Consolidated Financial Statements Summary
for the First Quarter of FY2016 (February 1, 2016 through April 30, 2016)
(Japanese Standard)

June 9, 2016

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	: June 10, 2016
Date of scheduled payment of dividends	: -
Quarterly earnings supplementary explanatory documents	: Yes
Quarterly earnings results briefing	: Yes (for institutional investors and analysts, in Japanese)

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

1. Consolidated Results for the Three Months Ended April 30, 2016 (February 1, 2016 through April 30, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended Apr. 30, 2016	405,342	0.9	26,899	7.5	25,627	(8.9)	15,286	31.6
Three months ended Apr. 30, 2015	401,813	(11.0)	25,017	(31.1)	28,141	(24.8)	11,616	(45.0)

(Note) Comprehensive income:
Three months ended Apr. 30, 2016: ¥(6,208)million (-%) Three months ended Apr. 30, 2015: ¥15,769 million (94.7%)

	Net income per share	Fully diluted net income per share
	¥	¥
Three months ended Apr. 30, 2016	21.83	21.78
Three months ended Apr. 30, 2015	16.54	16.32

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of April 30, 2016	2,011,377	1,037,299	51.0
As of January 31, 2016	2,029,794	1,068,428	52.1

(Reference) Shareholders' equity As of April 30, 2016: ¥1,026,642 million As of January 31, 2016: ¥1,057,696 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, 2016	-	27.00	-	27.00	54.00
Year ending Jan. 31, 2017	-				
Year ending Jan. 31, 2017 (forecast)		32.00	-	32.00	64.00

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

3. Consolidated Results Forecast for FY2016 (February 1, 2016 through January 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Six months ending July 31, 2016	944,000	1.3	72,000	(11.9)	75,500	(13.5)	46,000	(11.6)	66.75
Year ending January 31, 2017	1,985,000	6.8	170,000	13.6	177,000	10.2	111,000	31.7	161.07

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

At the Board of Directors meeting held on March 10, 2016, Sekisui House, Ltd. resolved to acquire its own shares under the provisions of Article 156 of the Companies Act, as applied pursuant to Article 165 (3) of the Companies Act. As a result, the "net income per share" in the forecasts of consolidated results for the fiscal year ending January 31, 2017 is presented, factoring in the acquisition of its own shares.

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 Apr. 30, 2016: 709,683,466 shares As of Jan. 31, 2016: 709,683,466 shares

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

As of Apr. 30, 2016: 11,557,058 shares As of Jan. 31, 2016: 8,670,214 shares

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

Three months ended Apr. 30, 2016: 700,186,119 shares Three months ended Apr. 30, 2015: 702,360,739 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 Three Months under Review" of the "Attached Material" on page 9.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on June 9, 2016. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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Appendix: Segment breakdown for the Three Months Ended April 30, 2016

Consolidated

(1) Sales ¥ millions

		Three months ended April 30, 2015	Three months ended April 30, 2016	YOY(%)
Built-to-order Business	Custom detached houses	84,119	79,271	(5.8)
	Rental housing	87,778	94,190	7.3
	Subtotal	171,898	173,462	0.9
Supplied Housing Business	Remodeling	28,171	28,527	1.3
	Real estate management fees	112,057	117,408	4.8
	Subtotal	140,229	145,935	4.1
Development Business	Houses for sale	29,471	25,887	(12.2)
	Condominiums	12,423	13,130	5.7
	Urban redevelopment	14,993	17,463	16.5
	Overseas Business	12,846	10,759	(16.2)
	Subtotal	69,735	67,240	(3.6)
Other businesses		19,950	18,704	(6.2)
Consolidated		401,813	405,342	0.9

(2) Operating income and OP margin ¥ millions

		Three months ended April 30, 2015 Amount OP margin	Three months ended April 30, 2016 Amount OP margin	YOY(%)
Built-to-order Business	Custom detached houses	6,664 7.9%	6,588 8.3%	(1.2)
	Rental housing	9,199 10.5%	10,447 11.1%	13.6
	Subtotal	15,864 9.2%	17,035 9.8%	7.4
Supplied Housing Business	Remodeling	2,411 8.6%	2,951 10.3%	22.4
	Real estate management fees	7,931 7.1%	9,359 8.0%	18.0
	Subtotal	10,342 7.4%	12,310 8.4%	19.0
Development Business	Houses for sale	2,312 7.8%	1,383 5.3%	(40.2)
	Condominiums	1,559 12.5%	1,288 9.8%	(17.3)
	Urban redevelopment	2,867 19.1%	3,749 21.5%	30.8
	Overseas Business	(610) (4.7%)	(378) (3.5%)	-
	Subtotal	6,128 8.8%	6,043 9.0%	(1.4)
Other businesses		335 1.7%	(427) (2.3%)	-
Eliminations and back office		(7,652)	(8,063)	-
Consolidated		25,017 6.2%	26,899 6.6%	7.5

(3) Orders

¥ millions

		Three months ended April 30, 2015	Three months ended April 30, 2016	YOY(%)
Built-to-order Business	Custom detached houses	99,761	100,952	1.2
	Rental housing	100,770	105,963	5.2
	Subtotal	200,531	206,915	3.2
Supplied Housing Business	Remodeling	33,096	33,570	1.4
	Real estate management fees	112,057	117,408	4.8
	Subtotal	145,153	150,978	4.0
Development Business	Houses for sale	33,235	34,078	2.5
	Condominiums	21,447	26,957	25.7
	Urban redevelopment	53,593	17,463	(67.4)
	Overseas Business	32,109	26,540	(17.3)
	Subtotal	140,385	105,039	(25.2)
Other businesses		16,891	14,279	(15.5)
Consolidated		502,962	477,213	(5.1)

(4) Accumulated orders

¥ millions

		As of January 31, 2016	As of April 30, 2016	Change (%)
Built-to-order Business	Custom detached houses	209,722	231,404	10.3
	Rental housing	356,991	368,763	3.3
	Subtotal	566,714	600,168	5.9
Supplied Housing Business	Remodeling	21,931	26,974	23.0
	Real estate management fees	-	-	-
	Subtotal	21,931	26,974	23.0
Development Business	Houses for sale	34,087	42,279	24.0
	Condominiums	66,348	80,175	20.8
	Urban redevelopment	-	-	-
	Overseas Business	133,273	149,054	11.8
	Subtotal	233,709	271,508	16.2
Other businesses		46,363	41,938	(9.5)
Consolidated		868,718	940,589	8.3

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

(1) Qualitative Information Regarding Consolidated Business Results

During the first quarter of the consolidated fiscal year under review, the Japanese economy saw a decline in corporate capital spending, reflecting the impact of economic downside pressure in association with the result of a slowdown in economic growth in Asian emerging countries, although consumer spending remained firm. Economic uncertainty also increased, due partially to unstable stock market conditions attributable to a decline in crude oil prices and the stronger yen.

In the housing market, interest in the acquisition of houses was strong, reflecting moves toward lower interest rates such as the negative interest measures taken by the Bank of Japan, as well as the continuing trend of improvements in the employment and income environments. Demand remained solid in the rental housing market, mainly in urban areas.

Under these circumstances, the Company continued to develop its business in the final year of the medium-term management plan formulated in 2014, while expanding the housing and residential-related businesses as a whole group and seeking to develop new markets, according to 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." In the Custom Detached Houses and Rental Housing Businesses, the Company worked to strengthen its product competitiveness, proposal-making capability and construction capability, while holding sales promotion events nationwide, including Sumai no sankan-bi (visits to model houses) and Sha Maison Festa in March, to win orders leveraging the establishment of a solid position as a top-ranking brand.

As part of the measures implemented to expand the residential- and housing-related businesses, the Company also began providing RENOVETTA, a condominium renovation service, in collaboration with Mr. Toshiyuki Kita, a product designer. It will respond to the needs of people who wish to live in condominiums constructed dozens of years ago for many years through the addition of new features, and of people who intend to acquire a used condominium unit to live in after renovation. Through these efforts, the Company will achieve the effective use of condominiums and the promotion of their distribution.

Furthermore, the Company has decided to develop the Grand Maison Oyodo Minami Tower (tentative name) (Kita-ku, Osaka City), the world's first high-rise condominium, among other condominiums, to employ a next-generation energy system in every unit. The condominium will feature superb eco-friendliness to support sales of surplus electricity and significant reductions in carbon dioxide emissions and primary energy consumption through the introduction of new fuel batteries of Osaka Gas Co., Ltd.

As for other matters, a decision was made to make the Sekisui House Type-A, which was constructed by the Company in 1963, the first tangible cultural property (building) to be registered as a pre-fabricated house in the country. The registration shows that the Sekisui House Type-A has been recognized as the first full-fledged industrialized house that reflects certain aspects of the post-war housing industry.

The Company was also the only company in the housing and construction industry selected for the third time by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a Nadeshiko brand 2016, which signifies it as a company that promotes the advancement of women in the workplace.

In the first quarter of the consolidated fiscal year under review, net sales amounted to ¥405,342 million (up 0.9% year-on-year). Operating income amounted to ¥26,899 million (up 7.5% year-on-year), ordinary income to ¥25,627 million (down 8.9% year-on- year) and net income attributable to owners of parent to ¥15,286 million (up 31.6% year-on-year).

Business results by segments are as follows.

<Built-to-Order Business>

(Custom Detached Houses Business)

The Company promoted sales of zero energy houses (Green First Zero of Sekisui House, Ltd.), which aim to achieve a Zero Energy Balance while maintaining a comfortable lifestyle by reducing energy consumption through extensive heat insulation and LED lighting facilities and by generating energy with solar power, among other measures. In urban areas, it also focused its efforts on sales of 3- and 4-story heavy steel-framed detached houses to offer enhanced flexibility in terms of layout, addressing diverse needs such as multi-family homes.

In the wood-framed SHAWOOD-HOME house segment, it worked to expand sales through such efforts as the release of the Gravis Lian, whose standard models use domestically produced timbers such as Akita Cedar and Yoshino Cedar for pillars, in collaboration with timber production areas nationwide, in addition to the development of new patterns for the well-received BELLBURN earthenware exterior walls.

Sales in the Custom Detached Houses Business amounted to ¥79,271 million, down 5.8% year-on-year, and operating income to ¥6,588 million, down 1.2% year-on-year, reflecting the effect of a decrease in orders in the previous fiscal year.

(Rental Housing Business)

In the Rental Housing Business, the Company strived to increase orders by seeking to make attractive proposals on rental houses so that it could contribute to long-term, stable management. In particular, there is continuously high demand, reflecting increased demand and the need to respond to inheritance taxes in urban areas where population inflows continue. Consequently, sales made steady progress for the Company's three- and four-story rental houses that feature specifications similar to those of hotels, such as high-quality common areas, as well as the possibility of making flexible proposals due to advanced design adaptability.

In the Platinum Business, which offers comfortable, luxurious living environments for elderly people, sales also increased mainly for houses with support services for the elderly, whose cumulative registrations exceeded 10,000 units.

Sales in the Rental Housing Business amounted to ¥94,190 million, up 7.3% year-on-year, and operating income to ¥10,447 million, up 13.6% year-on-year.

<Supplied Housing Business>

(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 purposes such as new lifestyles and energy-saving renovations, while making proposals for the remodeling of Sha-Maison, a rental building whose number of managed units is increasing at a stable pace. Orders remained strong.

It also decided to divide Sekisui House Remodeling Ltd., a company in charge of sales for the owners of custom detached houses, into three companies to strengthen their proposal-making capabilities through more community-oriented services.

Sales in the Remodeling Business amounted to ¥28,527 million, up 1.3% year-on-year, and operating income to ¥2,951 million, up 22.4% 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 ¥117,408 million, up 4.8% year-on-year, and operating income to ¥9,359 million, up 18.0% 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 ¥25,887 million, down 12.2% year-on-year, and operating income to ¥1,383 million, down 40.2% year-on-year.

(Condominiums Business)

In the Condominium Business, Grande Maison Senkawa (Chofu City, Tokyo) sold out and orders remained steady for new properties for sale such as Grande Maison Yotsuya (Shinjuku-ku, Tokyo) and Grande Maison Itachibori Icchome (Nishi-ku, Osaka).

It also opened a showroom for Grande Maison Egota no Mori (531 units), a condominium for sale promoted in the project of Nakano-ku, Tokyo for the development of large-scale mixed-use facilities.

Sales in the Condominiums Business amounted to ¥13,130 million, up 5.7% year-on-year, and operating income to ¥1,288 million, down 17.3% year-on-year.

(Urban Redevelopment Business)

In the Urban Redevelopment Business, the occupancy rates of properties owned by the Sekisui House Group, such as office/commercial buildings and Prime Maison rental houses, remained firm. The Company sold three properties, including Prime Maison Shibuya, to Sekisui House SI Residential Investment Corporation.

Sales in the Urban Redevelopment Business amounted to ¥17,463 million, up 16.5% year-on-year, and operating income to ¥3,749 million, up 30.8% year-on-year.

(Overseas Business)

In the United States, sales of subdivisions including One Loudoun (Washington, D.C.) were strong, while in Australia, the Company made progress in sales of condominium units in Central Park (Sydney). In China, it commenced the delivery of new condominiums in Suzhou City. In Singapore, commercial facilities made a grand opening in Punggol Water Town in April.

Sales in the Overseas Business amounted to ¥10,759 million, down 16.2% year-on-year, and operating loss to ¥378 million.

<Other Businesses>

In the Exterior Business, the Company proactively made proposals on unique landscaping and external facilities including the "Gohon no ki" landscaping concept, in which garden trees are selected from trees that are native to each area and domestic species that adapt to local climates.

Sales in the Other Businesses amounted to ¥18,704 million, down 6.2% year-on-year, and operating loss to ¥427 million.

(2) Qualitative Information Regarding Consolidated Financial Conditions

Total assets decreased by ¥18,416 million to ¥2,011,377 million at the end of the first quarter of the consolidated fiscal year under review. This was primarily attributable to a decrease in cash and deposits in accordance with income taxes payment, etc., despite of an increase in real estate for sale. Liabilities increased ¥12,712 million, to ¥974,078 million, mainly due to the issue of short-term bonds payable and an increase in accounts payable for construction contracts. Net asset, despite posting net income, decreased ¥31,128 million to ¥1,037,299 million, mainly due to payments of dividends and a decrease in foreign currency translation adjustment.

(3) Qualitative Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2017 remained unchanged from the plan announced on March 10, 2016, in light of the steady progress in improvements in sales, orders in the respective business segments.

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 business combinations, etc.)

The Accounting Standard for Business Combinations (ASBJ Statement No.21 of September 13, 2013, hereinafter, the "Business Combinations Accounting Standard"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013, hereinafter, the "Consolidated Financial Statements Accounting Standard"), etc. and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013, hereinafter, the "Business Divestitures Accounting Standard") were applied from the first quarter of the consolidated fiscal year under review. As a result, the Company has changed accounting methods, so that differences arising from changes in the equity interests of the Company in subsidiaries under continuing control are recorded as capital surplus, and acquisition-related costs are recorded as expenses in the consolidated fiscal year when the costs arose. For business combinations to be implemented after the beginning of the first quarter of the consolidated fiscal year under review, the Company has changed its accounting method, so that revisions to the allocation amount of acquisition costs due to the fixation of provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter to which the date of business combination belongs. The Company has also changed the method of presenting net income, etc. and changed the presentation of minority interests to non-controlling interests. To reflect these changes in the presentation, quarterly consolidated financial statements and consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been reclassified.

With respect to the application of the Business Combinations Accounting Standard, etc., the Company follows the transitional treatments set forth in Clause 58-2 (4) of the Business Combinations Accounting Standard, Clause 44-5 (4) of the Consolidated Financial Statements Accounting Standard and Clause 57-4 (4) of the Business Divestitures Accounting Standard, and they are applied from the beginning of the first quarter of the previous fiscal year under review.

During the first quarter of the fiscal year under review, these changes have no influence on the quarterly consolidated financial statements.

(4) Additional Information:

(Effects due to Changes in Corporate Tax Rates)

The Act on Partial Revision of the Income Tax Act (Act No.15 of 2016) and the Act on Partial Revision of the Local Tax Act (Act No.13 of 2016) were introduced on March 31, 2016, and will reduce corporate tax rates, etc. from the consolidated fiscal year starting on April 1, 2016. As a result, the effective legal tax rates used for calculating deferred tax assets and deferred tax liabilities will be changed from 32.1% to 30.7%, pertaining to temporary differences that are expected to be eliminated in the consolidated fiscal year starting from February 1, 2017 and the consolidated fiscal year starting from February 1, 2018, and to 30.5%, pertaining to temporary differences that are expected to be eliminated in the consolidated fiscal year starting from February 1, 2019 and the consolidated fiscal years thereafter.

As a result of this change in tax rates, deferred tax assets (the amount after deducting deferred tax liabilities) have decreased by ¥478 million, while income taxes-deferred, valuation difference on available-for-sale securities, and remeasurements of defined benefit plans have increased by ¥1,562 million, ¥519 million, and ¥564 million, respectively.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	As of January 31, 2016	As of April 30, 2016
Assets		
Current assets		
Cash and deposits	195,239	143,369
Notes receivable, accounts receivable from completed construction contracts	50,256	45,442
Short-term investment securities	2,798	2,799
Costs on uncompleted construction contracts	9,395	14,129
Buildings for sale	301,125	317,742
Land for sale in lots	510,247	523,669
Undeveloped land for sale	86,881	95,803
Other inventories	7,261	8,478
Deferred tax assets	31,176	26,649
Other	71,776	80,844
Allowance for doubtful accounts	(1,225)	(1,165)
Total current assets	1,264,933	1,257,763
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	195,590	191,526
Machinery, equipment and vehicles, net	9,862	9,495
Land	311,431	304,567
Construction in progress	10,329	9,834
Other, net	5,961	6,092
Total property, plant and equipment	533,175	521,517
Intangible assets	14,779	14,408
Investments and other assets		
Investment securities	115,541	117,644
Long-term loans receivable	50,627	47,268
Net defined benefit asset	3,228	3,485
Deferred tax assets	2,291	3,363
Other	45,760	46,443
Allowance for doubtful accounts	(543)	(517)
Total investments and other assets	216,905	217,688
Total noncurrent assets	764,861	753,614
Total assets	2,029,794	2,011,377

(¥ million)

	As of January 31, 2016	As of April 30, 2016
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	107,249	91,083
Electronically recorded obligations-operating	58,836	54,320
Short-term bonds payable	60,000	135,000
Short-term loans payable	146,188	151,381
Current portion of bonds with subscription rights to shares	1,130	750
Current portion of long-term loans payable	97,283	73,425
Income taxes payable	33,008	5,497
Advances received on uncompleted construction contracts	117,253	130,717
Provision for bonuses	26,627	18,934
Provision for directors' bonuses	1,062	-
Provision for warranties for completed construction	2,795	2,755
Other	83,940	65,794
Total current liabilities	735,376	729,659
Noncurrent liabilities		
Bonds payable	90,000	90,000
Long-term loans payable	27,850	47,490
Long-term lease and guarantee deposited	59,141	59,536
Deferred tax liabilities	1,434	556
Provision for directors' retirement benefits	1,151	1,090
Net defined benefit liability	19,292	19,590
Other	27,119	26,154
Total noncurrent liabilities	225,990	244,418
Total liabilities	961,366	974,078
Net assets		
Shareholders' equity		
Capital stock	202,591	202,591
Capital surplus	253,559	253,559
Retained earnings	498,094	494,035
Treasury stock	(17,577)	(22,953)
Total shareholders' equity	936,667	927,232
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,671	25,859
Deferred gains or losses on hedges	(13)	(8)
Foreign currency translation adjustment	68,747	49,021
Remeasurements of defined benefit plans	25,622	24,538
Total accumulated other comprehensive income	121,028	99,410
Subscription rights to shares	622	638
Minority interests	10,108	10,018
Total net assets	1,068,428	1,037,299
Total liabilities and net assets	2,029,794	2,011,377

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

(Consolidated Quarterly Statements of Income)

For the three months ended April 30, 2015 and 2016

(¥ million)

	Feb. 1, 2015– Apr. 30, 2015	Feb. 1, 2016 – Apr. 30, 2016
Net sales	401,813	405,342
Cost of sales	322,815	322,686
Gross profit	78,997	82,656
Selling, general and administrative expenses	53,979	55,756
Operating income	25,017	26,899
Non-operating income		
Interest income	559	378
Dividends income	16	21
Foreign exchange gains	1,544	-
Equity in earnings of affiliates	1,244	1,367
Other	885	759
Total non-operating income	4,250	2,526
Non-operating expenses		
Interest expenses	231	594
Foreign exchange losses	-	2,136
Other	896	1,067
Total non-operating expenses	1,127	3,798
Ordinary income	28,141	25,627
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	157	154
Impairment loss	3,683	-
Total extraordinary losses	3,840	154
Income before income taxes and non-controlling shareholders' interests	24,300	25,473
Income taxes-current	4,489	5,103
Income taxes-deferred	7,998	4,927
Total income taxes	12,488	10,030
Net income	11,811	15,442
Net income attributable to non-controlling shareholders' interests	195	155
Net income attributable to owners of parent	11,616	15,286

(Consolidated Quarterly Statements of Comprehensive Income)

For the three months ended April 30, 2015 and 2016

	Feb. 1, 2015 – Apr. 30, 2015	Feb. 1, 2016 – Apr. 30, 2016
Net Income	11,811	15,442
Other comprehensive income		
Valuation difference on available-for-sale securities	10,211	(958)
Deferred gains or losses on hedges	(37)	4
Foreign currency translation adjustment	(5,775)	(19,472)
Remeasurements of defined benefit plans	(133)	(1,096)
Share of other comprehensive income of associates accounted for using equity method	(308)	(129)
Total other comprehensive income	3,957	(21,651)
Comprehensive income	15,769	(6,208)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	15,573	(6,331)
Comprehensive income attributable to non-controlling shareholders' interests	195	122

(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