

News Release (Translation only)

June 20, 2016

Company: Daiwa House Industry Co., Ltd.

(Code number:1925,

First Section of the Tokyo Stock Exchange)

Representative: Naotake Ohno, President and COO
Contact: Yuji Yamada, Senior Executive Officer

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(Revision/Revision to Numerical Data) Partial Revision to Summary of Financial Results for the Fiscal Year Ended March 31, 2016 [Consolidated] (Japanese GAAP)

Daiwa House Industry Co., Ltd. (the Company) identified certain necessary revisions in the Company's Summary of Financial Results for the Fiscal Year Ended March 31, 2016 [Consolidated] (Japanese GAAP). The Company also made certain revisions in numerical data. This revised Summary of Financial Results includes this revised numerical data.

1. Reasons for the revision

After publishing the Summary of Financial Results for the Fiscal Year Ended March 31, 2016 [Consolidated] (Japanese GAAP), the Company discovered misstatements in the numerical data of the Consolidated Statements of Cash Flows and in the Notes to Consolidated Financial Statements. Accordingly, the Company has corrected said misstatements. These revisions have no impact on the Company's consolidated business results or consolidated financial condition.

2. Revisions details

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- 1. Consolidated Results of Operation for the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
- (3) Consolidated Cash Flows

(Before revision)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2016	278,497	<u>(202,507)</u>	(130,125)	188,923
Fiscal year ended March 31, 2015	139,465	(235,027)	129,202	234,544

(After revision)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2016	278,497	(202,447)	(130,185)	188,923
Fiscal year ended March 31, 2015	139,465	(235,027)	129,202	234,544

< Reference Material > Key Performance Indicators

1. Performance Indicators

(Before revision)

Fiscal years (Snip)	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Forecast for the fiscal year ending March 31, 2017
Cash flows from operating activities (millions of yen)	164,247	78,451	139,465	278,497	_
Cash flows from investing activities (millions of yen)	(140,736)	(240,439)	(235,027)	(202,507)	_
Cash flows from financing activities (millions of yen)	(28,633)	110,131	129,202	(130,125)	_
Cash and cash equivalents, end of year (millions of yen)	245,037	198,733	234,544	188,923	_

(After revision)

Fiscal years	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Forecast for the fiscal year ending March 31, 2017
(Snip)					
Cash flows from operating activities (millions of yen)	164,247	78,451	139,465	278,497	_
Cash flows from investing activities (millions of yen)	(140,736)	(240,439)	(235,027)	(202,447)	1
Cash flows from financing activities (millions of yen)	(28,633)	110,131	129,202	(130,185)	_
Cash and cash equivalents, end of year (millions of yen)	245,037	198,733	234,544	188,923	_

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1. Analysis on Business Results and Financial Conditions

(2) Analysis on Financial Conditions

2. Cash Flows during the Reporting Fiscal Year

(Before revisions)

Cash and cash equivalents for the reporting fiscal year amounted to 188,923 million yen, for a decrease of 45,620 million yen. Net cash provided by operating activities stood at 278,497 million yen, net cash used in investing activities came to 202,507 million yen, and net cash used in financing activities came to 130,125 million yen.

Cash flows from operating activities

During the reporting fiscal year, net cash provided by operating activities came to 278,497 million yen (+99.7% year on year). This was mainly the result of the posting of 156,214 million yen in income before income taxes and non-controlling shareholders' interests for the reporting period, as well as an increase in net defined benefit liability for employees, resulting from a change in the discount rate applied to the calculation of retirement benefit obligations.

Cash flows from investing activities

During the reporting fiscal year, net cash used in investing activities came to <u>202,507</u> million yen (compared with 235,027 million yen used in the previous fiscal year). This was primarily the result of the acquisition of property, plant and equipment, including rental real estates, and investments in real estate development.

Cash flows from financing activities

During the reporting fiscal year, net cash used in financing activities came to 130,125 million yen (compared with net cash provided in the amount of 129,202 million yen for the previous fiscal year). This was primarily the result of the repayment of interest-bearing debt such as loans payable.

(After revisions)

Cash and cash equivalents for the reporting fiscal year amounted to 188,923 million yen, for a decrease of 45,620 million yen. Net cash provided by operating activities stood at 278,497 million yen, net cash used in investing activities came to 202,447 million yen, and net cash used in financing activities came to 130,185 million yen.

Cash flows from operating activities

During the reporting fiscal year, net cash provided by operating activities came to 278,497 million yen (+99.7% year on year). This was mainly the result of the posting of 156,214 million yen in income before income taxes and non-controlling shareholders' interests for the reporting period, as well as an increase in net defined benefit liability for employees, resulting from a change in the discount rate applied to the calculation of retirement benefit obligations.

Cash flows from investing activities

During the reporting fiscal year, net cash used in investing activities came to <u>202,447</u> million yen (compared with 235,027 million yen used in the previous fiscal year). This was primarily the result of the acquisition of property, plant and equipment, including rental real estates, and investments in real estate development.

Cash flows from financing activities

During the reporting fiscal year, net cash used in financing activities came to <u>130,185</u> million yen (compared with net cash provided in the amount of 129,202 million yen for the previous fiscal year). This was primarily the result of the repayment of interest-bearing debt such as loans payable.

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4. Consolidated Financial Statements

(4) Consolidated Statements of Cash Flows

(Before revision)

		(Millions of yen)
	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Reporting fiscal year (From April 1, 2015 to March 31, 2016)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(232,211)	(178,179)
Proceeds from sales of property, plant and equipment	2,604	2,763
Purchase of investment securities	(16,645)	(26,177)
Proceeds from sales and redemption of investment securities	11,720	19,042
Purchase of investments in subsidiaries	(138)	<u>(60)</u>
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,206)	(9,533)
Payments for acquisition of business	(405)	(110)
Proceeds from collection of lease and guarantee deposits	(6,546)	(5,282)
Other, net	7,801	(4,969)
Net cash provided by (used in) investing activities	(235,027)	(202,507)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	48,670	(24,302)
Net increase (decrease) in commercial papers	72,000	(72,000)
Proceeds from long-term loans payable	134,083	61,703
Repayment of long-term loans payable	(66,234)	(46,641)
Proceeds from issuance of bonds	80,000	_
Redemption of bonds	(100,135)	(610)
Repayments of finance lease obligations	(3,137)	(2,750)
Proceeds from share issuance to non-controlling shareholders	258	3,634
Repayments to non-controlling shareholders	_	(3)
Purchase of treasury stock	(51)	(2,652)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(36,251)	(46,319)
Dividends paid to non-controlling interests	_	(183)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	<u>(0)</u>
Net cash provided by (used in) financing activities	129,202	(130,125)
Effect of exchange rate change on cash and cash equivalents	2,137	(4,738)
Net increase (decrease) in cash and cash equivalents	35,778	(58,875)
Cash and cash equivalents at the beginning of the period	198,733	234,544
Increase in cash and cash equivalents from newly consolidated subsidiary	31	14
Increase in cash and cash equivalents resulting from share exchange	_	13,240
Cash and cash equivalents at the end of the period	234,544	188,923

(After revision)

Interest of the cash provided by (used in) investing activities Previous fiscal year (from April 1, 2015 to March 31, 2015) Reporting fiscal year (from April 1, 2015 to March 31, 2015) Purchase of property, plant and equipment and intangible assets (232,211) (178,179) Proceeds from sales of property, plant and equipment 2,604 2,663 Purchase of investment securities (16,645) (26,177) Proceeds from sales and redemption of investment securities 11,720 19,042 Purchase of investments in subsidiaries resulting in change in scope of consolidation (1,200) (9,533) Payments for acquisition of business (405) (1,200) Payments for acquisition of business (405) (1,200) Payments for acquisition of business (405) (5,282) Other, net (7,500) (20,204) Net cash provided by (used in) investing activities (235,027) (20,204) Net cash provided by (used in) financing activities 48,670 (24,302) Net increase (decrease) in solutions payable 48,670 (24,302) Net increase (decrease) in commercial papers 3,000 Redemption of long-term loans payable			(Millions of yen)
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Proceeds from sales of property, plant and equipment 2,604 2,763			
Purchase of investment securities (16,645) (26,177) Proceeds from sales and redemption of investment securities 11,720 19,042 Purchase of investments in subsidiaries (138) — Purchase of investments in subsidiaries resulting in change in scope of consolidation (1,206) (9,533) Payments for acquisition of business (405) (110) Proceeds from collection of lease and guarantee deposits (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities (35,027) (202,447) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in somercial papers 72,000 (72,000) Proceeds from long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders —		(232,211)	(178,179)
Proceeds from sales and redemption of investment securities 11,720 19,042 Purchase of investments in subsidiaries (138) — Purchase of investments in subsidiaries resulting in change in scope of consolidation (1,206) (9,533) Payments for acquisition of business (405) (1110) Proceeds from collection of lease and guarantee deposits (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities (24,302) (22,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders — (3) Repayments to non-controlling shareholders —	Proceeds from sales of property, plant and equipment	2,604	2,763
Purchase of investments in subsidiaries (138) — Purchase of investments in subsidiaries resulting in change in scope of consolidation (1,206) (9,533) Payments for acquisition of business (405) (110) Proceeds from collection of lease and guarantee deposits (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities ** V2,000 (72,000) Net increase (decrease) in short-term loans payable 48,670 (24,302) (72,000) Proceeds from long-term loans payable 134,083 61,703 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders — (3) Repayments of finance lease obligations — (3) Purchase of treasury stock	Purchase of investment securities	(16,645)	(26,177)
Purchase of investments in subsidiaries resulting in change in scope of consolidation (1,206) (9,533) Payments for acquisition of business (405) (110) Proceeds from collection of lease and guarantee deposits (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities 48,670 (24,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from loans payable 134,083 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling 258 3,634 Repayments to finance lease obligations (3,137) (2,750) Proceeds from sales of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (2,652) <td>Proceeds from sales and redemption of investment securities</td> <td>11,720</td> <td>19,042</td>	Proceeds from sales and redemption of investment securities	11,720	19,042
Payments for acquisition of business (1,200) (1,303) Payments for acquisition of business (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities (235,027) (202,447) Net cash provided by (used in) financing activities (235,027) (202,447) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable 134,083 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 - Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling 258 3,634 shareholders - (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (46,319) Dividends paid to non-controlling interests in subsidiaries that do not result in change in scope of consolidation Net cash provided by (used in) financing activities 129,202 (130,185) Effect of exchange rate change on cash and cash equivalents 35,778 (58,875) Cash and cash equivalents at the beginning of the period 198,733 234,544 Increase in cash and cash equivalents from newly consolidated subsidiary 13,240	Purchase of investments in subsidiaries	(138)	=
Proceeds from collection of lease and guarantee deposits (6,546) (5,282) Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities (24,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable 134,083 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling 258 3,634 Repayments of finance lease obligations — (3) Proceeds from slare issuance to non-controlling shareholders — (3) Repayments of finance lease obligations — (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) <td></td> <td>(1,206)</td> <td>(9,533)</td>		(1,206)	(9,533)
Other, net 7,801 (4,969) Net cash provided by (used in) investing activities (235,027) (202,447) Net cash provided by (used in) financing activities (24,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable (34,083) 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling 258 3,634 Repayments to non-controlling shareholders — (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (46,319) Dividends paid to non-controlling interests — (183) Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation — (60)	Payments for acquisition of business	(405)	(110)
Net cash provided by (used in) financing activities (235,027) (202,447) Net cash provided by (used in) financing activities Total cash provided by (used in) financing activities 48,670 (24,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders — (3) Repayments to non-controlling shareholders — (3) Repayments to non-controlling shareholders — (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock (51) (2,652) Proceeds from sales of treasury stock 0 0 Cash dividends paid (36,251) (46,319) Dividends paid to non-controlling interests — (60) noconsolidation — (60)	Proceeds from collection of lease and guarantee deposits	(6,546)	(5,282)
Net cash provided by (used in) financing activities (24,302) Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable 134,083 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders 258 3,634 Repayments to non-controlling shareholders — (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock 0 0 Cash dividends paid (36,251) (46,319) Dividends paid to non-controlling interests — (183) Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation — (60) Net cash provided by (used in) financing activities 129,202 (130,185) Effect of exchange rate change on cash and cash equivalents 35,778	Other, net	7,801	(4,969)
Net increase (decrease) in short-term loans payable 48,670 (24,302) Net increase (decrease) in commercial papers 72,000 (72,000) Proceeds from long-term loans payable 134,083 61,703 Repayment of long-term loans payable (66,234) (46,641) Proceeds from issuance of bonds 80,000 — Redemption of bonds (100,135) (610) Repayments of finance lease obligations (3,137) (2,750) Proceeds from share issuance to non-controlling shareholders — (3) Repayments to non-controlling shareholders — (3) Repayments to non-controlling shareholders — (3) Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock 0 0 Cash dividends paid (36,251) (46,319) Dividends paid to non-controlling interests — (183) Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation — (60) Net cash provided by (used in) financing activities 129,202 (130,185) Eff	Net cash provided by (used in) investing activities	(235,027)	(202,447)
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Proceeds from long-term loans payable134,08361,703Repayment of long-term loans payable(66,234)(46,641)Proceeds from issuance of bonds80,000—Redemption of bonds(100,135)(610)Repayments of finance lease obligations(3,137)(2,750)Proceeds from share issuance to non-controlling shareholders2583,634Repayments to non-controlling shareholders—(3)Purchase of treasury stock(51)(2,652)Proceeds from sales of treasury stock00Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation—(60)Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents resulting from share exchange—13,240	Net increase (decrease) in short-term loans payable	48,670	(24,302)
Repayment of long-term loans payable(66,234)(46,641)Proceeds from issuance of bonds80,000—Redemption of bonds(100,135)(610)Repayments of finance lease obligations(3,137)(2,750)Proceeds from share issuance to non-controlling shareholders2583,634Repayments to non-controlling shareholders—(3)Purchase of treasury stock(51)(2,652)Proceeds from sales of treasury stock00Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation—(60)Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents from share exchange—13,240	Net increase (decrease) in commercial papers	72,000	(72,000)
Proceeds from issuance of bonds80,000—Redemption of bonds(100,135)(610)Repayments of finance lease obligations(3,137)(2,750)Proceeds from share issuance to non-controlling shareholders2583,634Repayments to non-controlling shareholders—(3)Purchase of treasury stock(51)(2,652)Proceeds from sales of treasury stock00Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation—(60)Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents resulting from share exchange—13,240	Proceeds from long-term loans payable	134,083	61,703
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Proceeds from share issuance to non-controlling shareholders2583,634Repayments to non-controlling shareholders—(3)Purchase of treasury stock(51)(2,652)Proceeds from sales of treasury stock00Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation—(60)Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents resulting from share exchange—13,240	Redemption of bonds	(100,135)	(610)
shareholders2583,034Repayments to non-controlling shareholders—(3)Purchase of treasury stock(51)(2,652)Proceeds from sales of treasury stock00Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation—(60)Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents resulting from share exchange—13,240	Repayments of finance lease obligations	(3,137)	(2,750)
Purchase of treasury stock (51) (2,652) Proceeds from sales of treasury stock 0 0 0 Cash dividends paid (36,251) (46,319) Dividends paid to non-controlling interests		258	3,634
Proceeds from sales of treasury stock 0 0 0 Cash dividends paid (36,251) (46,319) Dividends paid to non-controlling interests - (183) Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation Net cash provided by (used in) financing activities 129,202 (130,185) Effect of exchange rate change on cash and cash equivalents 2,137 (4,738) Net increase (decrease) in cash and cash equivalents 35,778 (58,875) Cash and cash equivalents at the beginning of the period 198,733 234,544 Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange - 13,240	Repayments to non-controlling shareholders	_	(3)
Cash dividends paid(36,251)(46,319)Dividends paid to non-controlling interests—(183)Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation——Net cash provided by (used in) financing activities129,202(130,185)Effect of exchange rate change on cash and cash equivalents2,137(4,738)Net increase (decrease) in cash and cash equivalents35,778(58,875)Cash and cash equivalents at the beginning of the period198,733234,544Increase in cash and cash equivalents from newly consolidated subsidiary3114Increase in cash and cash equivalents resulting from share exchange—13,240	Purchase of treasury stock	(51)	(2,652)
Dividends paid to non-controlling interests Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange (183) (183) (183) (200) (183) (200) (183) (200) (201) (20	Proceeds from sales of treasury stock	0	0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange 13,240	Cash dividends paid	(36,251)	(46,319)
subsidiaries that do not result in change in scope of consolidation Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange - 13,240	*	_	(183)
Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange 2,137 (4,738) 198,733 234,544 114 124 131 14	subsidiaries that do not result in change in scope of	-	<u>(60)</u>
Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange (58,875) 198,733 234,544 31 14 13,240	Net cash provided by (used in) financing activities	129,202	(130,185)
Cash and cash equivalents at the beginning of the period Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange 198,733 234,544 31 14 13,240	Effect of exchange rate change on cash and cash equivalents	2,137	(4,738)
Cash and cash equivalents at the beginning of the period 198,733 234,544 Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange - 13,240	Net increase (decrease) in cash and cash equivalents	35,778	
Increase in cash and cash equivalents from newly consolidated subsidiary Increase in cash and cash equivalents resulting from share exchange 31 14 13,240	Cash and cash equivalents at the beginning of the period	198,733	
Increase in cash and cash equivalents resulting from share exchange	Increase in cash and cash equivalents from newly consolidated		
Cash and cash equivalents at the end of the period 234,544 188,923	Increase in cash and cash equivalents resulting from share	-	13,240
	Cash and cash equivalents at the end of the period	234,544	188,923

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- 4. Consolidated Financial Statements
 - (5) Notes to Consolidated Financial Statements (Before revision)

(Supplementary Information)

(Revision of Deferred Tax Asset and Deferred Tax Liability Amounts due to Changes in Corporate Tax Rates)

On March 29, 2016, the government of Japan promulgated the Act for Partial Revision of the Income Tax Act, Etc. (Act No.15, 2016) and the Act for Partial Revision of the Local Tax Act (Act No.13, 2016). These acts reduce corporate tax rates for consolidated fiscal years beginning on or after April 1, 2016.

In conjunction with these new laws, effective statutory tax rate used for calculating deferred tax assets and deferred tax liabilities will be reduced from the <u>current 33.0%</u> to 30.8% for temporary differences expected to be reversed during consolidated fiscal years beginning on April 1, 2016 and April 1, 2017. The effective statutory tax rate shall be further reduced to 30.6% for temporary differences expected to be reversed during consolidated fiscal year beginning April 1, 2018.

As a result of this change in tax rates, deferred tax assets (amount after deducting deferred tax liabilities) decreased by 5,317 million yen, while income taxes-deferred and valuation differences on available-for-sale securities increased by 7,352 million yen and 2,029 million yen, respectively. The deferred tax liabilities for land revaluation decreased by 1,111 million yen, with the same amount transferred to revaluation reserve for land. Accordingly, revaluation reserve for land (a component of other comprehensive income) increased by 1,111 million yen.

(After revision)

(Supplementary Information)

(Revision of Deferred Tax Asset and Deferred Tax Liability Amounts due to Changes in Corporate Tax Rates)

On March 29, 2016, the government of Japan promulgated the Act for Partial Revision of the Income Tax Act, Etc. (Act No.15, 2016) and the Act for Partial Revision, Etc. of the Local Tax Act, Etc. (Act No.13, 2016). These acts reduce corporate tax rates for consolidated fiscal years beginning on or after April 1, 2016.

In conjunction with these new laws, effective statutory tax rate used for calculating deferred tax assets and deferred tax liabilities will be reduced from the 32.2% used for calculation for the previous fiscal year to 30.8% for temporary differences expected to be reversed during consolidated fiscal years beginning on April 1, 2016 and April 1, 2017. The effective statutory tax rate shall be further reduced to 30.6% for temporary differences expected to be reversed during consolidated fiscal year beginning April 1, 2018.

As a result of this change in tax rates, deferred tax assets (amount after deducting deferred tax liabilities) decreased by 5,317 million yen, while income taxes-deferred and valuation differences on available-for-sale securities increased by 7,352 million yen and 2,029 million yen, respectively. The deferred tax liabilities for land revaluation decreased by 1,111 million yen, with the same amount transferred to revaluation reserve for land. Accordingly, revaluation reserve for land (a component of other comprehensive income) increased by 1,111 million yen.

End

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated June 20, 2016.