Consolidated Financial Statements Summary for the Third Quarter of FY2017 (February 1, 2017 through October 31, 2017) (Japanese Standard)

December 8, 2017

Company name	: **Sekisui House, Ltd.** (URL http://www.sekisuihouse.co.jp)
Listed exchanges	: Tokyo, Nagoya
Stock code	: 1928
Representative	: Toshinori Abe, President and Representative Director
Inquiries	: Hitoshi Kuroyanagi, Managing Officer, Chief Manager of Corporate Communications Dept. Tel +81 6 6440 3111
Filing date of quarterly securities report	: December 14, 2017
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 Nine months Ended October 31, 2017 (February 1, 2017 through October 31, 2017)

(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	%
Nine months ended Oct. 31, 2017	1,494,745	3.4	127,019	(0.2)	132,566	4.0	85,865	3.3
Nine months ended Oct. 31, 2016	1,445,740	6.0	127,292	14.0	127,465	8.7	83,158	16.8

(Note) Comprehensive income:
Nine months ended Oct. 31, 2017: ¥90,280million (384.8%) Nine months ended Oct. 31, 2016: ¥18,623million (-64.5%)

	Profit per share	Fully diluted Profit per share
	¥	¥
Nine months ended Oct. 31, 2017	124.43	124.27
Nine months ended Oct. 31, 2016	119.53	119.34

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of October 31, 2017	2,405,285	1,158,204	47.5
As of January 31, 2017	2,184,895	1,118,264	50.5

(Reference) Shareholders' equity As of October 31, 2017: ¥1,143,338 million As of January 31, 2017: ¥1,103,359 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, 2017	-	32.00	-	32.00	64.00
Year ending Jan. 31, 2018	-	37.00	-		
Year ending Jan. 31, 2018 (forecast)				38.00	75.00

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

3. Consolidated Results Forecast for FY2017 (February 1, 2017 through January 31, 2018)

(% 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, 2018	2,144,000	5.8	192,000	4.3	200,000	4.7	128,000	5.0	185.48

(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): Applicable

New Consolidated Companies: 3

The Name of Companies:

Sekisui House US Holdings, LLC SH Residential Holdings, LLC Woodside Homes Company, LLC

(2) Application of accounting treatment specific to the preparations for consolidated quarterly financial statements: None

(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 Oct. 31, 2017: 690,683,466 shares As of Jan. 31, 2017: 709,683,466 shares

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

As of Oct. 31, 2017: 601,715 shares As of Jan. 31, 2017: 19,610,876shares

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

Nine months ended Oct. 31, 2017: 690,080,965 shares Nine months ended Oct. 31, 2016: 695,688,267 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) Qualitative Information Regarding Consolidated Results Forecast" in "1. Qualitative Information Regarding Consolidated Results for the Nine 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 December 8, 2017. 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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(Related to Consolidated Quarterly Statements of Income)

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Appendix: Segment breakdown for the Nine months Ended October 31, 2017

Consolidated

(1) Sales

¥ millions

		Nine months ended October 31, 2016	Nine months ended October 31, 2017	YOY(%)
Built-to-order Business	Custom detached houses	280,242	269,061	(4.0)
	Rental housing	309,658	313,615	1.3
	Subtotal	589,900	582,676	(1.2)
Supplied Housing Business	Remodeling	93,177	94,833	1.8
	Real estate management fees	350,927	366,403	4.4
	Subtotal	444,104	461,237	3.9
Development Business	Houses for sale	99,869	110,198	10.3
	Condominiums	46,985	34,855	(25.8)
	Urban redevelopment	110,951	86,046	(22.4)
	Subtotal	257,806	231,100	(10.4)
Overseas Business		96,499	166,239	72.3
Other businesses		57,428	53,491	(6.9)
Consolidated		1,445,740	1,494,745	3.4

(2) Operating income and OP margin

¥ millions

		Nine months ended October 31, 2016 Amount OP margin	Nine months ended October 31, 2017 Amount OP margin	YOY(%)
Built-to-order Business	Custom detached houses	34,418 12.3%	32,957 12.2%	(4.2)
	Rental housing	39,709 12.8%	40,497 12.9%	2.0
	Subtotal	74,127 12.6%	73,455 12.6%	(0.9)
Supplied Housing Business	Remodeling	10,895 11.7%	12,577 13.3%	15.4
	Real estate management fees	24,450 7.0%	25,406 6.9%	3.9
	Subtotal	35,346 8.0%	37,983 8.2%	7.5
Development Business	Houses for sale	7,841 7.9%	9,836 8.9%	25.4
	Condominiums	3,522 7.5%	3,654 10.5%	3.8
	Urban redevelopment	20,531 18.5%	13,973 16.2%	(31.9)
	Subtotal	31,895 12.4%	27,464 11.9%	(13.9)
Overseas Business		12,187 12.6%	14,798 8.9%	21.4
Other businesses		(110) (0.2%)	405 0.8%	-
Eliminations and back office		(26,153)	(27,087)	-
Consolidated		127,292 8.8%	127,019 8.5%	(0.2)

(3) Orders

¥ millions

		Nine months ended October 31, 2016	Nine months ended October 31, 2017	YOY(%)
Built-to-order Business	Custom detached houses	292,279	274,527	(6.1)
	Rental housing	349,088	346,106	(0.9)
	Subtotal	641,367	620,633	(3.2)
Supplied Housing Business	Remodeling	103,170	104,432	1.2
	Real estate management fees	350,927	366,403	4.4
	Subtotal	454,098	470,835	3.7
Development Business	Houses for sale	118,169	118,953	0.7
	Condominiums	66,517	89,480	34.5
	Urban redevelopment	119,451	86,046	(28.0)
	Subtotal	304,138	294,480	(3.2)
Overseas Business		118,979	251,480	111.4
Other businesses		55,764	54,664	(2.0)
Consolidated		1,574,348	1,692,094	7.5

(4) Accumulated orders

¥ millions

		As of January 31, 2017	As of October 31, 2017	YOY (%)
Built-to-order Business	Custom detached houses	208,655	214,121	2.6
	Rental housing	378,401	410,892	8.6
	Subtotal	587,056	625,013	6.5
Supplied Housing Business	Remodeling	22,996	32,595	41.7
	Real estate management fees	-	-	-
	Subtotal	22,996	32,595	41.7
Development Business	Houses for sale	43,959	52,714	19.9
	Condominiums	86,697	141,322	63.0
	Urban redevelopment	-	-	-
	Subtotal	130,657	194,036	48.5
Overseas Business		109,996	195,237	77.5
Other businesses		43,106	44,279	2.7
Consolidated		893,813	1,091,162	22.1

1. Qualitative Information Regarding the Consolidated Results for the Nine months under Review

(1) Qualitative Information Regarding Consolidated Business Results

During the first nine months of the consolidated fiscal year under review, corporate earnings and capital spending improved in Japan, although uncertainty in overseas economies and fluctuations in financial markets required attention. Consumer spending continued to pick up, albeit at a moderate pace. In addition, the steady economic recovery continued in the United States. Economies also showed signs of recovery in Asia.

In the housing market, people's interest in acquiring their own homes continued, especially among first-time buyers, mainly due to low interest rates on housing loans and Japanese government measures to encourage housing purchases. On the other hand, there were signs of prolonged negotiating periods. Moreover, demand for the construction of rental housing remained solid, especially in urban areas, despite weakening recently mainly due to concern over occupancy rates in certain areas and changes in financial institutions attitude toward lending.

Under these circumstances, the Company advanced efforts to strengthen housing and residential-related businesses and expand new business areas under the basic policy of "building foundations for residential-related businesses BEYOND 2020" adopted in the Fourth Mid-Term Management Plan (2017-2019) that it formulated and announced in March 2017. In the Custom Detached Houses and Rental Housing Businesses, where the Company leads the industry as a top-brand holder, the Company worked to diversify built-to-order operations, including the construction of hotels and nursery homes, taking advantage of the high-quality elements supplied by its own factories, while at the same time stepping up sales of houses with high added value.

As part of its measures for expanding its business areas, the Company commenced the construction of Four Points by Sheraton Nagoya, a Marriott International hotel, with operations slated to begin in the fall of 2018, at Chubu Centrair International Airport, Nagoya, which has been experiencing an increase in passengers and an expansion in inbound demand.

In the overseas business, which is positioned as a pillar of its new business model, in March 2017, the Company acquired Woodside Homes Company, LLC, a custom detached housing business operator in the United States, and entered the homebuilding business.

Furthermore, the Company was selected for the METI Minster Award program of the New Diversity Management Selection 100 sponsored by the Ministry of Economy, Trade and Industry (METI) based on the assessment that the Company had addressed the need to change ways of working through business efficiency improvement using IT and positioned the advancement of women in the workplace as a management strategy in a bid to enable diverse employees to display their individual abilities. The METI and the Tokyo Stock Exchange also selected the Company for Nadeshiko Brand designation under their joint administration (for the fourth time).

In September, the Company was selected for inclusion in the Dow Jones Sustainability Indices (DJSI) World Index. This is a major stock index for ESG investments that takes into consideration the financial, environmental, and social aspects of a company. This was the second year in a row that the Company had been selected. The Company also joined the RE100 initiative which unites the world's most influential businesses, with the goal of sourcing 100% of the electric power used in its business activities from renewable energy. The Company will now speed up the shift to renewable energy, with the goal that 100% of electricity consumed in its business activities will be derived from renewable energy sources by 2040.

In the third quarter of the consolidated fiscal year under review, net sales amounted to ¥1,494,745 million (up 3.4% year-on-year). Operating income amounted to ¥127,019 million (down 0.2% year-on-year), ordinary income to ¥132,566 million (up 4.0% year-on- year) and profit attributable to owners of parent to ¥85,865 million (up 3.3% 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 promoted sales of zero energy houses (ZEHs) (Green First Zero of Sekisui House, Ltd.) and aimed to bring the energy balance to zero, while maintaining a comfortable lifestyle with energy conservation using high-insulation and LED lighting facilities and generating energy with solar power, among other means. The Company will accelerate its initiatives for the popularization of ZEHs to raise the adoption ratio of ZEHs, which had been increasing to 74% by 2016, to 80%, a target in 2020. In the IS SERIES of steel-frame houses, the Company strengthened its proposal for a slow living space, a large pillar-free space with a large opening and a ceiling height of 2.74 meters and a maximum width of 7 meters that spreads vertically and horizontally by introducing a new construction method called the Dynamic Frame System. The Company achieved ZEHs, a large space and a large opening at the same time by additionally adopting ultra-high insulation window sashes. Moreover, the Company focused on expanding the sales of houses adopting original external walls, such as the SHAWOOD-HOME SERIES of wood-framed houses featuring BELLBURN porcelain-tiled external walls, and on selling three- or four-story heavy steel-framed detached houses offering greater layout flexibility and meeting diverse demand, such as demand for occupancy by multiple households, in urban areas.

Sales in the Custom Detached Houses Business amounted to ¥269,061 million, down 4.0% year-on-year, and operating income to ¥32,957million, down 4.2% 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 making attractive rental housing proposals that lead to stable management in the long term, through area marketing that makes the most of Group’s strengths, including collaboration with Sekiwa Real Estate companies. The Company sought to differentiate itself with flexible proposals based on the β system construction method and hotel-like specifications, and sought to expand orders received especially for three- to four-story rental housing.

The Company also developed the new flexible β system construction method, enhancing design adaptability and ability to propose open space. The new construction method delivers large apertures and pillar-less open space up to 9m wide and increases design adaptability in narrow lots, thus enhancing the Company’s ability to make proposals to meet diversifying construction needs, not only in its custom-detached houses and rental housing businesses but also in other areas such as houses also used as commercial property, homes of the elderly, childcare centers, hospitals, and hotels, and strengthening its competitiveness.

Having promoted ZEH mainly in the custom-detached housing business, the Company began building in Nagoya the first housing units in Japan to comply with the ZEH standards. It also received an order to construct rental houses in Kanazawa, Ishikawa Prefecture. These activities were part of its focus on promoting ZEH standards in collective house.

Sales in the Rental Housing Business amounted to ¥313,615 million, up 1.3% year-on-year, and operating income to ¥40,497 million, up 2.0% year-on-year.

<Supplied Housing Business>

(Remodeling Business)

In the Remodeling Business, the Company advanced proposals for renovations that enhance the value of houses through large-scale renovation work that agrees with purposes such as new lifestyles and energy conservation while bolstering its sales structure. The Company worked to expand sales for the Business with initiatives including the step-by-step establishment of a zone for experiencing renovation at five Sumai-no Yume Kojo facilities throughout Japan, offering experiences related to homebuilding. Furthermore, the Company proactively advanced proposals for remodeling Sha-Maison rental houses that contribute to their stable management over the long term.

Sales in the Remodeling Business amounted to ¥94,833 million, up 1.8% year-on-year, and operating income to ¥12,577 million, up 15.4% year-on-year.

(Real Estate Management Fees Business)

In the Real Estate Management Fees Business, the number of Sha-Maison rental apartment units for blockleasing and management by Sekiwa Real Estate companies on a commissioned basis rose firmly, supported in part by a stable supply of rental properties. At the same time, occupancy rates remained high. Under these conditions, the Company sought to strengthen the real estate brokerage business, including SumStock that rates superior supplied houses using an original assessment method, as an approach to trading markets for existing houses.

In August, the Company also began providing mainly real estate management trust services to support rental housing owners with asset management and smooth succession via Sekisui House Trust, Ltd.

Sales in the Real Estate Management Fees Business amounted to ¥366,403 million, up 4.4% year-on-year, and operating income to ¥25,406 million, up 3.9% year-on-year.

<Development Business>

(Houses for Sale Business)

In the Houses for Sale Business, sales remained strong as the Company continued to procure land actively, as well as due to such efforts as the holding of Machinami sankan-bi promotional events. It also promoted the creation of high-quality towns that can be passed on to future generations through support activities conducted jointly with the inhabitants for the establishment of communities, while adopting the concept of "beauty that blooms with time," the creation of high-grade social stock that is richly verdant and will become more attractive over time.

Sales in the Houses for Sale Business amounted to ¥110,198 million, up 10.3% year-on-year, and operating income to ¥9,836 million, up 25.4% 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. Grand Maison Shin Umeda Tower (Kita-ku, Osaka) was completed, and the Company received steady orders for new properties for sale, including Grand Maison Shinagawa Seaside-no Mori (Shinagawa-ku, Tokyo). Property handovers also progressed according to plan.

Sales in the Condominiums Business amounted to ¥34,855 million, down 25.8% year-on-year, and operating income to ¥3,654 million, up 3.8% year-on-year.

(Urban Redevelopment Business)

In the Urban Redevelopment Business, the Company undertook development projects aimed at establishing high quality social infrastructure. 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. Meanwhile, the Company sold two properties, the floors in the Honmachi Garden City used by the St. Regis Osaka as a hotel facility and part of the Garden City Shinagawa Gotenyama.

Sales in the Urban Redevelopment Business amounted to ¥86,046 million, down 22.4% year-on-year, and operating income to ¥13,973 million, down 31.9% year-on-year.

<Overseas Business>

In the United States, strong sales continued for subdivisions in Tampa, Florida and other locations, and sales posted by Woodside Homes Company, LLC, a company that became a consolidated subsidiary in this fiscal year, contributed. In Australia, handovers of condominium units in Central Park (Sydney) that were developed in the second phase and Wentworth Point (Sydney) progressed according to plan. In China, the Company continued to steadily hand over condominium units in Taicang City, sustaining the pace from the previous fiscal year. In Singapore, sales remained strong for condominium units in the new Seaside Residence development.

Sales in the Overseas Business amounted to ¥166,239 million, up 72.3% year-on-year, and operating income to ¥14,798 million up 21.4% year-on-year.

<Other Businesses>

In the Exterior Business, the Company made efforts to strengthen integrated construction proposals for external facilities and houses by allocating employees with an emphasis on their specialization. At the same time, the Company advanced proposals for original landscaping and external facilities for custom detached houses, rental houses and condominiums based mainly on the “Gohon no ki” landscaping concept through which garden trees are selected from native, non-cultivated and other plant varieties adapted to the local climate.

Sales in the Other Businesses amounted to ¥53,491 million, down 6.9% year-on-year, and operating income to ¥405 million.

(2) Qualitative Information Regarding Consolidated Financial Conditions

Total assets increased by ¥220,390 million to ¥2,405,285 million at the end of the third quarter of the consolidated fiscal year under review, primarily owing to the increases in real estate for sale by the acquisition of Woodside Homes Company, LLC. Liabilities increased ¥180,450 million, to ¥1,247,081 million, mainly due to an increase in loans and the issue of bonds. Net asset increased ¥39,939 million to ¥1,158,204 million, mainly due to posting profit attributable to owners of parent.

(3) Qualitative Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2018 remained unchanged from the plan announced on September 7, 2017, in light of the steady progress in improvements in sales, orders in the respective business segments.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of January 31, 2017	As of October 31, 2017
Assets		
Current assets		
Cash and deposits	212,808	240,583
Notes receivable, accounts receivable from completed construction contracts	49,031	74,802
Short-term investment securities	1,399	499
Costs on uncompleted construction contracts	10,150	17,317
Buildings for sale	321,682	388,176
Land for sale in lots	566,018	602,625
Undeveloped land for sale	92,682	119,942
Other inventories	7,210	8,670
Deferred tax assets	30,229	28,551
Other	64,987	76,850
Allowance for doubtful accounts	(1,172)	(1,142)
Total current assets	1,355,029	1,556,877
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	196,682	186,657
Machinery, equipment and vehicles, net	10,936	9,765
Land	325,073	325,704
Construction in progress	24,950	41,002
Other, net	6,039	5,714
Total property, plant and equipment	563,682	568,844
Intangible assets	13,345	20,337
Investments and other assets		
Investment securities	149,515	160,756
Long-term loans receivable	40,645	30,936
Net defined benefit asset	8,117	9,602
Deferred tax assets	2,727	3,116
Other	52,292	55,251
Allowance for doubtful accounts	(460)	(436)
Total investments and other assets	252,837	259,227
Total noncurrent assets	829,865	848,408
Total assets	2,184,895	2,405,285

(¥ million)

	As of January 31, 2017	As of October 31, 2017
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	108,835	99,248
Electronically recorded obligations-operating	70,202	62,538
Short-term bonds payable	35,000	-
Short-term loans payable	150,863	223,145
Current portion of bonds	40,000	55,000
Current portion of long-term loans payable	22,373	24,011
Income taxes payable	34,311	13,477
Advances received on uncompleted construction contracts	129,783	153,662
Provision for bonuses	28,005	33,590
Provision for directors' bonuses	1,290	-
Provision for warranties for completed construction	2,800	2,906
Other	90,477	78,528
Total current liabilities	713,945	746,107
Noncurrent liabilities		
Bonds payable	130,000	235,000
Long-term loans payable	108,355	149,873
Long-term lease and guarantee deposited	59,951	60,836
Deferred tax liabilities	6,460	11,681
Provision for directors' retirement benefits	1,197	1,290
Net defined benefit liability	20,266	21,224
Other	26,453	21,066
Total noncurrent liabilities	352,685	500,974
Total liabilities	1,066,630	1,247,081
Net assets		
Shareholders' equity		
Capital stock	202,591	202,591
Capital surplus	253,559	251,563
Retained earnings	577,663	579,624
Treasury stock	(37,248)	(977)
Total shareholders' equity	996,565	1,032,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,839	45,803
Deferred gains or losses on hedges	19	(99)
Foreign currency translation adjustment	46,975	49,592
Remeasurements of defined benefit plans	21,959	15,239
Total accumulated other comprehensive income	106,793	110,536
Subscription rights to shares	694	750
Minority interests	14,211	14,115
Total net assets	1,118,264	1,158,204
Total liabilities and net assets	2,184,895	2,405,285

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

(Consolidated Quarterly Statements of Income)

For the nine months ended October 31, 2016 and 2017

(¥ million)

	Feb. 1, 2016– Oct. 31, 2016	Feb. 1, 2017 – Oct. 31, 2017
Net sales	1,445,740	1,494,745
Cost of sales	1,145,869	1,184,919
Gross profit	299,870	309,826
Selling, general and administrative expenses	172,578	182,807
Operating income	127,292	127,019
Non-operating income		
Interest income	1,221	1,486
Dividends income	799	991
Foreign exchange gains	-	1,217
Equity in earnings of affiliates	6,746	4,805
Other	1,969	1,913
Total non-operating income	10,736	10,414
Non-operating expenses		
Interest expenses	1,777	2,176
Foreign exchange losses	5,581	-
Other	3,205	2,690
Total non-operating expenses	10,564	4,867
Ordinary income	127,465	132,566
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stock	-	888
Gain on sales of investment securities	-	1
Total extraordinary losses	-	889
Extraordinary loss		
Bad debt losses	-	5,559
Loss on valuation of investment securities	-	2,879
Loss on sales and retirement of noncurrent assets	441	1,399
Impairment loss	-	45
Total extraordinary losses	441	9,883
Income before income taxes and non-controlling shareholders' interests	127,023	123,572
Income taxes-current	34,022	31,049
Income taxes-deferred	6,008	5,990
Total income taxes	40,031	37,040
Profit	86,992	86,532
Profit attributable to non-controlling shareholders' interests	3,833	667
Profit attributable to owners of parent	83,158	85,865

(Consolidated Quarterly Statements of Comprehensive Income)

For the nine months ended October 31, 2016 and 2017

	Feb. 1, 2016 – Oct. 31, 2016	Feb. 1, 2017 – Oct. 31, 2017
Profit	86,992	86,532
Other comprehensive income		
Valuation difference on available-for-sale securities	5,150	7,488
Deferred gains or losses on hedges	11	-
Foreign currency translation adjustment	(67,309)	2,009
Remeasurements of defined benefit plans	(4,392)	(6,747)
Share of other comprehensive income of associates accounted for using equity method	(1,828)	997
Total other comprehensive income	(68,368)	3,747
Comprehensive income	18,623	90,280
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	14,899	89,608
Comprehensive income attributable to non-controlling shareholders' interests	3,723	672

(3) Notes to Consolidated Quarterly Financial Statements

(Related to Consolidated Quarterly Statements of Income)

Bad debt losses

An extraordinary loss is posted in conjunction with the uncollected amount arisen from a transaction incident that occurred when purchasing land for condominiums.

(Notes Regarding Assumption of a Going Concern)

Not applicable

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

Not applicable

(Additional information)

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company applied the Implementation Guidance on Recoverability of Deferred Tax Assets (Accounting Standard Board of Japan Implementation Guidance No. 26 issued on March 28, 2016) from the first quarter under review.