

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 28, 2021

Company name: HOUSECOM CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 3275 URL <https://www.housecom.co.jp/>
 Representative: President & Representative Director Kei Tamura
 Inquiries: Manager, Corporate Planning Division Seiji Seto TEL 03-6717-6939
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 Scheduled date to commence dividend payments: December 3, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	6,637	17.0	(165)	—	(155)	—	(119)	—
Six months ended September 30, 2020	5,672	(4.9)	(130)	—	(110)	—	(150)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	(15.51)	—
Six months ended September 30, 2020	(19.51)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	9,207	6,396	69.1
As of March 31, 2021	9,812	6,512	66.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	—	18.00	—	0.00	18.00
Year ending March 31, 2022	—	9.00			
Year ending March 31, 2022 (Forecast)			—	10.00	19.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,630	18.9	493	40.2	656	13.9	486	55.7	62.91

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: No
- (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 September 30, 2021	7,790,000 shares	As of March 31, 2021	7,790,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	66,838 shares	As of March 31, 2021	47,138 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	7,728,937 shares	Six months ended September 30, 2020	7,726,046 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	4,170,718	3,690,372
Trade notes and accounts receivable	358,935	303,505
Other	452,472	358,818
Allowance for doubtful accounts	(5,557)	(3,469)
Total current assets	4,976,568	4,349,227
Non-current assets		
Property, plant and equipment	482,849	463,235
Intangible assets		
Goodwill	855,046	822,700
Software	649,325	1,034,624
Software in progress	435,022	31,016
Other	7,146	7,311
Total intangible assets	1,946,540	1,895,651
Investments and other assets		
Investment securities	69,957	91,509
Business guarantee deposits	968,100	978,100
Other	1,368,415	1,429,653
Total investments and other assets	2,406,473	2,499,262
Total non-current assets	4,835,863	4,858,149
Total assets	9,812,431	9,207,376
Liabilities		
Current liabilities		
Trade accounts payable	272,368	204,919
Accrued expenses	489,605	411,315
Income taxes payable	298,537	55,369
Accrued consumption taxes	48,597	128,237
Provision for bonuses	685,962	637,476
Other	733,180	597,527
Total current liabilities	2,528,251	2,034,845
Non-current liabilities		
Retirement benefit liability	650,372	660,702
Asset retirement obligations	74,300	70,235
Other	46,947	45,244
Total non-current liabilities	771,621	776,181
Total liabilities	3,299,872	2,811,026

	(Thousands of yen)	
	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	424,630	424,630
Capital surplus	341,062	326,434
Retained earnings	5,753,259	5,677,978
Treasury shares	(52,150)	(76,818)
Total shareholders' equity	6,466,801	6,352,225
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	14,486	12,853
Total accumulated other comprehensive income	14,486	12,853
Share acquisition rights	31,271	31,271
Total net assets	6,512,559	6,396,350
Total liabilities and net assets	9,812,431	9,207,376

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Operating revenue	5,672,837	6,637,584
Operating expenses	5,803,729	6,802,845
Operating loss	(130,892)	(165,261)
Non-operating income		
Interest income	325	66
Miscellaneous income	22,824	11,368
Total non-operating income	23,150	11,435
Non-operating expenses		
Interest expenses	104	116
Miscellaneous losses	2,976	1,724
Total non-operating expenses	3,080	1,840
Ordinary loss	(110,822)	(155,666)
Loss before income taxes	(110,822)	(155,666)
Income taxes - current	26,222	19,504
Income taxes - deferred	13,660	(55,333)
Total income taxes	39,882	(35,828)
Loss	(150,705)	(119,837)
Loss attributable to owners of parent	(150,705)	(119,837)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Loss	(150,705)	(119,837)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(1,602)	(1,633)
Total other comprehensive income	(1,602)	(1,633)
Comprehensive income	(152,307)	(121,470)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(152,307)	(121,470)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Loss before income taxes	(110,822)	(155,666)
Depreciation	51,098	83,381
Amortization of goodwill	6,920	32,346
Share-based payment expenses	8,360	12,325
Decrease in allowance for doubtful accounts	486	(2,088)
Increase (decrease) in provision for bonuses	(35,729)	(48,486)
Increase (decrease) in retirement benefit liability	14,832	7,975
Interest income	(325)	(66)
Interest expenses	104	116
Decrease (increase) in trade receivables	40,283	(8,137)
Decrease (increase) in other assets	77,122	156,495
Increase (decrease) in trade payables	(214,302)	(67,449)
Increase (decrease) in accrued expenses	(6,527)	(75,372)
Increase (decrease) in accrued consumption taxes	(118,860)	120,940
Increase (decrease) in deposits received	(43,819)	(61,322)
Increase (decrease) in other liabilities	(23,293)	(42,072)
Subtotal	(354,473)	(47,080)
Interest and dividends received	160	366
Interest paid	(104)	(116)
Income taxes paid	(363,348)	(216,689)
Income taxes refund	1,710	—
Net cash provided by (used in) operating activities	(716,056)	(263,519)
Cash flows from investing activities		
Payments into time deposits	(3,001)	(3,001)
Purchase of property, plant and equipment	(28,782)	(16,821)
Purchase of intangible assets	(503,323)	(75,866)
Purchase of investment securities	(63,490)	(21,550)
Payments for operating deposits	(5,000)	(10,000)
Payments of guarantee deposits	(8,781)	(18,316)
Proceeds from refund of guarantee deposits	4,772	1,777
Other payments	(8,272)	(9,826)
Net cash provided by (used in) investing activities	(615,878)	(153,604)

	(Thousands of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Repayments of lease obligations	(3,102)	(2,936)
Purchase of treasury shares	—	(60,110)
Dividends paid	(139,131)	(174)
Net cash provided by (used in) financing activities	(142,233)	(63,221)
Net increase (decrease) in cash and cash equivalents	(1,474,168)	(480,345)
Cash and cash equivalents at beginning of period	5,940,463	4,170,718
Cash and cash equivalents at end of period	4,466,294	3,690,372