

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 27, 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 to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	6,857	3.3	(0)	—	3	—	(17)	—
Six months ended September 30, 2021	6,637	17.0	(171)	—	(161)	—	(122)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	(2.23)	—
Six months ended September 30, 2021	(15.90)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	9,668	6,730	69.3
As of March 31, 2022	10,178	6,789	66.4

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, 2022	—	9.00	—	6.00	15.00
Year ending March 31, 2023	—	8.00			
Year ending March 31, 2023 (Forecast)			—	8.00	16.00

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
Full year	14,735	3.7	447	6.9	643	4.7	392	5.4	51.04

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: No
- 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, 2022	7,790,000 shares	As of March 31, 2022	7,790,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	76,638 shares	As of March 31, 2022	88,938 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, 2022	7,700,222 shares	Six months ended September 30, 2021	7,728,937 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	4,545,218	3,224,970
Trade notes and accounts receivable	486,127	416,848
Inventories	96,754	97,621
Other	334,296	253,840
Allowance for doubtful accounts	(3,261)	(3,125)
Total current assets	5,459,136	3,990,156
Non-current assets		
Property, plant and equipment	427,767	447,938
Intangible assets		
Goodwill	715,195	685,533
CUSTOMER-RELATED ASSETS	103,918	95,258
Software	1,021,231	1,059,231
Software in progress	15,305	89,210
Other	7,127	6,943
Total intangible assets	1,862,778	1,936,177
Investments and other assets		
Investment securities	91,519	91,541
Business guarantee deposits	977,800	1,847,800
Other	1,359,235	1,354,599
Total investments and other assets	2,428,555	3,293,941
Total non-current assets	4,719,101	5,678,056
Total assets	10,178,237	9,668,212
Liabilities		
Current liabilities		
Trade accounts payable	308,771	238,061
Accrued expenses	445,474	399,798
Income taxes payable	250,419	50,733
Accrued consumption taxes	160,753	99,669
Provision for bonuses	740,816	607,671
Other	650,852	692,513
Total current liabilities	2,557,087	2,088,448
Non-current liabilities		
Retirement benefit liability	684,860	684,906
Asset retirement obligations	69,108	69,108
Other	78,125	94,828
Total non-current liabilities	832,094	848,843
Total liabilities	3,389,181	2,937,291

	(Thousands of yen)	
	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	424,630	424,630
Capital surplus	324,630	324,630
Retained earnings	6,108,989	6,027,648
Treasury shares	(104,837)	(79,599)
Total shareholders' equity	6,753,411	6,697,308
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	4,371	2,340
Total accumulated other comprehensive income	4,371	2,340
Share acquisition rights	31,271	31,271
Total net assets	6,789,055	6,730,920
Total liabilities and net assets	10,178,237	9,668,212

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, 2021	Six months ended September 30, 2022
Operating revenue	6,637,584	6,857,839
Operating expenses	6,808,821	6,858,792
Operating loss	(171,237)	(953)
Non-operating income		
Interest income	66	30
Miscellaneous income	11,368	5,965
Total non-operating income	11,435	5,996
Non-operating expenses		
Interest expenses	116	110
Miscellaneous losses	1,724	980
Total non-operating expenses	1,840	1,090
Ordinary profit (loss)	(161,641)	3,953
Profit (loss) before income taxes	(161,641)	3,953
Income taxes - current	19,504	12,977
Income taxes - deferred	(58,241)	8,161
Total income taxes	(38,736)	21,138
Loss	(122,904)	(17,185)
Loss attributable to owners of parent	(122,904)	(17,185)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Loss	(122,904)	(17,185)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(1,633)	(2,031)
Total other comprehensive income	(1,633)	(2,031)
Comprehensive income	(124,538)	(19,217)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(124,538)	(19,217)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(161,641)	3,953
Depreciation	92,041	150,476
Amortization of goodwill	29,662	29,662
Share-based payment expenses	12,325	15,191
Decrease in allowance for doubtful accounts	(2,088)	(136)
Increase (decrease) in provision for bonuses	(48,486)	(133,145)
Increase (decrease) in retirement benefit liability	7,975	(2,882)
Interest income	(66)	(30)
Interest expenses	116	110
Decrease (increase) in trade receivables	(8,137)	69,279
Decrease (increase) in other assets	156,495	75,630
Increase (decrease) in trade payables	(67,449)	(70,710)
Increase (decrease) in accrued expenses	(75,372)	(47,385)
Increase (decrease) in accrued consumption taxes	120,940	(46,082)
Increase (decrease) in deposits received	(61,322)	(33,389)
Increase (decrease) in other liabilities	(42,072)	3,439
Subtotal	(47,080)	13,980
Interest and dividends received	366	31
Interest paid	(116)	(110)
Income taxes paid	(216,689)	(164,903)
Net cash provided by (used in) operating activities	(263,519)	(151,001)
Cash flows from investing activities		
Payments into time deposits	(3,001)	(3,000)
Purchase of property, plant and equipment	(16,821)	(31,969)
Purchase of intangible assets	(75,866)	(195,892)
Purchase of investment securities	(21,550)	—
Payments for operating deposits	(10,000)	(910,000)
Proceeds from refund of operating deposits	—	40,000
Payments of guarantee deposits	(18,316)	(22,689)
Proceeds from refund of guarantee deposits	1,777	16,797
Other payments	(9,826)	(11,656)
Net cash provided by (used in) investing activities	(153,604)	(1,118,410)

	(Thousands of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Repayments of lease liabilities	(2,936)	(4,515)
Purchase of treasury shares	(60,110)	—
Dividends paid	(174)	(46,320)
Net cash provided by (used in) financing activities	(63,221)	(50,835)
Net increase (decrease) in cash and cash equivalents	(480,345)	(1,320,248)
Cash and cash equivalents at beginning of period	4,170,718	4,545,218
Cash and cash equivalents at end of period	3,690,372	3,224,970