

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

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 Hideaki Oda TEL 03-6717-6939
 Scheduled date of ordinary general meeting of shareholders: June 16, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 19, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	14,179	(0.2)	394	(5.8)	620	0.9	327	(12.2)
Year ended March 31, 2022	14,206	15.5	418	18.9	614	6.7	372	19.4

	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, 2023	42.48	42.13	4.8	5.7	2.8
Year ended March 31, 2022	48.33	47.93	5.6	6.1	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, 2023	11,451	7,018	61.0	905.89
As of March 31, 2022	10,178	6,789	66.4	877.51

(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, 2023	670	(1,279)	883	4,820
Year ended March 31, 2022	767	(228)	(164)	4,545

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, 2022	—	9.00	—	6.00	15.00	115	31.0	1.7
Year ended March 31, 2023	—	8.00	—	8.00	16.00	123	37.7	1.6
Year ending March 31, 2024 (Forecast)	—	8.00	—	8.00	16.00		31.7	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	6,564	(4.3)	(261)	—	(256)	—	(205)	—	(26.70)
Full year	14,288	0.8	462	17.4	646	4.1	389	18.9	50.45

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: No

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, 2023	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 March 31, 2023	76,938 shares	As of March 31, 2022	88,938 shares
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Average number of shares during the period

Year ended March 31, 2023	7,706,650 shares	Year ended March 31, 2022	7,717,051 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,545,218	4,820,551
Trade notes and accounts receivable	486,127	396,039
Inventories	96,754	88,949
Prepaid expenses	188,758	191,023
Other	145,538	283,466
Allowance for doubtful accounts	(3,261)	(2,765)
Total current assets	5,459,136	5,777,266
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,138,207	1,116,627
Accumulated depreciation	(754,144)	(761,532)
Buildings and structures, net	384,063	355,095
Tools, furniture and fixtures	240,137	227,338
Accumulated depreciation	(225,563)	(220,336)
Tools, furniture and fixtures, net	14,574	7,002
Leased assets	90,433	109,357
Accumulated depreciation	(61,303)	(69,189)
Leased assets, net	29,129	40,167
Construction in progress	–	770
Total property, plant and equipment	427,767	403,035
Intangible assets		
Goodwill	715,195	655,871
Customer-related assets	103,918	86,598
Trademark right	1,459	1,133
Software	1,021,231	1,060,028
Software in progress	15,305	1,334
Telephone subscription right	4,295	4,295
Other	1,371	1,329
Total intangible assets	1,862,778	1,810,592
Investments and other assets		
Investment securities	91,519	91,530
Business guarantee deposits	977,800	1,932,800
Guarantee deposits	654,780	664,819
Long-term prepaid expenses	27,656	28,863
Deferred tax assets	624,831	682,972
Other	51,966	59,825
Total investments and other assets	2,428,555	3,460,811
Total non-current assets	4,719,101	5,674,439
Total assets	10,178,237	11,451,706

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade accounts payable	308,771	297,806
Short-term borrowings	—	1,000,000
Lease liabilities	3,899	3,253
Accounts payable - other	222,494	257,731
Accrued expenses	445,474	417,328
Income taxes payable	250,419	310,752
Accrued consumption taxes	160,753	252,188
Contract liabilities	75,736	68,878
Deposits received	231,563	243,372
Deposits received from employees	117,158	121,232
Provision for bonuses	740,816	594,251
Total current liabilities	2,557,087	3,566,795
Non-current liabilities		
Long-term guarantee deposits	37,957	41,676
Lease liabilities	5,272	17,087
Deferred tax liabilities	34,896	29,080
Retirement benefit liability	684,860	710,609
Asset retirement obligations	69,108	67,997
Total non-current liabilities	832,094	866,451
Total liabilities	3,389,181	4,433,246
Net assets		
Shareholders' equity		
Share capital	424,630	424,630
Capital surplus	324,630	324,630
Retained earnings	6,108,989	6,320,204
Treasury shares	(104,837)	(79,973)
Total shareholders' equity	6,753,411	6,989,491
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	4,371	(2,303)
Total accumulated other comprehensive income	4,371	(2,303)
Share acquisition rights	31,271	31,271
Total net assets	6,789,055	7,018,459
Total liabilities and net assets	10,178,237	11,451,706

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue		
Intermediation commission income	5,855,858	5,701,088
Service revenue	6,942,844	6,804,855
Completed service contracts	1,374,709	1,638,522
Other revenue	33,361	34,851
Total operating revenue	14,206,774	14,179,318
Operating expenses		
Cost of completed service contracts	993,700	1,139,718
Cost of goods sold	41,151	92,887
Promotion expenses	250,532	6,009
Advertising expenses	1,023,232	1,327,104
Remuneration for directors (and other officers)	142,931	149,445
Employees' salaries	4,941,428	4,752,254
Employees' bonuses	621,726	609,229
Provision for bonuses	737,102	602,295
Retirement benefit expenses	75,225	78,112
Legal welfare expenses	777,307	756,550
Amortization of goodwill	59,324	59,324
Rent expenses on land and buildings	1,435,608	1,443,743
Depreciation	250,508	325,924
Rent expenses	186,557	183,120
Communication expenses	342,481	315,833
Taxes and dues	138,128	99,855
Commission expenses	323,372	354,051
Other	1,448,070	1,489,534
Total operating expenses	13,788,392	13,784,994
Operating profit	418,382	394,323
Non-operating income		
Interest income	8	38
Dividend income	173,629	168,300
Compensation income	—	50,516
Miscellaneous income	30,191	15,602
Total non-operating income	203,829	234,458
Non-operating expenses		
Interest expenses	213	1,580
Commission expenses	4,431	5,517
Miscellaneous losses	2,567	1,010
Total non-operating expenses	7,212	8,108
Ordinary profit	614,998	620,673
Extraordinary losses		
Impairment losses	24,509	38,368
Total extraordinary losses	24,509	38,368
Profit before income taxes	590,489	582,304
Income taxes - current	224,480	315,963
Income taxes - deferred	(6,961)	(61,009)
Total income taxes	217,519	254,953
Profit	372,970	327,351
Profit attributable to owners of parent	372,970	327,351

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	372,970	327,351
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(10,114)	(6,675)
Total other comprehensive income	(10,114)	(6,675)
Comprehensive income	362,855	320,675
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	362,855	320,675

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	424,630	324,630	6,108,989	(104,837)	6,753,411
Changes during period					
Dividends of surplus			(107,913)		(107,913)
Profit attributable to owners of parent			327,351		327,351
Purchase of treasury shares				(374)	(374)
Stock compensation costs			(8,223)	25,238	17,015
Net changes in items other than shareholders' equity					
Total changes during period			211,214	24,864	236,079
Balance at end of period	424,630	324,630	6,320,204	(79,973)	6,989,491

	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	4,371	4,371	31,271	6,789,055
Changes during period				
Dividends of surplus				(107,913)
Profit attributable to owners of parent				327,351
Purchase of treasury shares				(374)
Stock compensation costs				17,015
Net changes in items other than shareholders' equity	(6,675)	(6,675)		(6,675)
Total changes during period	(6,675)	(6,675)		229,403
Balance at end of period	(2,303)	(2,303)	31,271	7,018,459

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	590,489	582,304
Depreciation	250,508	325,924
Impairment losses	24,509	38,368
Amortization of goodwill	59,324	59,324
Share-based payment expenses	27,222	28,562
Increase (decrease) in allowance for doubtful accounts	(2,296)	(496)
Increase (decrease) in provision for bonuses	54,853	(146,565)
Increase (decrease) in retirement benefit liability	22,931	19,073
Interest income	(8)	(38)
Dividend income	(173,629)	(168,300)
Compensation income	—	(50,516)
Interest expenses	213	1,580
Decrease (increase) in trade receivables	(63,625)	90,088
Decrease (increase) in prepaid expenses	12,543	(9,258)
Decrease (increase) in other assets	7,397	(154,928)
Increase (decrease) in trade payables	36,403	(10,965)
Increase (decrease) in accounts payable - other	(99,120)	8,442
Increase (decrease) in accrued expenses	(49,747)	(29,856)
Increase (decrease) in accrued consumption taxes	161,755	116,175
Increase (decrease) in deposits received	(16,206)	11,809
Increase (decrease) in deposits received from employees	7,919	4,074
Increase (decrease) in guarantee deposits received	(432)	3,719
Increase (decrease) in other liabilities	(30,982)	(57,229)
Subtotal	820,022	661,293
Interest and dividends received	173,937	168,338
Proceeds from compensation	—	50,516
Interest paid	(213)	(1,580)
Income taxes paid	(226,615)	(207,869)
Net cash provided by (used in) operating activities	767,131	670,698
Cash flows from investing activities		
Payments into time deposits	(6,002)	(6,001)
Purchase of property, plant and equipment	(38,254)	(68,071)
Purchase of investment securities	(21,550)	—
Purchase of intangible assets	(136,791)	(209,305)
Proceeds from collection of operating deposits	300	45,000
Payments for operating deposits	(10,000)	(1,000,000)
Proceeds from refund of guarantee deposits	35,796	17,185
Payments of guarantee deposits	(35,393)	(34,889)
Other payments	(16,575)	(22,943)
Net cash provided by (used in) investing activities	(228,471)	(1,279,026)

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,000,000
Repayments of lease liabilities	(6,053)	(7,976)
Purchase of treasury shares	(88,130)	—
Dividends paid	(69,976)	(108,363)
Net cash provided by (used in) financing activities	(164,159)	883,660
Net increase (decrease) in cash and cash equivalents	374,500	275,333
Cash and cash equivalents at beginning of period	4,170,718	4,545,218
Cash and cash equivalents at end of period	4,545,218	4,820,551