

**Consolidated Financial Statements Summary**  
**for the Second Quarter of FY2015 (February 1, 2015 through July 31, 2015)**  
**(Japanese Standard)**

September 10, 2015

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, Chief Manager of Corporate Communications Dept.  
Tel +81 6 6440 3111  
Filing date of quarterly securities report : September 11, 2015  
Date of scheduled payment of dividends : September 30, 2015  
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, 2015 (February 1, 2015 through July 31, 2015)**

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

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended Jul. 31, 2015	931,572	2.4	81,713	14.0	87,325	16.1	52,055	23.4
Six months ended Jul. 31, 2014	910,146	7.7	71,704	28.7	75,203	30.5	42,180	23.9

(Note) Comprehensive income:

Six months ended Jul. 31, 2015: ¥57,621 million (78.4%) Six months ended Jul. 31, 2014: ¥32,295 million (-49.6%)

	Net income per share	Fully diluted net income per share
	¥	¥
Six months ended Jul. 31, 2015	74.09	73.44
Six months ended Jul. 31, 2014	61.46	58.40

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of July 31, 2015	2,012,103	1,093,783	53.8
As of January 31, 2015	1,929,409	1,079,064	55.4

(Reference) Shareholders' equity As of July 31, 2015: ¥1,082,879 million As of January 31, 2015: ¥1,068,423 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, 2014	-	25.00	-	25.00	50.00
Year ending Jan. 31, 2015	-	27.00			
Year ending Jan. 31, 2015 (forecast)			-	27.00	54.00

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

**3. Consolidated Results Forecast for FY2015 (February 1, 2015 through January 31, 2016)**

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Year ending Jan. 31, 2016	1,920,000	0.4	160,000	9.1	167,000	6.8	98,000	8.6	140.04

(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): None

(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: 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, 2015: 709,683,466 shares

As of Jan. 31, 2015: 699,845,934 shares

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

As of Jul. 31, 2015: 9,860,927 shares

As of Jan. 31, 2015: 396,443 shares

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

Six months ended Jul. 31, 2015: 702,559,698 shares

Six months ended Jul. 31, 2014: 686,259,348 shares

**\* Implementation Status of Quarterly Review Processes**

At the time of disclosure of this report, the procedures for review of quarterly consolidated financial statements, pursuant to the Financial Products and Exchange Law, have not been completed.

**\* 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 Six Months under Review" of the "Attached Material" on page 7.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on September 10, 2015. 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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## 1. Qualitative Information Regarding the Consolidated Results for the Six Months under Review

### (1) Qualitative Information Regarding Consolidated Business Results

During the first six months of the consolidated fiscal year under review, the Japanese economy saw recovery in consumer confidence backed by improved income and an increase in corporate capital spending, which was attributable to the mild recovery trend in corporate earnings and the robust stock market.

In the housing market, interest in purchasing housing increased, thanks to government measures supporting home purchasing, such as an expansion in tax exemptions for gifts for the purpose of purchasing residential housing, a broader application of preferential interest rates for the Flat 35S, and the implementation of the point program for energy-saving homes, in addition to an improved employment rate and income environment as a result of the economic recovery. Demand remained strong in the rental housing market, mainly in urban areas, reflecting asset utilization in response to the revision of inheritance taxes enforced in January 2015.

Under these circumstances, the Company developed its business and expanded the housing and residential-related businesses as a group, while seeking to develop new markets, in accordance with its medium-term management plan formulated in November 2014, the brand vision “SLOW & SMART” and the Group’s basic direction of “Strengthening synergies in the Group and taking on new challenges in the ‘residential’-related business.” The Company also held sales promotion events nationwide, including *Sumai no sankan-bi* (visits to model houses) and Sha Maison Festa, and worked to win orders.

For new initiatives, the municipal authorities of Higashi Matsushima City, Miyagi Prefecture and the Company promoted initiatives on a smart town called Higashi Matsushima Smart Disaster Prevention Eco-Town to which electricity is provided from micro grids that connect disaster recovery public housing and peripheral hospitals, public facilities, etc. The smart town will be the first smart grid in Japan where mutual accommodation of energy among detached houses and across premises will contribute to improving local disaster response capabilities and disaster prevention capabilities.

Urban Renaissance Agency and the Company decided to jointly develop a community consisting of a condominium with units for lease to households with children, a condominium with units for sale to multi-generation families, elderly housing with supportive services, a fee-based nursing home, and a community space. Together, these units will help to create a sustainable community cultivated by several generations on the former site of the public officers’ housing in Ekoda in Nakano Ward, Tokyo.

In May, the Company newly constructed the SEKISUI HOUSE ECO PARK, with three residential houses for demonstrative trials, which have been presenting the Company’s cutting edge environmental technologies, at the Kanto Factory. With the primary aim being to cultivate the next generation, the park will be made open to public as a place that provides an opportunity to experience and learn about ‘Changes in housing will change society.’

In addition, the Company has been selected as a Competitive IT Strategy Company jointly defined by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange in recognition for its integrated management of information on individual houses in all phases—from sales, design, factory work, and construction all the way to after-sales maintenance—with the use of computer-assisted design (CAD) and other systems. The Company was also recognized for its active use of mobile terminals to achieve operational and production reforms, as well as its efforts to standardize construction. Along with being selected as a Competitive IT Strategy Company, the Company was also selected by METI and the Tokyo Stock Exchange as a Nadeshiko brand 2015, which signifies it as a company that

promotes the advancement of women in the workplace. The Company became the first company in the housing and construction industry selected for the second time as a Nadeshiko brand.

In the second quarter of the consolidated fiscal year under review, net sales amounted to ¥931,572 million (up 2.4% year-on-year). Operating income amounted to ¥81,713 million (up 14.0% year-on-year), ordinary income to ¥87,325 million (up 16.1% year-on-year) and net income to ¥52,055 million (up 23.4% year-on-year).

Business results by segments are as follows.

#### **(Custom Detached Houses Business)**

Aiming to achieve an “improved environment for residents” and “break even in energy” through energy saving and creation, the Company promoted the sale of zero energy houses (ZEH), the Green First Zero of Sekisui House, Ltd., to capture the trend of comfortable living in 2020 in advance and three- to four-story houses in response to the need for multi-family homes in urban areas. In the steel-frame detached house segment, the Company endeavored to expand sales of luxury homes under the IS SERIES, which celebrated the 30th anniversary of its launch last year, while in the wood-framed SHAWOOD-HOME house segment, it made efforts to expand sales of the lineup of its original BELLBURN earthenware exterior wall.

As a result of these business promotions, orders were firm.

Sales in the Custom Detached Houses Business amounted to ¥196,097 million, down 13.9% year-on-year, and operating income to ¥23,338 million, down 15.4% year-on-year.

#### **(Rental Housing Business)**

In the Rental Housing Business, there is continuously high demand, reflecting increased demand in urban areas and the need to respond to revised inheritance taxes. As a result, sales of the Company’s three- and four-story rental houses that enable multi-purpose uses and adapt flexibly to customer needs made satisfactory progress. In addition, the Company positively promoted the Platinum Business for the purpose of offering a comfortable and prosperous living environment to elderly people. As part of this business, the construction of MAST CLERIEN KAGURAZAKA with 71 rental houses for families and 45 houses for households of active elderly residents with living support services was completed for block leasing by Sekiwa Grand Mast, Ltd., a wholly-owned subsidiary of Sekisui House, Ltd.

As a result of these business promotions, orders progressed favorably.

Sales in the Rental Housing Business amounted to ¥194,607 million, down 3.4% year-on-year, and operating income to ¥23,949 million, up 6.0% year-on-year.

#### **(Remodeling Business)**

In the Remodeling Business, the Company proactively promoted the renovation business that enhances the value of houses through large scale renovation works to suit new lifestyles and purposes. It also promoted remodeling proposals for Sha Maison low-rise rental apartments, the number of which under management is steadily increasing.

In addition, the Company launched a new common brand, Re:QUEST, for the business for renovating conventional wooden houses and condominiums in an attempt to expand the remodeling business in the general market, building upon its track record as a leader in remodeling and renovation in Japan and its ability to conduct renovation work across the country. As part of this initiative, the Company embarked on the online remodeling business in the *Reform Stores* section newly set up by Amazon Japan K.K.

As a result of these business promotions, orders were favorable.

Sales in the Remodeling Business amounted to ¥68,540 million, down 2.4% year-on-year, due to the effect of reactionary drop following last-minute demand before the consumption tax hike, and operating income to ¥7,697 million, down 11.7% year-on-year.

#### **(Real Estate Management Fees Business)**

In the Real Estate Management Fees Business, the number of units of Sha Maison low-rise rental apartments for block leasing and management by Sekiwa Real Estate companies enjoyed steady growth, attributable to steady progress in their supply in the Rental Housing Business. In addition, occupancy rates remained high, reflecting increased demand in urban areas, enhanced cooperation in the Group to encourage occupancy, and efforts to advance penetration of the Sha Maison brand.

Sales in the Real Estate Management Fees Business amounted to ¥223,266 million, up 4.9% year-on-year, and operating income to ¥14,246 million, up 19.0% year-on-year.

#### **(Houses for Sale Business)**

In the Housing for Sale Business, the Company is promoting community development to create quality social stock that will become more attractive over time based on the concept of “beauty that blooms with time.” In Common Life Musashi Fujisawa Ekimae, launched in April 2015 in Iruma City, Saitama Prefecture, core facilities and public spaces were established to create communities in which multi-generation residents can be involved in child-rearing and exchange events are held to promote mutual aid in child care. It also held *Machinami sankan-bi* promotional events nationwide and worked to expand sales.

Sales in the Houses for Sale Business amounted to ¥73,769 million, up 26.0% year-on-year, and operating income to ¥6,372 million, up 26.6% year-on-year.

#### **(Condominiums Business)**

In the Condominiums Business, the Grande Maison Kyoto Oike-Dori (Nakagyo-ku, Kyoto), Grande Maison Yakuin Residence (Chuo-ku, Fukuoka City), and other new properties sold well, and inquiries about Grande Maison Sengawa (Chofu City, Tokyo) and other properties for sale also remained at a high level.

In Naka-ku, Nagoya City, the development of a complex comprising the new MISONOZA Theater that inherits the performing arts and culture of Nagoya, commercial facilities and 304 condominiums for sale started.

Sales in the Condominiums Business amounted to ¥41,931 million, up 30.3% year-on-year, and operating income to ¥3,687 million, up 43.0% year-on-year, after the delivery of large-sized properties, including the Grande Maison Shirokane no Mori The Tower.

#### **(Urban Redevelopment Business)**

In the Urban Redevelopment Business, occupancy rates of the office buildings and commercial facilities developed by the Company and Sekisui House Group's rental properties, such as its Prime Maison series rental apartments, remained firm. The Company sold part of the Hommachi Garden City that it owned to Sekisui House Reit, Inc.

Sales in the Urban Redevelopment Business amounted to ¥64,252 million, up 132.8% year-on-year, and operating income to ¥17,659 million, up 190.6% year-on-year.

#### **(Overseas Business)**

In the United States, the sales of subdivisions, including Cinco Ranch in Texas, were strong, and the Company sold an office building it had developed in Westlake Steps in Seattle. In Australia, although the delivery of condominium units showed seasonal weakness, the conclusion of contracts for Royal Shores now being offered for sale in the suburbs of

Sydney progressed at a healthy pace. In China, construction is progressing towards completion by the end of the current fiscal year. In Singapore, a high contract rate for all the properties handled, as well as the posting of equity holding income in accordance with construction in progress, contributed to the increase in ordinary income.

Sales in the Overseas Business amounted to ¥27,418 million, down 8.8% year-on-year, and operating loss to ¥345 million.

**(Other Businesses)**

In the Exterior Business, the Company proactively made proposals for planting plans, as a comprehensive gardening scheme for detached and rental housing and outdoor facilities in consideration of the neighboring townscape and even the link between human daily life and nature, such as the “*Gohon no ki*” landscaping concept, in which garden trees are selected from trees native to each area and domestic species.

Sales in the Other Businesses amounted to ¥41,689 million, down 16.0% year-on-year, and operating income to ¥1,467 million, down 38.0% year-on-year.

**(2) Qualitative Information Regarding Consolidated Financial Conditions**

Total assets grew ¥82,693 million to ¥2,012,103 million at the end of the second quarter of the consolidated fiscal year under review, primarily attributable to increases in real estate for sale. Liabilities increased ¥67,975 million, to ¥918,320 million, mainly due to an increase in short-term loans payable and the issue of short-term bonds payable. Net assets increased ¥14,718 million, to ¥1,093,783 million, primarily owing to the posting of net income and increases in capital stock and capital surplus, reflecting the issuing of new shares associated with the exercise of subscription rights to shares attached to bonds with subscription rights to shares.

**(3) Qualitative Information Regarding Consolidated Results Forecast**

In light of the continued improvement in profitability in each segment from the initial plan, recent orders, and the progress in the sale of properties in the Urban Redevelopment Business, the Company has revised the forecasts of consolidated results for the fiscal year ending January 31, 2016, which were announced on March 5, 2015, to net sales of ¥1,920 billion (up 0.4% year-on-year), operating income of ¥160.0 billion (up 9.1%), ordinary income of ¥167.0 billion (up 6.8%), and net income of ¥98.0 billion (up 8.6%).

## 2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation):

Not applicable

(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:

Changes in Accounting Policies

(Application of Accounting Standard for Retirement Benefits)

The “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 of May 17, 2012, hereinafter called the “Retirement Benefits Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of May 17, 2012, hereinafter called the “Retirement Benefits Application Guidance”) were applied from the first quarter of the current consolidated financial year under review, in accordance with the provisions of Article 35 of Retirement Benefits Accounting Standard and Article 67 of Retirement Benefits Application Guidance. As a result, the methods for calculating retirement benefit obligations and service costs have been revised, and accordingly, the method for attributing projected benefits to periods was changed from the straight-line basis to the benefit formula basis, and the method of determining the discount rate was changed to a single weighted average discount rate, reflecting the estimated period of the payment of retirement benefits as well as the amount thereof in the estimated period.

In conjunction with the application of the Retirement Benefits Accounting Standard, pursuant to transitional accounting as stipulated in Article 37 of the Retirement Benefits Accounting Standard, the effect of changes in accounting policies arising from the change in the calculation of retirement benefit obligations and service costs is reflected in retained earnings at the beginning of the second quarter of the consolidated fiscal year under review. As a result, at the beginning of the second quarter of the consolidated fiscal year under review, net defined benefit liability increased ¥968 million, while net defined benefit asset and retained earnings decreased ¥21,463 million and ¥15,236 million, respectively. However, the effect of this change on income and loss for the cumulative second quarter of the consolidated fiscal year under review is immaterial.

(4) Additional Information:

(Effects due to Changes in Corporate Tax Rates)

According to the promulgation of the “Act on Partial Revision of the Income Tax Act (Law No.9 of 2015)” and the “Act on Partial Revision of the Local Tax Act (Law No.2 of 2015 )” on March 31, 2015, corporate taxes were reduced, effective for the consolidated fiscal year starting on April 1, 2015 or after. As a result, the effective legal tax rates used for calculating deferred tax assets and deferred tax liabilities were changed from 35.4% to 32.8%, pertaining to temporary differences that are expected to be eliminated in the consolidated fiscal year starting from February 1, 2016, and to 32.1%, pertaining to temporary differences that are expected to be eliminated in a consolidated fiscal year starting from February 1, 2017, respectively.

As a result of the change in tax rates, deferred tax assets (the amount after deducting deferred tax liabilities) decreased ¥278 million, while income taxes-deferred, valuation difference on available-for-sale securities, and remeasurements of retirement benefits increased ¥3,365 million, ¥1,427 million, and ¥1,659 million, respectively.



## 3. Consolidated Quarterly Financial Statements

## (1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of January 31, 2015	As of July 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	195,989	189,890
Notes receivable, accounts receivable from completed construction contracts	53,943	48,645
Short-term investment securities	439	1,598
Costs on uncompleted construction contracts	8,647	7,876
Buildings for sale	232,567	272,552
Land for sale in lots	457,693	503,759
Undeveloped land for sale	78,703	80,459
Other inventories	9,742	8,865
Deferred tax assets	35,272	29,910
Other	57,525	66,403
Allowance for doubtful accounts	(1,257)	(1,239)
<b>Total current assets</b>	<b>1,129,266</b>	<b>1,208,723</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	214,498	208,361
Machinery, equipment and vehicles, net	14,065	12,827
Land	301,088	320,542
Construction in progress	7,807	10,413
Other, net	6,251	5,884
<b>Total property, plant and equipment</b>	<b>543,711</b>	<b>558,030</b>
Intangible assets	16,123	15,743
Investments and other assets		
Investment securities	109,428	115,488
Long-term loans receivable	57,578	57,314
Net defined benefit asset	28,780	9,163
Deferred tax assets	2,327	3,027
Other	42,783	45,117
Allowance for doubtful accounts	(591)	(505)
<b>Total investments and other assets</b>	<b>240,307</b>	<b>229,606</b>
<b>Total noncurrent assets</b>	<b>800,143</b>	<b>803,379</b>
<b>Total assets</b>	<b>1,929,409</b>	<b>2,012,103</b>

(¥ million)

	As of January 31, 2015	As of July 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	103,191	101,869
Electronically recorded obligations-operating	57,638	54,662
Short-term bonds payable	20,000	65,000
Short-term loans payable	67,975	135,413
Current portion of bonds payable	70,000	-
Current portion of bonds with subscription rights to shares	-	2,310
Current portion of long-term loans payable	11,035	46,394
Income taxes payable	23,390	23,266
Advances received on uncompleted construction contracts	102,324	118,650
Provision for bonuses	25,460	17,771
Provision for directors' bonuses	1,054	-
Provision for warranties for completed construction	3,244	2,843
Other	76,919	63,093
Total current liabilities	562,235	631,275
Noncurrent liabilities		
Bonds payable	60,000	90,000
Bonds with subscription rights to shares	12,300	-
Long-term loans payable	106,726	86,845
Long-term lease and guarantee deposited	59,908	60,778
Deferred tax liabilities	12,915	6,542
Provision for directors' retirement benefits	1,056	1,056
Net defined benefit liability	17,550	18,918
Other	17,651	22,903
Total noncurrent liabilities	288,109	287,044
Total liabilities	850,345	918,320
Net assets		
Shareholders' equity		
Capital stock	197,716	202,591
Capital surplus	248,684	253,559
Retained earnings	466,950	486,019
Treasury stock	(500)	(20,018)
Total shareholders' equity	912,850	922,151
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,202	33,630
Deferred gains or losses on hedges	0	(22)
Foreign currency translation adjustment	91,168	93,041
Remeasurements of defined benefit plans	36,202	34,079
Total accumulated other comprehensive income	155,573	160,728
Subscription rights to shares	536	581
Minority interests	10,104	10,321
Total net assets	1,079,064	1,093,783
Total liabilities and net assets	1,929,409	2,012,103

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

**For the six months ended July 31, 2014 and 2015**

(¥ million)

	Feb. 1, 2014– Jul. 31, 2014	Feb. 1, 2015 – Jul. 31, 2015
Net sales	910,146	931,572
Cost of sales	728,334	739,125
Gross profit	181,811	192,446
Selling, general and administrative expenses	110,107	110,733
Operating income	71,704	81,713
Non-operating income		
Interest income	788	1,256
Dividends income	838	838
Foreign exchange gains	950	1,752
Equity in earnings of affiliates	1,991	2,640
Other	1,243	1,802
Total non-operating income	5,812	8,290
Non-operating expenses		
Interest expenses	527	383
Other	1,784	2,295
Total non-operating expenses	2,312	2,678
Ordinary income	75,203	87,325
Extraordinary income		
Gain on sales of investment securities	307	4,228
Total extraordinary income	307	4,228
Extraordinary loss		
Impairment loss	28	3,683
Loss on sales and retirement of noncurrent assets	380	302
Loss on valuation of investment securities	3,375	1
Total extraordinary losses	3,784	3,986
Income before income taxes and minority interests	71,727	87,567
Income taxes-current	21,808	26,309
Income taxes-deferred	6,945	8,811
Total income taxes	28,754	35,120
Income before minority interests	42,972	52,446
Minority interests in income	792	391
Net income	42,180	52,055

**(Consolidated Quarterly Statements of Comprehensive Income)****For the six months ended July 31, 2014 and 2015**

	Feb. 1, 2014 – Jul. 31, 2014	Feb. 1, 2015 – Jul. 31, 2015
Income before minority interests	42,972	52,446
Other comprehensive income		
Valuation difference on available-for-sale securities	291	5,416
Deferred gains or losses on hedges	(35)	(22)
Foreign currency translation adjustment	(10,813)	1,861
Remeasurements of defined benefit plans	-	(2,122)
Share of other comprehensive income of associates accounted for using equity method	(119)	42
Total other comprehensive income	(10,677)	5,174
Comprehensive income	32,295	57,621
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	31,594	57,210
Comprehensive income attributable to minority interests	700	411

**(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

**(Segment Information, etc.)****[Segment Information]**

I. Six months ended July 31, 2014 (February 1, 2014 through July 31, 2014)

## 1. Sales and operating income by reportable business segment

(¥ million)

	Reportable Business Segments						
	Custom detached houses	Rental housing	Remodeling	Real estate management fees	Houses for sale	Condominiums	Urban redevelopment
Sales							
(1) Sales to third parties	227,686	201,370	70,191	212,857	58,564	32,178	27,596
(2) Inter-group sales and transfers	0	1,224	224	1,653	-	-	67
Net sales	227,686	202,594	70,416	214,511	58,564	32,178	27,664
Operating income	27,574	22,603	8,716	11,976	5,033	2,578	6,076

	Reportable Business Segments		Other Businesses (Note: 1)	Total	Adjustments (Note:2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas business	Total				
Sales						
(1) Sales to third parties	30,067	860,513	49,632	910,146	-	910,146
(2) Inter-group sales and transfers	-	3,170	3,424	6,594	(6,594)	-
Net sales	30,067	863,683	53,056	916,740	(6,594)	910,146
Operating income	791	85,351	2,367	87,719	(16,015)	71,704

Notes:

1. Other Businesses principally include the exterior business.
2. An adjustment of ¥16,015 million for segment income includes an elimination of inter-segment transactions of ¥2,078 million and corporate expenses of ¥13,936 million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

## II. Six months ended July 31, 2015 (February 1, 2015 through July 31, 2015)

## 1. Sales and operating income by reportable business segment

(¥ million)

	Reportable Business Segments						
	Custom detached houses	Rental housing	Remodeling	Real estate management fees	Houses for sale	Condominiums	Urban redevelopment
Sales							
(1) Sales to third parties	196,097	194,607	68,540	223,266	73,769	41,931	64,252
(2) Inter-group sales and transfers	-	1,114	139	1,640	-	-	61
Net sales	196,097	195,722	68,680	224,906	73,769	41,931	64,313
Operating income	23,338	23,949	7,697	14,246	6,372	3,687	17,659

	Reportable Business Segments		Other Businesses (Note: 1)	Total	Adjustments (Note:2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas business	Total				
Sales						
(1) Sales to third parties	27,418	889,882	41,689	931,572	-	931,572
(2) Inter-group sales and transfers	-	2,956	2,351	5,308	(5,308)	-
Net sales	27,418	892,839	44,041	936,880	(5,308)	931,572
Operating income	(345)	96,606	1,467	98,073	(16,360)	81,713

## Notes:

1. Other Businesses principally include the exterior business.
2. An adjustment of ¥16,360 million for segment income includes an elimination of inter-segment transactions of ¥1,604 million and corporate expenses of ¥14,755 million that have not been allocated to each segment. Corporate expenses mainly include selling, general and administration expenses and experiment and research expenses that do not belong to any reportable segments.
3. Operating income by business segment is adjusted to correspond to operating income in the consolidated quarterly statements of income.

**4. Supplemental Information****The State of Orders****[Consolidated]**

(¥ million)

	Six months ended July 31, 2014		Six months ended July 31, 2015		Year ended January 31, 2015	
	Orders	Accumulated Orders	Orders	Accumulated Orders	Orders	Accumulated Orders
Custom detached houses	196,763	223,448	202,486	222,365	388,648	215,976
Rental housing	200,258	311,863	220,409	348,820	408,525	323,018
Remodeling	62,943	23,547	67,556	21,291	125,647	22,275
Real estate management fees	212,857	-	223,266	-	428,227	-
Houses for sale	59,596	36,393	70,905	36,027	122,260	38,890
Condominiums	32,695	61,507	37,181	65,312	65,771	70,061
Urban redevelopment	25,366	-	64,252	-	176,114	-
Overseas business	34,813	65,787	67,621	115,948	94,539	75,745
Other Businesses	41,908	47,620	39,710	45,059	82,884	47,037
<b>Total</b>	<b>867,204</b>	<b>770,166</b>	<b>993,390</b>	<b>854,824</b>	<b>1,892,619</b>	<b>793,006</b>