

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 2022

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 Daisuke Minato TEL 03-6717-6939
 Scheduled date of ordinary general meeting of shareholders: June 17, 2022
 Scheduled date to file Securities Report: June 17, 2022
 Scheduled date to commence dividend payments: June 20, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	14,206	15.5	418	18.9	614	6.7	372	19.4
Year ended March 31, 2021	12,299	(5.5)	351	(65.4)	576	(51.3)	312	(53.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/Operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2022	48.33	47.93	5.6	6.1	2.9
Year ended March 31, 2021	40.37	40.04	4.8	5.9	2.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	10,178	6,789	66.4	877.51
As of March 31, 2021	9,853	6,512	65.8	837.07

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	767	(228)	(164)	4,545
Year ended March 31, 2021	252	(1,737)	(284)	4,170

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	18.00	—	0.00	18.00	139	44.6	2.2
Year ended March 31, 2022	—	9.00	—	6.00	15.00	115	31.0	1.7
Year ending March 31, 2023 (Forecast)	—	8.00	—	8.00	16.00		31.4	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	6,874	3.6	(176)	—	(169)	—	(101)	—	(13.14)
Full year	14,735	3.7	447	6.9	643	4.7	392	5.4	51.03

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	88,938 shares	As of March 31, 2021	47,138 shares
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Average number of shares during the period

Year ended March 31, 2022	7,717,051 shares	Year ended March 31, 2021	7,734,499 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	4,170,718	4,545,218
Trade notes and accounts receivable	358,935	486,127
Inventories	73,119	96,754
Prepaid expenses	208,747	188,758
Other	170,605	145,538
Allowance for doubtful accounts	(5,557)	(3,261)
Total current assets	4,976,568	5,459,136
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,163,825	1,138,207
Accumulated depreciation	(739,097)	(754,144)
Buildings and structures, net	424,728	384,063
Tools, furniture and fixtures	249,059	240,137
Accumulated depreciation	(223,616)	(225,563)
Tools, furniture and fixtures, net	25,442	14,574
Leased assets	90,433	90,433
Accumulated depreciation	(57,754)	(61,303)
Leased assets, net	32,678	29,129
Total property, plant and equipment	482,849	427,767
Intangible assets		
Goodwill	774,520	715,195
CUSTOMER-RELATED ASSETS	121,238	103,918
Trademark right	1,785	1,459
Software	649,325	1,021,231
Software in progress	435,022	15,305
Telephone subscription right	4,295	4,295
Other	1,064	1,371
Total intangible assets	1,987,252	1,862,778
Investments and other assets		
Investment securities	69,957	91,519
Business guarantee deposits	968,100	977,800
Guarantee deposits	662,255	654,780
Long-term prepaid expenses	42,840	27,656
Deferred tax assets	619,222	624,831
Other	44,096	51,966
Total investments and other assets	2,406,473	2,428,555
Total non-current assets	4,876,575	4,719,101
Total assets	9,853,143	10,178,237

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade accounts payable	272,368	308,771
Lease liabilities	6,218	3,899
Accounts payable - other	314,386	222,494
Accrued expenses	489,605	445,474
Income taxes payable	298,537	250,419
Accrued consumption taxes	48,597	160,753
Advances received	55,566	75,736
Deposits received	247,770	231,563
Deposits received from employees	109,238	117,158
Provision for bonuses	685,962	740,816
Total current liabilities	2,528,251	2,557,087
Non-current liabilities		
Long-term guarantee deposits	37,940	37,957
Lease liabilities	9,007	5,272
Deferred tax liabilities	40,712	34,896
Retirement benefit liability	650,372	684,860
Asset retirement obligations	74,300	69,108
Total non-current liabilities	812,333	832,094
Total liabilities	3,340,584	3,389,181
Net assets		
Shareholders' equity		
Share capital	424,630	424,630
Capital surplus	341,062	324,630
Retained earnings	5,753,259	6,108,989
Treasury shares	(52,150)	(104,837)
Total shareholders' equity	6,466,801	6,753,411
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	14,486	4,371
Total accumulated other comprehensive income	14,486	4,371
Share acquisition rights	31,271	31,271
Total net assets	6,512,559	6,789,055
Total liabilities and net assets	9,853,143	10,178,237

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Intermediation commission income	5,108,812	5,855,858
Service revenue	5,606,976	6,942,844
Completed service contracts	1,547,287	1,374,709
Other revenue	36,821	33,361
Total operating revenue	12,299,898	14,206,774
Operating expenses		
Cost of completed service contracts	1,158,252	993,700
Cost of goods sold	36,592	41,151
Promotion expenses	225,464	250,532
Advertising expenses	897,405	1,023,232
Remuneration for directors (and other officers)	116,645	142,931
Employees' salaries	4,293,064	4,941,428
Employees' bonuses	588,292	621,726
Provision for bonuses	605,832	737,102
Retirement benefit expenses	67,384	75,225
Legal welfare expenses	672,615	777,307
Amortization of goodwill	14,026	59,324
Rent expenses on land and buildings	1,257,393	1,435,608
Depreciation	168,751	250,508
Rent expenses	158,841	186,557
Communication expenses	297,204	342,481
Taxes and dues	135,198	138,128
Commission expenses	208,931	323,372
Other	1,046,128	1,448,070
Total operating expenses	11,948,026	13,788,392
Operating profit	351,872	418,382

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Non-operating income		
Interest income	326	8
Dividend income	202,073	173,629
Miscellaneous income	31,123	30,191
Total non-operating income	233,524	203,829
Non-operating expenses		
Interest expenses	206	213
Commission expenses	5,783	4,431
Miscellaneous losses	3,043	2,567
Total non-operating expenses	9,033	7,212
Ordinary profit	576,363	614,998
Extraordinary losses		
Impairment losses	42,450	24,509
Total extraordinary losses	42,450	24,509
Profit before income taxes	533,913	590,489
Income taxes - current	269,169	224,480
Income taxes - deferred	(47,512)	(6,961)
Total income taxes	221,657	217,519
Profit	312,256	372,970
Profit attributable to owners of parent	312,256	372,970

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	312,256	372,970
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(2,482)	(10,114)
Total other comprehensive income	(2,482)	(10,114)
Comprehensive income	309,773	362,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	309,773	362,855

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	424,630	338,832	5,719,442	(71,372)	6,411,532
Changes during period					
Dividends of surplus			(278,438)		(278,438)
Profit attributable to owners of parent			312,256		312,256
Disposal of treasury shares		2,230		19,221	21,452
Net changes in items other than shareholders' equity					
Total changes during period	—	2,230	33,817	19,221	55,269
Balance at end of period	424,630	341,062	5,753,259	(52,150)	6,466,801

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,969	16,969	31,271	6,459,773
Changes during period				
Dividends of surplus				(278,438)
Profit attributable to owners of parent				312,256
Disposal of treasury shares				21,452
Net changes in items other than shareholders' equity	(2,482)	(2,482)	—	(2,482)
Total changes during period	(2,482)	(2,482)	—	52,786
Balance at end of period	14,486	14,486	31,271	6,512,559

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	424,630	341,062	5,753,259	(52,150)	6,466,801
Cumulative effects of changes in accounting policies			63,566		63,566
Restated balance	424,630	341,062	5,816,826	(52,150)	6,530,368
Changes during period					
Dividends of surplus			(69,508)		(69,508)
Profit attributable to owners of parent			372,970		372,970
Purchase of treasury shares				(88,130)	(88,130)
Stock compensation costs		(16,432)	(11,298)	35,443	7,712
Net changes in items other than shareholders' equity					
Total changes during period	–	(16,432)	292,163	(52,687)	223,043
Balance at end of period	424,630	324,630	6,108,989	(104,837)	6,753,411

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,486	14,486	31,271	6,512,559
Cumulative effects of changes in accounting policies				63,566
Restated balance	14,486	14,486	31,271	6,576,126
Changes during period				
Dividends of surplus				(69,508)
Profit attributable to owners of parent				372,970
Purchase of treasury shares				(88,130)
Stock compensation costs				7,712
Net changes in items other than shareholders' equity	(10,114)	(10,114)	–	(10,114)
Total changes during period	(10,114)	(10,114)	–	212,928
Balance at end of period	4,371	4,371	31,271	6,789,055

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	533,913	590,489
Depreciation	168,751	250,508
Impairment losses	42,450	24,509
Amortization of goodwill	14,026	59,324
Share-based payment expenses	19,699	27,222
Increase (decrease) in allowance for doubtful accounts	3,708	(2,296)
Increase (decrease) in provision for bonuses	(9,554)	54,853
Increase (decrease) in retirement benefit liability	20,874	22,931
Interest income	(326)	(8)
Dividend income	(202,073)	(173,629)
Interest expenses	206	213
Decrease (increase) in trade receivables	66,945	(63,625)
Decrease (increase) in prepaid expenses	(4,254)	12,543
Decrease (increase) in other assets	(4,708)	7,397
Increase (decrease) in trade payables	(193,218)	36,403
Increase (decrease) in accounts payable - other	59,562	(99,120)
Increase (decrease) in accrued expenses	39,812	(49,747)
Increase (decrease) in accrued consumption taxes	(105,490)	161,755
Increase (decrease) in deposits received	16,467	(16,206)
Increase (decrease) in deposits received from employees	(2,112)	7,919
Increase (decrease) in guarantee deposits received	(3,433)	(432)
Increase (decrease) in other liabilities	(92,739)	(30,982)
Subtotal	368,507	820,022
Interest and dividends received	202,235	173,937
Interest paid	(206)	(213)
Income taxes paid	(319,790)	(226,615)
Income taxes refund	1,710	—
Net cash provided by (used in) operating activities	252,455	767,131
Cash flows from investing activities		
Payments into time deposits	(6,002)	(6,002)
Purchase of property, plant and equipment	(67,156)	(38,254)
Purchase of investment securities	(63,490)	(21,550)
Purchase of intangible assets	(740,016)	(136,791)
Proceeds from collection of operating deposits	5,000	300
Payments for operating deposits	(25,000)	(10,000)
Proceeds from refund of guarantee deposits	9,464	35,796
Payments of guarantee deposits	(29,452)	(35,393)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(795,898)	—
Other payments	(25,221)	(16,575)
Net cash provided by (used in) investing activities	(1,737,772)	(228,471)

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Repayments of lease liabilities	(6,219)	(6,053)
Purchase of treasury shares	—	(88,130)
Dividends paid	(278,208)	(69,976)
Net cash provided by (used in) financing activities	(284,428)	(164,159)
Net increase (decrease) in cash and cash equivalents	(1,769,745)	374,500
Cash and cash equivalents at beginning of period	5,940,463	4,170,718
Cash and cash equivalents at end of period	4,170,718	4,545,218