Consolidated Financial Statements Summary for the Third Quarter of FY2018 (February 1, 2018 through October 31, 2018) (Japanese Standard)

December 7, 2018

Company name	: **Sekisui House, Ltd.** (URL http://www.sekisuihouse.co.jp)
Listed exchanges	: Tokyo, Nagoya
Stock code	: 1928
Representative	: Yoshihiro Nakai, President and Representative Director
Inquiries	: Atsushi Yoshida, Chief Manager of Investor Relations Department Tel +81 6 6440 3111
Filing date of quarterly securities report	: December 14, 2018
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, 2018 (February 1, 2018 through October 31, 2018)

(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, 2018	1,488,113	(0.4)	114,036	(10.2)	118,387	(10.7)	82,923	(3.4)
Nine months ended Oct. 31, 2017	1,494,745	3.4	127,019	(0.2)	132,566	4.0	85,865	3.3

(Note) Comprehensive income:
Nine months ended Oct. 31, 2018: ¥50,528 million (-44.0%) Nine months ended Oct. 31, 2017: ¥90,280 million (384.8%)

	Profit per share	Fully diluted profit per share
	¥	¥
Nine months ended Oct. 31, 2018	120.23	120.08
Nine months ended Oct. 31, 2017	124.43	124.27

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	¥ million	¥ million	%
As of October 31, 2018	2,375,286	1,202,275	50.0
As of January 31, 2018	2,419,012	1,208,121	49.4

(Reference) Equity capital* As of October 31, 2018: ¥1,187,632 million As of January 31, 2018: ¥1,194,975 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, 2018	-	37.00	-	40.00	77.00
Year ending Jan. 31, 2019	-	39.00	-		
Year ending Jan. 31, 2019 (forecast)				40.00	79.00

(Note) Revised dividend forecast for the current period: No

3. Consolidated Results Forecast for FY2018 (February 1, 2018 through January 31, 2019)

(% 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, 2019	2,166,000	0.3	185,000	(5.4)	190,000	(6.7)	127,000	(4.7)	184.24

(Note) Revised forecast for the current period: No

The Company conducted a share repurchase based on a resolution at a meeting of the Board of Directors held on September 6, 2018. As a result, profit per share in the consolidated results forecast for the fiscal year ending January 31, 2019 is presented in consideration of the relevant share repurchase.

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 Oct. 31, 2018: 690,683,466 shares As of Jan. 31, 2018: 690,683,466 shares

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

As of Oct. 31, 2018: 2,579,297 shares As of Jan. 31, 2018: 586,249 shares

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

Nine months ended Oct. 31, 2018: 689,701,968 shares Nine months ended Oct. 31, 2017: 690,080,965 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 ended October 31, 2018 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 7, 2018. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

TABLE OF CONTENTS OF THE ATTACHED MATERIAL

Appendix: Segment breakdown for the Nine Months Ended October 31, 2018

Consolidated

(1) Sales ¥ millions

		Nine months ended October 31, 2017	Nine months ended October 31, 2018	YOY(%)
Built-to-order Business	Custom detached houses	269,061	251,261	(6.6)
	Rental housing	313,615	295,457	(5.8)
	Subtotal	582,676	546,719	(6.2)
Supplied Housing Business	Remodeling	94,833	97,172	2.5
	Real estate management fees	366,403	384,117	4.8
	Subtotal	461,237	481,289	4.3
Development Business	Houses for sale	110,198	103,837	(5.8)
	Condominiums	34,855	65,347	87.5
	Urban redevelopment	86,046	96,057	11.6
	Subtotal	231,100	265,243	14.8
Overseas Business		166,239	144,018	(13.4)
Other businesses		53,491	50,842	(5.0)
Consolidated		1,494,745	1,488,113	(0.4)

(2) Operating income and OP margin ¥ millions

		Nine months ended October 31, 2017 Amount OP margin	Nine months ended October 31, 2018 Amount OP margin	YOY(%)
Built-to-order Business	Custom detached houses	32,957 12.2%	26,695 10.6%	(19.0)
	Rental housing	40,497 12.9%	31,638 10.7%	(21.9)
	Subtotal	73,455 12.6%	58,334 10.7%	(20.6)
Supplied Housing Business	Remodeling	12,577 13.3%	13,165 13.5%	4.7
	Real estate management fees	25,406 6.9%	30,053 7.8%	18.3
	Subtotal	37,983 8.2%	43,218 9.0%	13.8
Development Business	Houses for sale	9,836 8.9%	7,172 6.9%	(27.1)
	Condominiums	3,654 10.5%	8,144 12.5%	122.9
	Urban redevelopment	13,973 16.2%	19,356 20.2%	38.5
	Subtotal	27,464 11.9%	34,674 13.1%	26.2
Overseas Business		14,798 8.9%	7,645 5.3%	(48.3)
Other businesses		405 0.8%	(937) (1.8%)	-
Eliminations and back office		(27,087)	(28,899)	-
Consolidated		127,019 8.5%	114,036 7.7%	(10.2)

(3) Orders

¥ millions

		Nine months ended October 31, 2017	Nine months ended October 31, 2018	YOY(%)
Built-to-order Business	Custom detached houses	274,527	284,784	3.7
	Rental housing	346,106	311,704	(9.9)
	Subtotal	620,633	596,489	(3.9)
Supplied Housing Business	Remodeling	104,432	110,616	5.9
	Real estate management fees	366,403	384,117	4.8
	Subtotal	470,835	494,733	5.1
Development Business	Houses for sale	118,953	122,237	2.8
	Condominiums	89,480	65,084	(27.3)
	Urban redevelopment	86,046	69,406	(19.3)
	Subtotal	294,480	256,728	(12.8)
Overseas Business		251,480	179,298	(28.7)
Other businesses		54,664	55,120	0.8
Consolidated		1,692,094	1,582,371	(6.5)

(4) Accumulated orders

¥ millions

		As of January 31, 2018	As of October 31, 2018	YOY (%)
Built-to-order Business	Custom detached houses	200,156	233,679	16.7
	Rental housing	398,755	415,003	4.1
	Subtotal	598,912	648,682	8.3
Supplied Housing Business	Remodeling	23,988	37,432	56.0
	Real estate management fees	-	-	-
	Subtotal	23,988	37,432	56.0
Development Business	Houses for sale	42,153	60,553	43.7
	Condominiums	121,732	121,469	(0.2)
	Urban redevelopment	28,755	2,103	(92.7)
	Subtotal	192,640	184,126	(4.4)
Overseas Business		119,721	155,000	29.5
Other businesses		43,337	47,615	9.9
Consolidated		978,601	1,072,858	9.6

1. Qualitative Information Regarding the Consolidated Results for the Nine Months Ended October 31, 2018

(1) Qualitative Information Regarding Consolidated Business Results

During the first nine months of the consolidated fiscal year ending January 31, 2019, the Japanese economy saw a continued moderate recovery as consumer spending improved on a steady strengthening of employment and corporate earnings and capital spending increased, although attention should be paid to trends in trade issues and their impacts. Meanwhile, overseas, the U.S. continued to experience a steady economic recovery.

In the housing market, interest in the acquisition of houses kept rising. However, a wait-and-see attitude over reconstruction continued and construction of rental housing decreased due mainly to a changing attitude among financial institutions. As a result, the number of new housing starts continued to decrease from the previous year. Meanwhile, in the overseas housing market, there was continued brisk demand for housing in the United States.

Under these circumstances, the Company stepped up efforts to strengthen housing and residential-related business and expand new business areas under the basic policy adopted in the Fourth Mid-Term Management Plan (2017-2019) of Building the foundations for residential-related businesses BEYOND 2020 in the second year of that Plan, while the Sekisui House Group overall pursued the value that housing can provide to the society.

The Company strengthened the sales system by introducing a new product in the Custom Detached Houses Business, increasing the expertise of sales staff, and actively enhancing the sales of non-housing contract business (hotels, day nurseries, medical institutions, etc.) The Company also established the Human Life R & D Institute in August, which will study and propose Houses where the more you live, the happier you will be, as part of the Company's efforts in pursuing a sense of happiness such as health and family bonds, in addition to the research themes such as living safety, security, and comfort that it has been working on over many years.

Moreover, the Company improved its construction site environment with the aim of introducing upper power exoskeletons at sites in December 2018 to reduce the burdens of tasks requiring an upward-facing posture, as part of increasing its construction capacity. The Company also installed a quality inspection system based on image processing and AI technology in the manufacturing lines of Bellburn, the Company's original earthenware exterior walls for Shawood wooden houses, at its Shizuoka Factory, to increase production efficiency and quality.

In the ESG (environment, society, governance) field, which the Company positions as an important management issue, the Company was selected for all of the four ESG indices adopted by GPIF, the world's largest pension fund. In addition, it was selected for the Gold Class, the highest sustainability rating, in the RovecoSAM Sustainability Award and as one of the companies included in the Dow Jones Sustainability World Index (DJSI World), for the third year in a row.

With respect to environmental efforts, the Company made a decarbonation declaration in 2008 with a target year of 2050 to help build a sustainable society, and it has been working on reducing greenhouse gas emissions from its business activities by, for instance, promoting ZEH (net zero energy housing) and joining the RE100 initiative in 2017. The target gained the first certification of an international Science Based Targets initiative in the Japanese housing industry.

As for the social aspects, the Company has been pursuing a management strategy of diversity to create an environment in which diverse human resources can make the best use of their abilities to their fullest potential. As for the advancement of women in the workplace, the Company was selected for the Nadeshiko Brand designation for fiscal 2017 under joint administration of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (for the fifth time as the only company in the housing and construction industry). As a Kids First Company that leads a society that supports child care and parenting, the Company has announced that all male employees who have children under the age of three will take childcare leave of at least one month.

In terms of governance, positioning the year of 2018 as the first year of governance reform, the Company introduced a system for invigorating the activities of the Board of Directors and bolstering the development of future managers. It also clarified the division of responsibilities and authorities of directors and other managers and reformed the organizational structure to ensure links among divisions, among other measures, as the initiatives to create a more sound corporate culture.

In the first nine months ended October 31, 2018, net sales amounted to ¥1,488,113 million (down 0.4% year-on-year). Operating income amounted to ¥114,036 million (down 10.2% year-on-year), ordinary income to ¥118,387 million (down 10.7% year-on- year) and profit attributable to owners of parent to ¥82,923 million (down 3.4% 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 worked to develop and promote the sales of high value-added products such as zero energy houses (ZEHs) and houses using original external walls. The Company focused on sales of Green First Zero, our original ZEHs, which achieve an energy balance by saving energy through high insulation and other means and generating energy through methods such as photovoltaic power generation and fuel cells. The ZEH ratio rose to 76% in fiscal 2017, shifting steadily toward the fiscal 2020 target of 80%. The Company will accelerate its initiatives for popularizing ZEHs, focusing on the strengths that make a comfortable lifestyle consistent with ZEHs. In addition, the Company expanded the sales of the IS series of steel-frame houses and the GRAVIS series of SHAWOOD-HOME wood-framed houses, the high-end products. In urban areas, the Company focused on selling three- and four-story heavy steel-framed houses offering greater layout flexibility that can meet diverse needs, including demand for multiple-family cohabitation. Meanwhile, the Company introduced Airkis specifications for giving consideration to indoor air quality to the SHAWOOD-HOME series of wood-framed houses, enabling it to propose the specifications in all custom detached house lines.

In October, the Company released the IS ROY+E Family Suite featuring the fusion of achievements of a study of Houses where the more you live, the happier you will be and advanced technologies, to propose a large living space in which comfortable personal distances are maintained among family members.

As a result of these efforts, orders received for the Business increased year-on-year, showing signs of recovery from August.

Sales in the Custom Detached Houses Business amounted to ¥251,261 million, down 6.6% year-on-year, and operating income to ¥26,695 million, down 19.0% year-on-year, owing to a decrease in orders received in the previous 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 facilities, using the new flexible β system construction method in which design adaptability and space proposal capability are enhanced. As a result, sales increased solidly for non-housing segments. However, orders received for the Business overall fell year-on-year, mainly due to sluggish rental housing results.

Sales in the Rental Housing Business amounted to ¥295,457 million, down 5.8% year-on-year, and operating income to ¥31,638 million, down 21.9% 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. 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 ¥97,172 million, up 2.5% year-on-year, and operating income to ¥13,165 million, up 4.7% 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 whose 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.

Sales in the Real Estate Management Fees Business amounted to ¥384,117 million, up 4.8% year-on-year, and operating income to ¥30,053 million, up 18.3% 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. The Company has been implementing the Fukuoka Island City Teriha no Machizukuri project with the Fukuoka City government and related organizations through a public-private-academia collaboration. The project, whose town opening ceremony was carried out in 2005, received the Asian Townscape Award 2018.

Sales in the Houses for Sale Business amounted to ¥103,837 million, down 5.8% year-on-year, and operating income to ¥7,172 million, down 27.1% 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. Looking at properties on sale, orders received were solid for condominiums such as Grande Maison Uemachidai the Tower (Chuo-ku, Osaka), where Ene Farm fuel cells for household use will be installed in all units, and Grande Maison Shinagawa Seaside no Mori (Shinagawa-ku, Tokyo). Handovers also progressed according to plan for properties, such as Grande Maison Ekoda no Mori (Nakano-ku, Tokyo).

Sales in the Condominiums Business amounted to ¥65,347 million, up 87.5% year-on-year, and operating income to ¥8,144 million, up 122.9% 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. Additionally, the Company sold a total of six properties, including Prime Maison Shirokanedai Tower, to Sekisui House Reit, Inc.

Sales in the Urban Redevelopment Business amounted to ¥96,057 million, up 11.6% year-on-year, and operating income to ¥19,356 million, up 38.5% year-on-year.

<Overseas Business>

(Overseas Business)

In the United States, homebuilding business at Woodside Homes Company, LLC, which had become a consolidated subsidiary in the previous fiscal year, steadily increased. In Australia, the construction was completed for the DUO Building of Central Park in Sydney and the handovers were started. Meanwhile, condominiums in Taicang, China, were sold out and handovers were also in line with the plan. In Singapore, sales of Seaside Residence continued to be strong. In Australia, there was progress in the construction of condominiums scheduled for completion during the current fiscal year.

Sales in the Overseas Business amounted to ¥144,018 million, down 13.4% year-on-year, and operating income to ¥7,645 million, down 48.3% year-on-year.

<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, non-cultivated and other plant varieties to match the local climate.

Sales in the Other Businesses amounted to ¥50,842 million, down 5.0% year-on-year, and operating loss to ¥937 million.

(2) Qualitative Information Regarding Consolidated Financial Conditions

Total assets decreased ¥43,725 million to ¥2,375,286 million at the end of the third quarter of the consolidated fiscal year ending January 31, 2019. 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 ¥37,879 million to ¥1,173,011 million, following the payments of notes and accounts payable and income taxes. Net asset, despite posting profit attributable to owners of parent, decreased ¥5,846 million to ¥1,202,275 million, mainly due to payments of dividends and the decrease in translation adjustments.

(3) Qualitative Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2019 remained unchanged from the plan announced on September 6, 2018, considering the progress in improvements in the respective business segments.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of January 31, 2018	As of October 31, 2018
Assets		
Current assets		
Cash and deposits	325,834	166,511
Notes receivable, accounts receivable from completed construction contracts	45,877	48,935
Short-term investment securities	589	539
Costs on uncompleted construction contracts	9,414	17,083
Buildings for sale	369,124	416,928
Land for sale in lots	599,514	630,518
Undeveloped land for sale	109,480	130,006
Other inventories	7,627	9,670
Deferred tax assets	29,075	27,611
Other	77,402	103,974
Less allowance for doubtful accounts	(1,270)	(1,428)
Total current assets	1,572,669	1,550,352
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	189,209	198,967
Machinery, equipment and vehicles	8,981	9,487
Land	322,502	303,344
Construction in progress	26,117	17,487
Other, net	6,002	6,795
Total property, plant and equipment	552,814	536,082
Intangible assets	22,016	21,528
Investments and other assets		
Investment in securities	173,802	164,261
Long-term loans receivable	25,341	24,695
Asset for retirement benefits	14,725	16,136
Deferred tax assets	3,080	5,682
Other	54,994	56,753
Less allowance for doubtful accounts	(431)	(207)
Total investments and other assets	271,512	267,323
Total noncurrent assets	846,343	824,933
Total assets	2,419,012	2,375,286

(¥ million)

	As of January 31, 2018	As of October 31, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	104,136	84,588
Electronically recorded obligations-operating	68,677	44,495
Short-term loans payable	209,707	249,402
Current portion of bonds	15,000	-
Current portion of long-term loans payable	2,431	14,720
Accrued income taxes	32,200	14,971
Advances received on construction contracts in progress	142,690	164,657
Accrued employees' bonuses	28,900	33,607
Accrued directors' and corporate auditors' bonuses	1,560	269
Provision for warranties for completed construction	2,980	2,831
Other	98,612	73,837
Total current liabilities	706,898	683,382
Noncurrent liabilities		
Bonds payable	235,000	235,000
Long-term loans payable	154,201	148,594
Guarantee deposits received	60,508	61,354
Deferred income taxes	12,499	8,809
Accrued retirement benefits for directors and corporate auditors	1,337	1,010
Liabilities for retirement benefits	21,504	22,187
Other	18,941	12,671
Total noncurrent liabilities	503,993	489,629
Total liabilities	1,210,891	1,173,011
Net assets		
Shareholders' equity		
Capital stock	202,591	202,591
Capital surplus	251,563	251,563
Retained earnings	626,961	655,338
Less treasury stock, at cost	(948)	(4,297)
Total shareholders' equity	1,080,167	1,105,195
Accumulated other comprehensive income		
Net unrealized holding gain on securities	48,033	37,795
Deferred gain (loss) on hedges	(68)	62
Translation adjustments	50,677	34,522
Retirement benefits liability adjustments	16,166	10,056
Total accumulated other comprehensive income	114,807	82,437
Stock subscription rights	761	817
Non-controlling interests	12,384	13,824
Total net assets	1,208,121	1,202,275
Total liabilities and net assets	2,419,012	2,375,286

(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, 2017 and 2018

(¥ million)

	Feb. 1, 2017– Oct. 31, 2017	Feb. 1, 2018 – Oct. 31, 2018
Net sales	1,494,745	1,488,113
Cost of sales	1,184,919	1,185,876
Gross profit	309,826	302,237
Selling, general and administrative expenses	182,807	188,200
Operating income	127,019	114,036
Non-operating income		
Interest income	1,486	1,491
Dividends income	991	1,118
Foreign exchange gains	1,217	-
Equity in earnings of affiliates	4,805	5,260
Other	1,913	2,501
Total non-operating income	10,414	10,372
Non-operating expenses		
Interest expenses	2,176	3,416
Foreign exchange losses	-	206
Other	2,690	2,398
Total non-operating expenses	4,867	6,021
Ordinary income	132,566	118,387
Extraordinary income		
Gain on sales of investments in securities	1	234
Gain on sales of shares of subsidiaries and affiliates	888	181
Total extraordinary income	889	415
Extraordinary loss		
Loss on sales or disposal of fixed assets	1,399	577
Loss on impairment of fixed assets	45	381
Loss on valuation of investment securities	2,879	2
Bad debt losses	5,559	-
Total extraordinary losses	9,883	961
Profit before income taxes	123,572	117,842
Income taxes-current	31,049	32,473
Income taxes-deferred	5,990	2,442
Total income taxes	37,040	34,916
Profit	86,532	82,925
Profit attributable to non-controlling interests	667	1
Profit attributable to owners of parent	85,865	82,923

(Consolidated Quarterly Statements of Comprehensive Income)

For the nine months ended October 31, 2017 and 2018

	Feb. 1, 2017 – Oct. 31, 2017	Feb. 1, 2018 – Oct. 31, 2018
Profit	86,532	82,925
Other comprehensive income		
Net unrealized holding gain (loss) on securities	7,488	(10,483)
Translation adjustments	2,009	(15,648)
Retirement benefits liability adjustments	(6,747)	(6,130)
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	997	(135)
Total other comprehensive income	3,747	(32,397)
Comprehensive income	90,280	50,528
Comprehensive income attributable to		
Owners of the parent	89,608	50,552
Non-controlling shareholders' interests	672	(24)

(3) Notes to Consolidated Quarterly Financial Statements

(Related to Consolidated Quarterly Statements of Income)

(Notes Regarding Assumption of a Going Concern)

Not applicable

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

Not applicable