138
Income taxes-deferred	3,876	1,446
Total income taxes	26,347	33,584
Profit	62,863	77,631
Profit attributable to non-controlling interests	3,420	5,079
Profit attributable to owners of parent	59,442	72,552

**(Consolidated Quarterly Statement of Comprehensive Income)****For the six months ended July 31, 2020 and 2021**

	Feb. 1, 2020– Jul. 31, 2020	Feb. 1, 2021 – Jul. 31, 2021
Profit	62,863	77,631
Other comprehensive income		
Net unrealized holding gain (loss) on securities	(9,735)	3,945
Translation adjustments	(10,159)	30,214
Retirement benefits liability adjustments	2,735	1,881
Share of other comprehensive gain (loss) of affiliates accounted for by the equity method	(1,178)	2,553
Total other comprehensive income	(18,337)	38,595
Comprehensive income	44,525	116,227
Comprehensive income attributable to		
Owners of the parent	41,582	111,349
Non-controlling shareholders' interests	2,943	4,877

**(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