

Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

Summary of Consolidated Financial Results For the Fiscal Year Ended September 30, 2016 [Based on Japanese GAAP]

November 14, 2016

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	http://openhouse-group.com/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of annual general meeting of shareholders :	December 21, 2016
Scheduled date of dividends:	December 22, 2016
Scheduled date of annual securities report filing:	December 22, 2016
Supplementary materials for financial results:	Yes
Results briefing meeting :	Yes (for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the fiscal year ended September 30, 2016

(October 1, 2015 to September 30, 2016)

(1) Consolidated Operating Results

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2016	247,210	37.9	31,320	47.0	29,154	43.7	18,709	48.1
FY 2015	179,317	59.9	21,300	55.0	20,294	57.5	12,637	62.8

(Note) Comprehensive income: From October 1, 2015 to September 30, 2016 ¥ 18,733 million (48.4%)
From October 1, 2014 to September 30, 2015 ¥ 12,626 million (62.6%)

	EPS	Diluted EPS	ROE	ROA	Operating income Margin
	Yen	Yen	%	%	%
FY 2016	332.08	330.56	33.7	15.9	12.7
FY 2015	222.07	221.86	29.9	15.4	11.9

(Reference) Equity in net income of affiliated companies: As of September 30, 2016: ¥ — million
As of September 30, 2015: ¥ — million

(Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. EPS and Diluted EPS calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2016	204,868	64,084	31.1	1,133.92
September 30, 2015	162,447	47,609	29.2	838.59

(Reference) Shareholders' equity: As of September 30, 2016: ¥ 63,708 million
As of September 30, 2015: ¥ 47,453 million

(Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. Net assets per share calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at FY end
	Million yen	Million yen	Million yen	Million yen
FY 2016	9,817	(2,672)	17,332	67,508
FY 2015	(15,216)	1,769	32,290	43,325

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2015	—	0.00	—	30.00	30.00	1,697	13.5	4.0
FY 2016	—	0.00	—	50.00	50.00	2,809	15.1	5.1
FY 2017 (Forecast)	—	30.00	—	30.00	60.00		15.3	

3. Forecast of Consolidated Operating Results for FY2017 (October 1, 2016 to September 30, 2017)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (Cumulative)	138,000	17.8	16,700	10.2	16,200	10.2	10,500	11.4	186.89
Full year	300,000	21.4	35,000	11.7	34,000	16.6	22,000	17.6	391.57

*Notes:

(1) Significant changes in consolidated subsidiaries during the period

(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes of accounting estimates, and revisions and restatements

i) Changes in accounting policies in accordance with changes in accounting principles: Yes

ii) Changes in accounting policies other than the above: None

iii) Changes in accounting estimates: None

iv) Revisions and restatements: None

(3) Number of shares issued and outstanding (common stock)

i) Number of shares issued at period-end (including treasury stock)

September 30, 2016: 57,400,000 shares September 30, 2015: 57,400,000 shares

ii) Treasury stock at period-end

September 30, 2016: 1,215,836 shares September 30, 2015: 813,257 shares

iii) Average number of shares issued

September 30, 2016: 56,340,693 shares September 30, 2015: 56,905,990 shares

Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015.

Number of shares issued and outstanding (common stock) calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

[Reference] Non-Consolidated Financial Results for the fiscal year ended September 30, 2016

(October 1, 2015 to September 30, 2016)

(1) Non-Consolidated Operating Results

(% figures indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2016	8,528	17.5	2,592	13.2	5,720	116.2	5,040	200.4
FY 2015	7,255	26.7	2,289	26.0	2,646	21.0	1,678	22.3

	EPS		Diluted EPS	
	Yen		Yen	
FY 2016	89.47		89.06	
FY 2015	29.49		29.47	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2016	44,670	16,650	36.4	289.66
September 30, 2015	23,173	13,871	59.2	242.36

(Reference) Shareholders' equity: As of September 30, 2016: ¥ 16,274 million
As of September 30, 2015: ¥ 13,714 million

* Notes regarding forward-looking statements:

Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.

Actual results may differ significantly from forecast due to various unpredictable reasons.

Consolidated Financial Statements

1) Consolidated Balance Sheets

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Assets		
Current assets		
Cash and cash equivalents	43,330	67,508
Accounts receivable, trade	628	577
Real estate for sale	*2 22,235	*2 34,434
Real estate for sale in process	*2 80,379	*2 83,112
Operating loans	*2 5,657	*2 5,708
Deferred tax assets	1,121	1,428
Other	3,355	4,173
Allowance for doubtful accounts	(171)	(151)
Total current assets	156,535	196,792
Fixed asset		
Tangible fixed assets		
Buildings and structures	*2 2,470	*2 2,565
Accumulated depreciation	*3 (840)	*3 (971)
Buildings and structures, net	1,629	1,593
Land	*2 909	*2 873
Other	819	682
Accumulated depreciation	*3 (557)	*3 (498)
Other, net	261	184
Total tangible fixed assets	2,799	2,651
Intangible fixed assets	1,490	1,389
Investments and other assets		
Investment securities	120	1,607
Deferred tax assets	121	101
Other	*1 1,301	*1 2,262
Total investments and other assets	1,544	3,972
Total fixed assets	5,834	8,013
Deferred assets		
Bond issuance cost	76	62
Total deferred assets	76	62
Total assets	162,447	204,868

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Liabilities		
Current liabilities		
Accounts payable	7,775	8,874
Short-term loans payable	*2, *4 33,498	*2, *4 34,937
Current portion of bonds	662	582
Current portion of long-term loans payable	*2 7,959	*2 8,458
Income taxes payable	5,308	6,594
Advances received	6,392	7,324
Guarantee deposits received	2,080	1,984
Provision for bonuses	905	1,135
Provision for warranties for completed construction	512	610
Other	1,943	3,788
Total current liabilities	67,037	74,288
Long-term liabilities		
Bonds payable	3,137	2,555
Long-term loans payable	*2 44,276	*2, *5 63,792
Deferred tax liabilities	49	52
Net defined benefit liability	12	11
Asset retirement obligations	96	81
Other	228	3
Total long-term liabilities	47,799	66,495
Total liabilities	114,837	140,784
Net assets		
Shareholders' equity		
Capital stocks	3,982	3,982
Capital surplus	5,883	5,883
Retained earnings	38,711	55,723
Treasury stock	(1,072)	(1,852)
Total shareholders' equity	47,505	63,736
Other comprehensive income		
Net unrealized holding gains/losses on securities	8	5
Foreign currency translation adjustment	(60)	(33)
Accumulated other comprehensive income	(51)	(28)
Subscription rights to shares	156	375
Total net assets	47,609	64,084
Total liabilities and net assets	162,447	204,868

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

(Million yen)

	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Revenue	179,317	247,210
Cost of revenue	*2 146,001	*2 200,828
Gross profit	33,316	46,382
Selling, general and administrative expenses	*1 12,015	*1 15,062
Operating income	21,300	31,320
Non-operating income		
Interest income	7	8
Dividends income	3	2
Gain on sales of investment securities	76	20
House rent income	22	54
Insurance income	37	29
Foreign exchange gain	106	—
Other	55	77
Total non-operating income	310	191
Non-operating expenses		
Interest expenses	908	795
Commission fee	174	988
Foreign exchange losses	—	251
Other	233	322
Total non-operating expenses	1,315	2,357
Ordinary income	20,294	29,154
Income before income taxes and minority interests	20,294	29,154
Income taxes-current	7,702	10,719
Income taxes-deferred	(44)	(275)
Total income taxes	7,657	10,444
Net income	12,637	18,709
Profit attributable to owners of parent	12,637	18,709

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Net income before minority interests	12,637	18,709
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	(2)
Foreign currency translation adjustment	(6)	26
Total other comprehensive income	*1, *2 (10)	*1, *2 23
Comprehensive income	12,626	18,733
(Breakdown)		
Comprehensive income attributable to shareholders' of the parent	12,626	18,733

3) Consolidated Statements of Changes in Shareholders' Equity

FY2015 (From October 1, 2014 to September 30, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2014	3,982	5,883	27,222	–	37,088
Change of items during the period					
Dividends from surplus			(1,148)		(1,148)
Profit attributable to owners of parent			12,637		12,637
Purchase of treasury stock				(1,072)	(1,072)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	–	11,489	(1,072)	10,416
Balance at September 30, 2015	3,982	5,883	38,711	(1,072)	47,505

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at October 1, 2014	11	(53)	(41)	–	37,047
Change of items during the period					
Dividends from surplus					(1,148)
Profit attributable to owners of parent					12,637
Purchase of treasury stock					(1,072)
Net changes of items other than shareholders' equity	(3)	(6)	(10)	156	145
Total changes of items during the period	(3)	(6)	(10)	156	10,562
Balance at September 30, 2015	8	(60)	(51)	156	47,609

FY2016 (From October 1, 2015 to September 30, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2015	3,982	5,883	38,711	(1,072)	47,505
Change of items during the period					
Dividends from surplus			(1,697)		(1,697)
Profit attributable to owners of parent			18,709		18,709
Purchase of treasury stock				(780)	(780)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	17,012	(780)	16,231
Balance at September 30, 2016	3,982	5,883	55,723	(1,852)	63,736

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at October 1, 2015	8	(60)	(51)	156	47,609
Change of items during the period					
Dividends from surplus					(1,697)
Profit attributable to owners of parent					18,709
Purchase of treasury stock					(780)
Net changes of items other than shareholders' equity	(2)	26	23	219	242
Total changes of items during the period	(2)	26	23	219	16,474
Balance at September 30, 2016	5	(33)	(28)	375	64,084

4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY, 2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Cash flows from operating activities		
Income before income taxes and minority interests	20,294	29,154
Depreciation and amortization	332	391
Share-based compensation expenses	156	219
Loss (Profit) on sales of investment securities	(76)	(20)
Increase (Decrease) in provision for bonuses	293	229
Increase (Decrease) in allowance for doubtful accounts	(11)	(20)
Increase (Decrease) in provision for warranties for completed construction	103	98
Increase (Decrease) in net defined benefit liability	1	(0)
Interest and dividends income	(11)	(10)
Foreign exchange loss (gain)	(69)	276
Interest expense	908	795
Commission fee	—	948
Amortization of bond issuance cost	15	13
Decrease (Increase) in notes and accounts receivable-trade	92	46
Decrease (Increase) in inventories	(30,850)	(15,027)
Increase (Decrease) in notes and accounts payable-trade	190	1,099
Decrease (Increase) in operating loans	(580)	(50)
Increase (Decrease) in advances received	1,063	932
Increase (Decrease) in guarantee deposits received	575	(104)
Other	(621)	1,483
Subtotal	(8,193)	20,451
Interest and dividend income received	14	10
Interest expenses paid	(904)	(745)
Income taxes paid	(6,133)	(9,899)
Net cash provided by (used in) operating activities	(15,216)	9,817
Cash flows from investing activities		
Payments into time deposits	(80)	(30)
Proceeds from withdrawal of time deposits	3,655	35
Purchase of tangible fixed assets	(531)	(257)
Purchase of intangible fixed assets	(99)	(165)
Purchase of investment securities	—	(1,747)
Proceeds from sales and redemption of investment securities	187	184
Purchase of stocks of subsidiaries and affiliates	(100)	—
Payments for investments in capital of subsidiaries and associates	—	(300)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (1,571)	—
Payments for lease and guarantee deposits	(316)	(462)
Proceeds from collection of lease and guarantee deposits	589	62
Other	35	9
Net cash provided by (used in) investing activities	1,769	(2,672)

(Millions of yen)

	FY, 2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Cash flows from financing activities		
Proceeds from short-term loans payable	57,519	62,382
Repayment of short-term loans payable	(50,825)	(60,942)
Proceeds from long-term loans payable	60,668	75,724
Repayment of long-term loans payable	(35,364)	(55,704)
Commission for syndicate loan paid	—	(948)
Proceeds from issuance of bonds	3,150	—
Redemption of bonds	(591)	(662)
Purchase of treasury stock	(1,079)	(782)
Cash dividends paid	(1,148)	(1,697)
Other	(38)	(37)
Net cash provided by (used in) financing activities	32,290	17,332
Effect of exchange rate changes on cash and cash equivalents	55	(293)
Net increase (decrease) in cash and cash equivalents	18,899	24,183
Cash and cash equivalents at beginning of period	24,426	43,325
Cash and cash equivalents at end of period	*1 43,325	*1 67,508

(Notes to Consolidated Balance Sheets)

*1 The following items are related to unconsolidated subsidiaries and affiliates.

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Other in Investments and other assets		
Investment securities		
(Stocks)	—	55
Other in Investments and other assets		
Others		
(Investments in capital)	168	475
(Stocks)	100	100

*2 Pledged assets and secured liabilities

Pledged assets are as follows.

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Real estate for sale	15,813	28,066
Real estate for sale in process	67,818	58,519
Operating loans	3,701	3,753
Buildings and structures	536	126
Land	481	247
Total	88,351	90,713

Secured liabilities are as follows.

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Short-term loans payable	30,871	30,809
Current portion of long-term loans payable	6,683	7,080
Long-term loans payable	38,927	39,593
Total	76,483	77,483

*3 The accumulated amount of impairment loss is included in the amount of accumulated depreciation.

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Accumulated impairment loss	92	91

*4 2 consolidated subsidiaries (Open House Development Co., Ltd. and IB Net Co., Ltd.) have current account overdraft and commitment line agreements, the balance of unexecuted loans as of the end of the fiscal year under review, based on these agreements, is as follows.

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Total loan commitment	24,400	43,200
Outstanding loans	9,579	24,817
Balance of unexecuted loans	14,820	18,382

*5 Financial restraint clause

The Company concluded contracts for a syndicate loan payable and a term loan payable with financial institutions. The contract includes a financial restraint clause with criteria set by certain indicators that are computed based on the consolidated balance sheet, income statements, etc.

(Notes to Consolidated Statements of Income)

*1 Selling, general and administrative expenses account includes the following major items and amounts

	(Million yen)	
	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Directors' compensations	361	482
Salaries	1,978	2,400
Provision for bonuses	263	280
Provision of allowance for doubtful accounts	5	—
Retirement benefit expenses	41	45
Advertising expenses	1,131	1,361
Rents	1,410	1,723
Taxes and dues	1,139	1,346
Sales commission	1,565	2,394

*2 The balance of inventories as of the end of the period is the amount after the carrying value is been written down, and the following appraisal losses are included in the cost of revenue.

	(Million yen)	
	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
	119	145

(Notes to Consolidated Statements of Comprehensive Income)

*1 The amount of recycling associated with other comprehensive income

(Million yen)

	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Valuation difference on available-for-sale securities:		
Amount recognized during the year	70	(4)
Amount of recycling	(76)	—
Total	(6)	(4)
Foreign currency translation adjustment:		
Amount recognized during the year	(6)	26
Amount of recycling	—	—
Total	(6)	26
Total before income tax effect	(13)	22
Income tax effect	2	1
Total other comprehensive income	(10)	23

*2 The amount of income tax effects associated with other comprehensive income

(Million yen)

	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Valuation difference on available-for-sale securities:		
Before income tax effect	(6)	(4)
Amount of income tax effects	2	1
After tax effect adjustment	(3)	(2)
Foreign currency translation adjustment:		
Before income tax effect	(6)	26
Amount of income tax effects	—	—
After tax effect adjustment	(6)	26
Total other comprehensive income		
Before income tax effect	(13)	22
Amount of income tax effects	2	1
After tax effect adjustment	(10)	23

(Notes to Consolidated Statements of Cash Flows)

*1 Reconciliation of balance sheet items to cash and cash equivalents in the consolidated statements of cash flows is as follows.

	(Million yen)	
	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Cash and deposits	43,330	67,508
Deposits with a term of over 3 months	(5)	—
Cash and cash equivalents	43,325	67,508

*2 The relationships between the breakdown of assets and liabilities at time of initial consolidation of Asakawa Home Co.,Ltd. acquired by share purchase, the total share purchase price, and the payment for such acquisition (net) is as follows

FY2015 (From October 1, 2014 to September 30, 2015)

	(Million yen)
Current assets	17,198
Noncurrent assets	2,488
Goodwill	1,372
Current liabilities	(10,493)
Noncurrent liabilities	(2,633)
Acquisition costs of Asakawa Home	7,933
Asakawa Home's cash and cash equivalents	(6,361)
Difference: Payment for purchase of Asakawa Home	1,571

(Segment Information)

1. The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group now has the following six reporting segments: Brokerage, Single-Family Homes, Asakawa Home, Condominiums, Property Resales, and Others.

2. Method for calculating revenue, income/loss, assets, liabilities, and other items for reportable segments
The accounting policies of reportable segments are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements."

Segment income is based on operating income.

Intersegment revenue and transfers are based on market price.

3. Information on revenue, income or loss, and other items by reportable segment
FY2015 (From October 1, 2014 to September 30, 2015)

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	3,714	91,644	21,346	20,091	41,719	774	179,317	—	179,317
Intersegment revenue and transfers	3,514	—	1,775	4	—	50	5,344	(5,344)	—
Total	7,255	91,644	23,122	20,095	41,719	825	184,662	(5,344)	179,317
Segment Income (Loss)	2,492	8,289	564	3,176	6,799	143	21,465	(165)	21,300
Other items									
Amortization of goodwill	62	53	142	10	6	6	283	49	332

(NOTE)

1. Adjustment of -¥165million for segment income includes intersegment elimination of ¥38 million and corporate expenses of -¥204 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

FY2016 (From October 1, 2015 to September 30, 2016)

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	4,221	119,563	31,236	18,991	72,795	403	247,210	–	247,210
Intersegment revenue and transfers	4,307	–	6,388	68	6	51	10,822	(10,822)	–
Total	8,528	119,563	37,625	19,059	72,801	455	258,033	(10,822)	247,210
Segment Income (Loss)	2,882	12,833	2,050	3,085	10,583	138	31,573	(253)	31,320
Other items									
Amortization of goodwill	82	71	171	10	8	6	350	40	391

(NOTE)

1. Adjustment of -¥253million for segment income includes intersegment elimination of ¥39 million and corporate expenses of -¥293 million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

4. Changes in reportable segments

Effective from the first quarter for the current fiscal year, the Company has changed reportable segments. The former Real Estate Sales Business is divided into four reportable segments: Single-family Homes; Asakawa Home; Condominiums; Property Resales. "Others" refers to business segments not included in reportable segments. As a result, the Group now has the following six reporting segments: Brokerage, Single-Family Homes, Asakawa Home, Condominiums, Property Resales, and Others. The segment information for the previous consolidated fiscal year is disclosed based on the reportable segment for the current consolidated fiscal year.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Assets		
Current assets		
Cash and cash equivalents	9,890	32,386
Operating accounts receivable	766	910
Prepaid expense	127	170
Deferred tax assets	222	226
Short-term loans receivable from subsidiaries and associates	2,000	—
Income taxes receivable	—	495
Other	379	418
Total current assets	13,386	34,607
Fixed asset		
Tangible fixed assets		
Buildings	311	355
Vehicles	37	24
Tools, furniture and fixtures	71	57
Land	38	38
Other	0	—
Total tangible fixed assets	457	475
Intangible fixed assets		
Software	145	140
Other	4	3
Total intangible fixed assets	150	143
Investments and other assets		
Investment securities	120	165
Stocks of subsidiaries and associates	8,196	8,196
Investments in capital	0	—
Long-term prepaid expenses	5	4
Deferred tax assets	34	97
Lease and guarantee deposits received	712	889
Other	66	51
Allowance for doubtful accounts	(12)	(10)
Total investments and other assets	9,123	9,394
Total fixed assets	9,731	10,014
Deferred assets		
Bond issuance cost	54	48
Total deferred assets	54	48
Total assets	23,173	44,670

(Million yen)

	FY 2015 (as of September 30, 2015)	FY 2016 (as of September 30, 2016)
Liabilities		
Current liabilities		
Current portion of bonds	262	252
Current portion of long-term loans payable	580	562
Accounts payable	382	499
Accrued expenses	99	147
Income taxes payable	642	—
Advances received	118	165
Deposits received	62	51
Provision for bonuses	361	441
Other	175	98
Total current liabilities	2,684	2,217
Long-term liabilities		
Bonds payable	2,067	1,815
Long-term loans payable	4,550	23,987
Other	0	—
Total long-term liabilities	6,617	25,802
Total liabilities	9,301	28,020
Net assets		
Shareholders' equity		
Capital stocks	3,982	3,982
Capital surplus		
Legal capital surplus	3,765	3,765
Other capital surplus	2,118	2,118
Total capital surplus	5,883	5,883
Retained earnings		
Legal retained earnings	35	35
Other retained earnings		
Retained earnings brought forward	4,877	8,220
Total retained earnings	4,912	8,256
Treasury stock	(1,072)	(1,852)
Total shareholders' equity	13,706	16,269
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	5
Total valuation and translation adjustments	8	5
Subscription rights to shares	156	375
Total net assets	13,871	16,650
Total liabilities and net assets	23,173	44,670

Non-Consolidated Statements of Income

(Million yen)

	FY2015 (From October 1, 2014 to September 30, 2015)	FY2016 (From October 1, 2015 to September 30, 2016)
Operating revenue	7,255	8,528
Operating cost	2,719	3,139
Gross operating profit	4,536	5,388
Selling, general and administrative expenses	2,246	2,796
Operating income	2,289	2,592
Non-operating income		
Interest income	85	75
Dividends income	9	3,787
Guarantee commission received	297	376
Gain on investments in partnership	2	—
Gain on sales of investment securities	76	20
Other	76	129
Total non-operating income	547	4,390
Non-operating expenses		
Interest expenses	49	96
Interest on bonds	9	11
Amortization of bond issuance cost	5	6
Guarantee commission	33	93
Commission fee	91	955
Other	2	98
Total non-operating expenses	191	1,261
Ordinary income	2,646	5,720
Income before Income taxes and minority interests	2,646	5,720
Income taxes-current	1,004	744
Income taxes-deferred	(36)	(64)
Total income Taxes	968	679
Net income	1,678	5,040

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2015 (From October 1, 2014 to September 30, 2015)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at October 1, 2014	3,982	3,765	2,118	5,883	35	4,346	4,382	—	14,248
Change of items during the period									
Dividends from surplus						(1,148)	(1,148)		(1,148)
Net income						1,678	1,678		1,678
Purchase of treasury stock								(1,072)	(1,072)
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	—	—	—	530	530	(1,072)	(541)
Balance at September 30, 2015	3,982	3,765	2,118	5,883	35	4,877	4,912	(1,072)	13,706

	Valuation and translation adjustments		Total net assets	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2014	11	11	—	14,260
Change of items during the period				
Dividends from surplus				(1,148)
Net income				1,678
Purchase of treasury stock				(1,072)
Net changes of items other than shareholders' equity	(3)	(3)	156	152
Total changes of items during the period	(3)	(3)	156	(388)
Balance at September 30, 2015	8	8	156	13,871

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at October 1, 2015	3,982	3,765	2,118	5,883	35	4,877	4,912	(1,072)	13,706
Change of items during the period									
Dividends from surplus						(1,697)	(1,697)		(1,697)
Net income						5,040	5,040		5,040
Purchase of treasury stock								(780)	(780)
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	–	–	–	3,343	3,343	(780)	2,562
Balance at September 30, 2016	3,982	3,765	2,118	5,883	35	8,220	8,256	(1,852)	16,269

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2015	8	8	156	13,871
Change of items during the period				
Dividends from surplus				(1,697)
Net income				5,040
Purchase of treasury stock				(780)
Net changes of items other than shareholders' equity	(2)	(2)	219	216
Total changes of items during the period	(2)	(2)	219	2,778
Balance at September 30, 2016	5	5	375	16,650