

Translation

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**Summary of Consolidated Financial Results  
for the Nine Months Ended May 31, 2016  
(Based on Japanese GAAP)**

July 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  
 Director and Executive Officer, Department  
 Inquiries: Manager of Administration and Department Takaharu Omori TEL 052-859-0034  
 Head of Personnel  
 Scheduled date to file Quarterly Securities Report: July 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 nine months ended May 31, 2016 (from September 1, 2015 to May 31, 2016)

(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	%
Nine months ended May 31, 2016	23,261	1.9	549	3.6	692	(0.1)	420	8.6
Nine months ended May 31, 2015	22,830	(8.2)	530	(53.8)	692	(45.7)	387	(49.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2016	28.77		-	
Nine months ended May 31, 2015	26.17		26.16	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2016	35,135	22,675	64.5
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	-	19.00	-	-	-
Year ending August 31, 2016 (Forecast)	-	-	-	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
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 nine months ended May 31, 2016  
(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 May 31, 2016	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 May 31, 2016	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)

Nine months ended May 31, 2016	14,624,132 shares	Nine months ended May 31, 2015	14,809,873 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2015	As of May 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	13,944,176	10,310,087
Notes receivable, accounts receivable from completed construction contracts and other	1,571,520	823,964
Real estate for sale	2,024,097	1,857,077
Development projects in progress	12,733,633	15,757,242
Costs on uncompleted construction contracts	1,019,919	1,861,973
Raw materials and supplies	7,666	8,452
Other	642,045	622,063
Total current assets	31,943,060	31,240,860
Non-current assets		
Property, plant and equipment	2,451,368	2,407,860
Intangible assets	151,892	170,617
Investments and other assets		
Investment securities	788,530	870,732
Other	454,565	447,918
Allowance for doubtful accounts	(2,800)	(2,800)
Total investments and other assets	1,240,295	1,315,850
Total non-current assets	3,843,556	3,894,327
Total assets	35,786,617	35,135,188
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,137,244	2,454,320
Short-term loans payable	4,857,000	5,994,000
Current portion of long-term loans payable	490,000	–
Income taxes payable	233,386	44,030
Advances received on uncompleted construction contracts	1,370,468	1,481,465
Provision for bonuses	116,940	167,966
Provision for warranties for completed construction	18,575	18,260
Other	986,289	766,633
Total current liabilities	11,209,905	10,926,676
Non-current liabilities		
Long-term loans payable	628,000	607,000
Provision for directors' retirement benefits	385,899	423,251
Net defined benefit liability	153,247	161,571
Other	350,517	341,534
Total non-current liabilities	1,517,664	1,533,357
Total liabilities	12,727,570	12,460,034

(Thousands of yen)

	As of August 31, 2015	As of May 31, 2016
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	16,206,027
Treasury shares	(46,844)	(346,800)
Total shareholders' equity	23,014,310	22,576,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,736	98,664
Total accumulated other comprehensive income	44,736	98,664
Total net assets	23,059,046	22,675,154
Total liabilities and net assets	35,786,617	35,135,188

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended May 31, 2015	Nine months ended May 31, 2016
Net sales	22,830,564	23,261,689
Cost of sales	18,995,835	19,532,747
Gross profit	3,834,729	3,728,941
Selling, general and administrative expenses	3,303,975	3,179,280
Operating income	530,753	549,661
Non-operating income		
Interest income	7,243	7,260
Dividend income	1,147	2,078
Office work fee	27,673	27,826
Cancellation Penalty Income	29,550	5,650
RefundedRealEstateAcquisitionTax	62,275	57,383
IncomeFromSafetyCooperatingAssociation	25,814	31,907
Other	52,329	53,356
Total non-operating income	206,034	185,462
Non-operating expenses		
Interest expenses	38,074	34,590
Other	5,845	8,403
Total non-operating expenses	43,920	42,994
Ordinary income	692,866	692,129
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	262
Total extraordinary income	3,453	1,994
Extraordinary losses		
Loss on sales and retirement of non-current assets	8,268	2,581
Repayment of Cancellation Penalty Income	-	36,900
Other	614	44
Total extraordinary losses	8,882	39,526
Income before income taxes and minority interests	687,437	654,597
Income taxes	299,897	233,886
Profit	387,540	420,710
Profit attributable to owners of parent	387,540	420,710

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended May 31, 2015	Nine months ended May 31, 2016
Profit	387,540	420,710
Other comprehensive income		
Valuation difference on available-for-sale securities	48,308	53,928
Total other comprehensive income	48,308	53,928
Comprehensive income	435,848	474,639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	435,848	474,639
Comprehensive income attributable to non-controlling interests	—	—