

Translation

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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2015 (Based on Japanese GAAP)

January 14, 2016

Company name: SANYO HOUSING NAGOYA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8904 URL <http://www.sanyo-hn.co.jp>
 Representative: Representative Director President Souichi Miyazaki
 Inquiries: Managing Director Eiji Sugiura TEL 052-859-0034
 Scheduled date to file Quarterly Securities Report: January 14, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended November 30, 2015 (from September 1, 2015 to November 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended November 30, 2015	6,191	(9.1)	(54)	–	(7)	–	(3)	–
Three months ended November 30, 2014	6,814	93.5	1	–	59	–	51	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2015	(0.27)		–	
Three months ended November 30, 2014	3.45		3.45	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2015	34,030	22,497	66.1
As of August 31, 2015	35,786	23,059	64.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended August 31, 2015	–	19.00	–	19.00	38.00
Year ending August 31, 2016	–	–	–	–	–
Year ending August 31, 2016 (Forecast)	–	19.00	–	19.00	38.00

3. Forecast of consolidated financial results for the year ending August 31, 2016 (from September 1, 2015 to August 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending February 29, 2016	16,735	4.9	611	3.2	716	2.5	470	5.5	32.11
Full year	38,895	12.0	1,940	26.9	2,151	23.4	1,425	31.6	97.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2015	14,884,300 shares	As of August 31, 2015	14,884,300 shares
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Number of treasury shares at the end of the period

As of November 30, 2015	303,554 shares	As of August 31, 2015	66,354 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2015	14,711,380 shares	Three months ended November 30, 2014	14,793,706 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2015	As of November 30, 2015
Assets		
Current assets		
Cash and deposits	13,944,176	11,202,334
Notes receivable, accounts receivable from completed construction contracts and other	1,571,520	1,087,294
Real estate for sale	2,024,097	1,705,347
Development projects in progress	12,733,633	13,957,817
Costs on uncompleted construction contracts	1,019,919	1,738,513
Raw materials and supplies	7,666	9,111
Other	642,045	492,993
Total current assets	31,943,060	30,193,412
Non-current assets		
Property, plant and equipment	2,451,368	2,415,745
Intangible assets	151,892	139,315
Investments and other assets		
Investment securities	788,530	841,528
Other	454,565	443,640
Allowance for doubtful accounts	(2,800)	(2,800)
Total investments and other assets	1,240,295	1,282,368
Total non-current assets	3,843,556	3,837,430
Total assets	35,786,617	34,030,843
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,137,244	2,175,867
Short-term loans payable	4,857,000	5,143,000
Current portion of long-term loans payable	490,000	418,000
Income taxes payable	233,386	29,050
Advances received on uncompleted construction contracts	1,370,468	1,476,243
Provision for bonuses	116,940	214,159
Provision for warranties for completed construction	18,575	18,497
Other	986,289	728,400
Total current liabilities	11,209,905	10,203,218
Non-current liabilities		
Long-term loans payable	628,000	427,000
Provision for directors' retirement benefits	385,899	398,290
Net defined benefit liability	153,247	156,674
Other	350,517	347,840
Total non-current liabilities	1,517,664	1,329,805
Total liabilities	12,727,570	11,533,023

(Thousands of yen)

	As of August 31, 2015	As of November 30, 2015
Net assets		
Shareholders' equity		
Capital stock	3,732,673	3,732,673
Capital surplus	2,984,589	2,984,589
Retained earnings	16,343,892	16,058,406
Treasury shares	(46,844)	(346,800)
Total shareholders' equity	23,014,310	22,428,868
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,736	68,951
Total accumulated other comprehensive income	44,736	68,951
Total net assets	23,059,046	22,497,819
Total liabilities and net assets	35,786,617	34,030,843

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2014	Three months ended November 30, 2015
Net sales	6,814,935	6,191,794
Cost of sales	5,713,217	5,198,671
Gross profit	1,101,718	993,123
Selling, general and administrative expenses	1,100,399	1,047,331
Operating income (loss)	1,318	(54,208)
Non-operating income		
Interest income	2,396	2,413
Dividend income	270	300
Office work fee	11,686	12,736
Cancellation Penalty Income	14,950	750
RefundedRealEstateAcquisitionTax	23,083	19,453
IncomeFromSafetyCooperatingAssociation	7,806	9,185
Other	14,300	17,419
Total non-operating income	74,493	62,258
Non-operating expenses		
Interest expenses	13,273	11,640
Other	3,109	4,384
Total non-operating expenses	16,382	16,024
Ordinary income (loss)	59,430	(7,975)
Extraordinary income		
Gain on sales of non-current assets	1,000	1,731
Gain on reversal of subscription rights to shares	1,252	–
GainOnReversalOfAssetRetirementObligations	293	–
Other	907	–
Total extraordinary income	3,453	1,731
Extraordinary losses		
Loss on sales and retirement of non-current assets	5,318	47
Other	–	44
Total extraordinary losses	5,318	92
Income (loss) before income taxes and minority interests	57,565	(6,335)
Income taxes	6,553	(2,390)
Profit (loss)	51,012	(3,945)
Profit (loss) attributable to owners of parent	51,012	(3,945)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2014	Three months ended November 30, 2015
Profit (loss)	51,012	(3,945)
Other comprehensive income		
Valuation difference on available-for-sale securities	6,884	24,215
Total other comprehensive income	6,884	24,215
Comprehensive income	57,896	20,270
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,896	20,270
Comprehensive income attributable to non-controlling interests	—	—