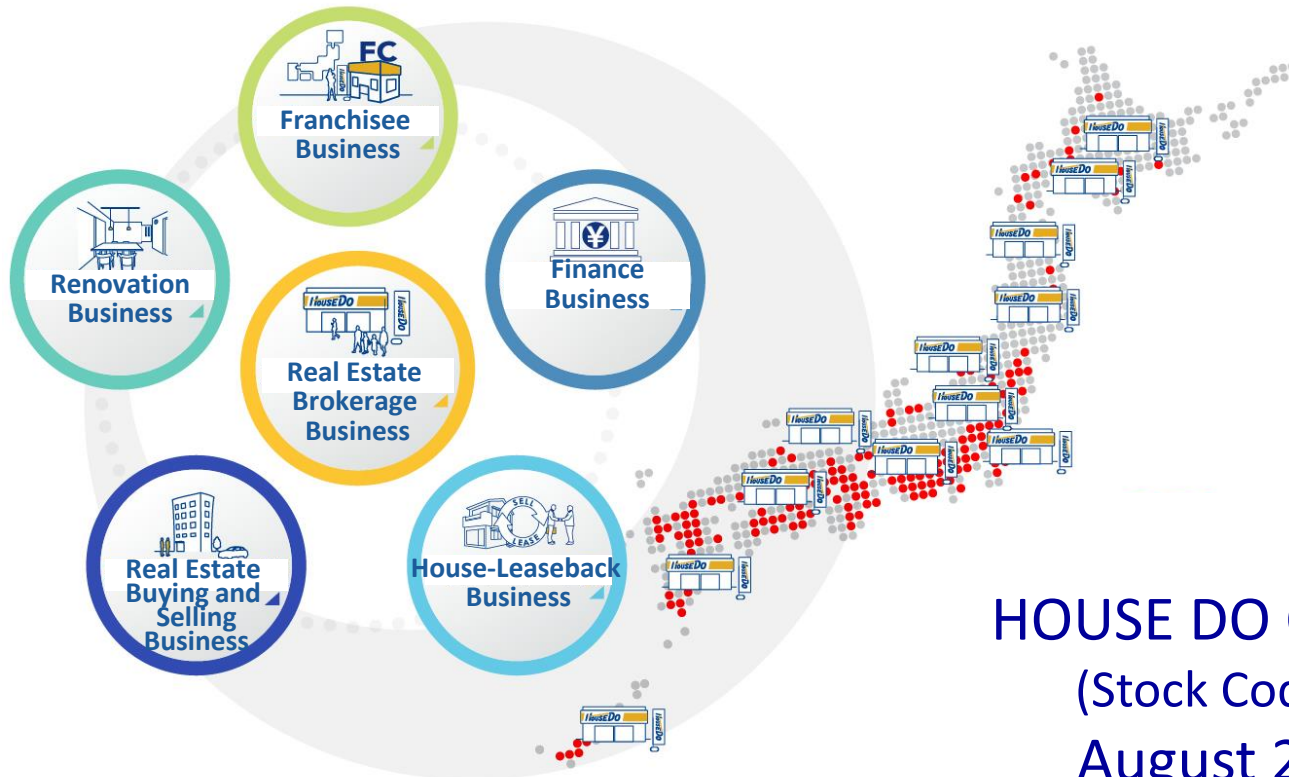




Earnings Results for the Fiscal Year Ended June 2019 for analysts



HOUSE DO Co., Ltd.
(Stock Code: 3457)
August 22, 2019

FY2019 Full-year results

■ **Results reached record highs and met targets in the full-year forecast**

Net sales **¥31,546 million, up 40.1% YoY**

Operating profit **¥3,156 million, up 49.2% YoY**

Ordinary profit **¥3,003 million, up 57.3% YoY**

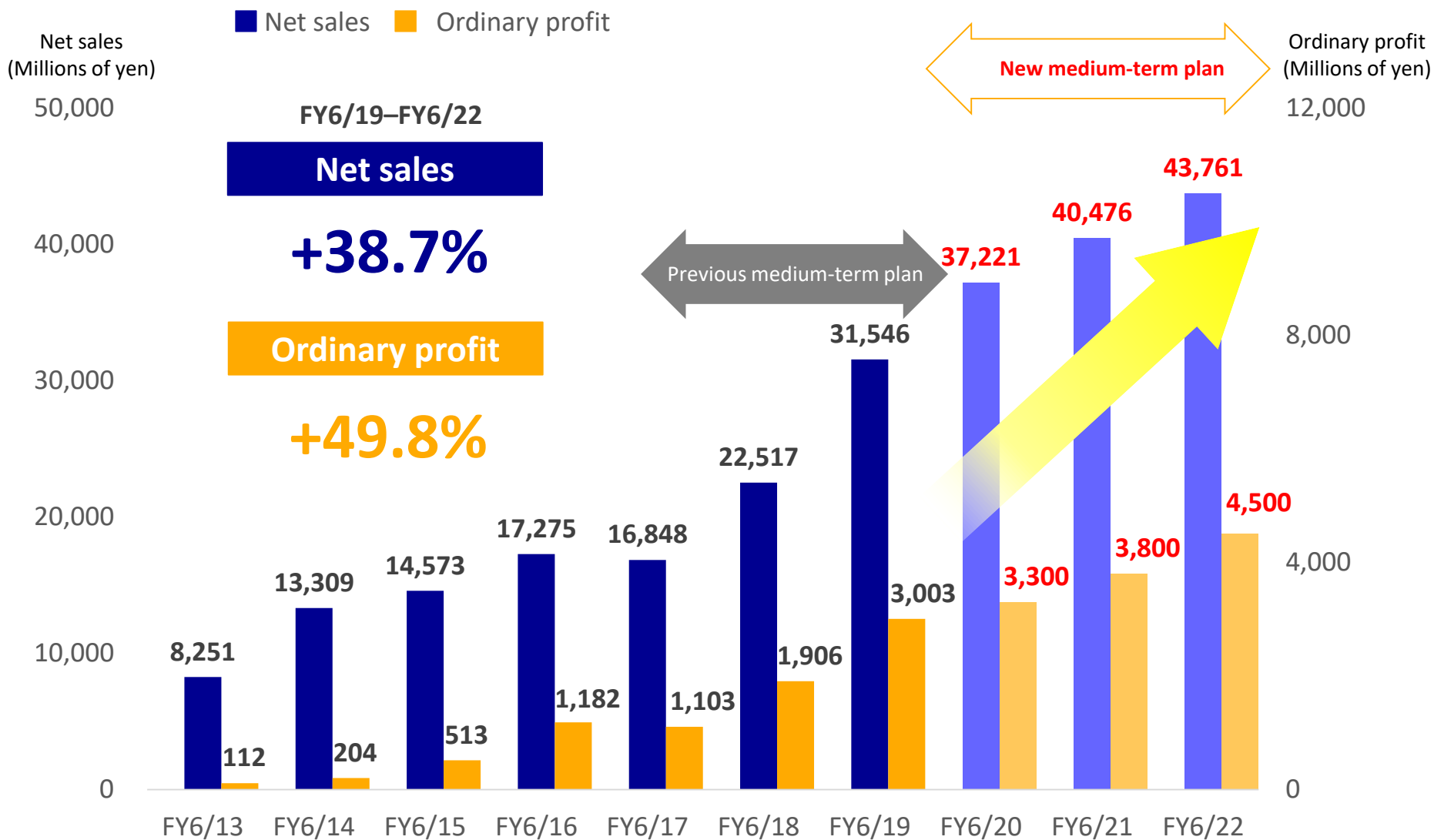
1 Strong Housing Demand (negative interest rates)

2 House-Leaseback Products

3 Easing of Monetary Policies

4 Reverse mortgages gain momentum as useful fund procurement method?

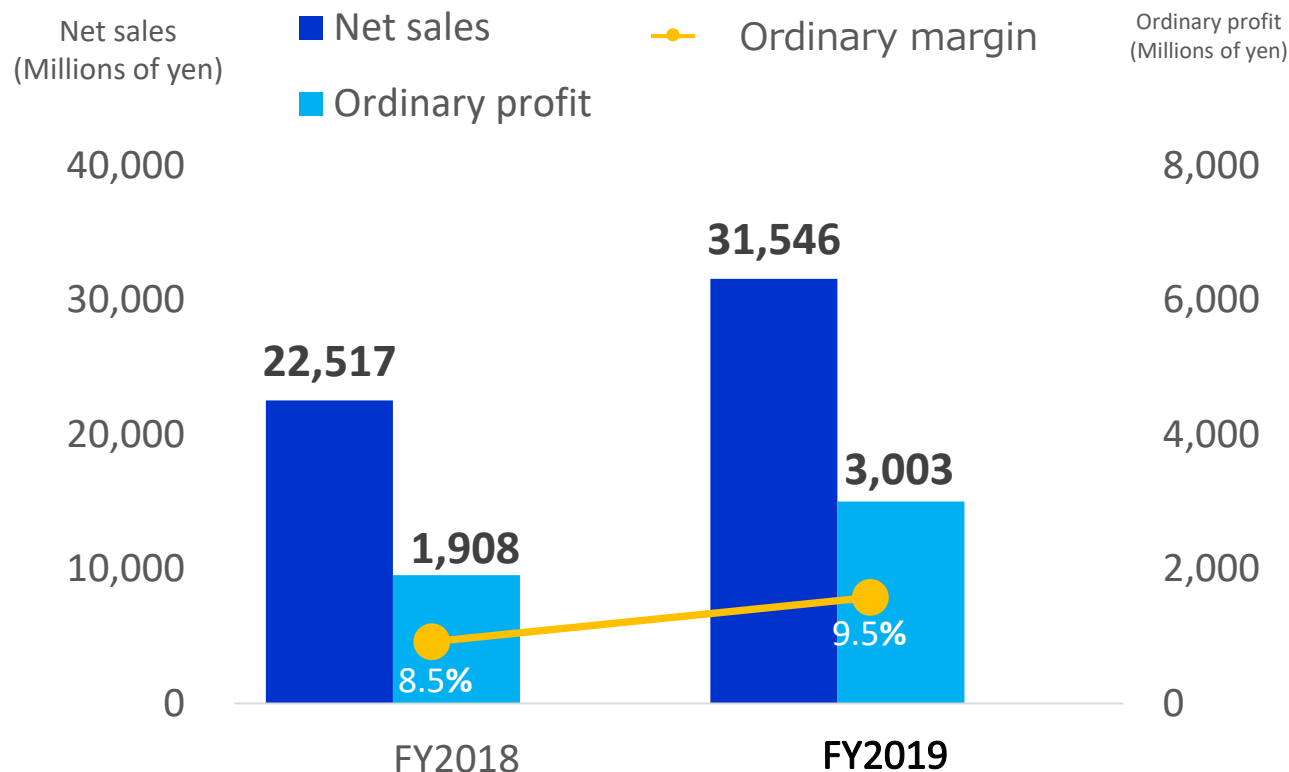
New Medium-term Plan (Final Year in FY6/22)



FY2019 Summary of Consolidated Statement of Income



(Millions of yen)



(Year-on-year comparison)

	FY2018	FY2019	YoY change
SG&A expenses	6,525	8,000	+22.6%

(Millions of yen)

FY2019 Sales by Business Segment



(Millions of yen)

(Year-on-year comparison)

	FY2018 Results	FY2019 Results	YoY change
Franchisee Business	2,495	2,833	+13.5%
House-Leaseback Business	5,718	14,001	+144.9%
Finance Business	529	810	+53.3%
Real Estate Buying and Selling Business	8,909	9,040	+1.5%
Real Estate Brokerage Business	2,075	2,059	▲ 0.8%
Renovation Business	3,090	3,099	+0.3%
Other	—	30	—
Adjustment	▲ 300	▲ 329	—
Total	22,517	31,546	+40.1%

FY2019 Operating Profit by Business Segment



(Millions of yen)

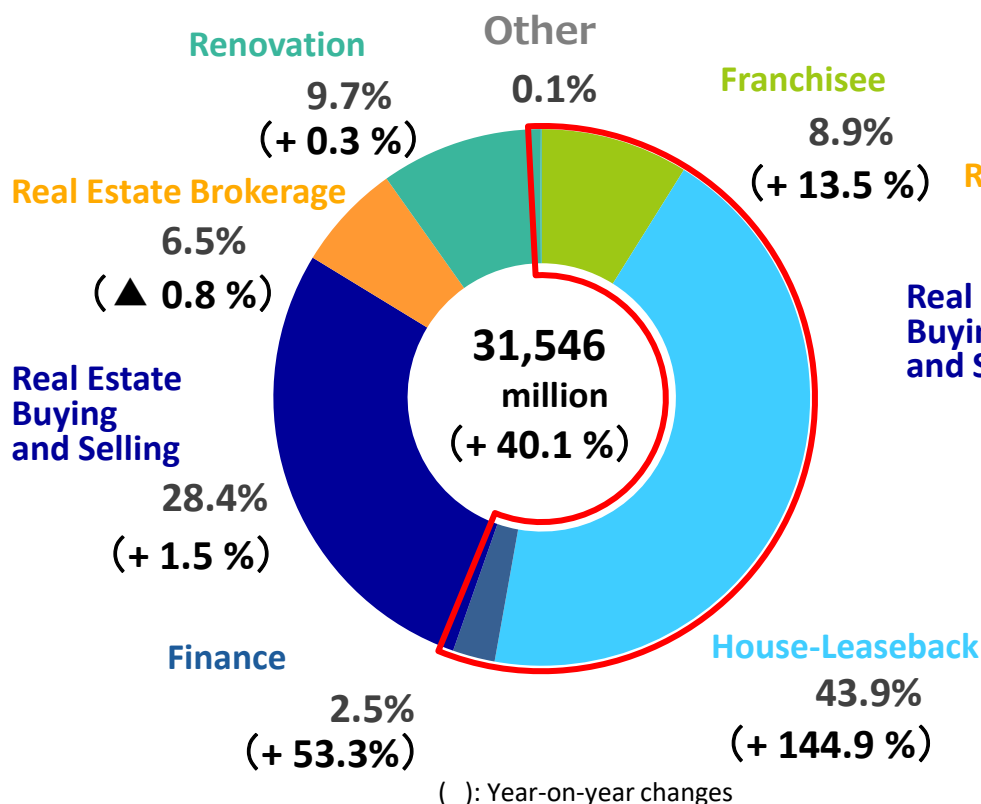
(Year-on-year comparison)	FY2018 Results	FY2019 Results	YoY change
Franchisee Business	1,476	1,677	+13.7%
House-Leaseback Business	788	2,074	+163.2%
Finance Business	111	16	▲ 84.8%
Real Estate Buying and Selling Business	823	778	▲ 5.5%
Real Estate Brokerage Business	455	491	+8.0%
Renovation Business	284	309	+9.0%
Other	—	▲ 27	—
Adjustment	▲ 1,822	▲ 2,166	—
Total	2,116	3,156	+49.2%

FY2019 Composition of Segment Sales and Operating Profit



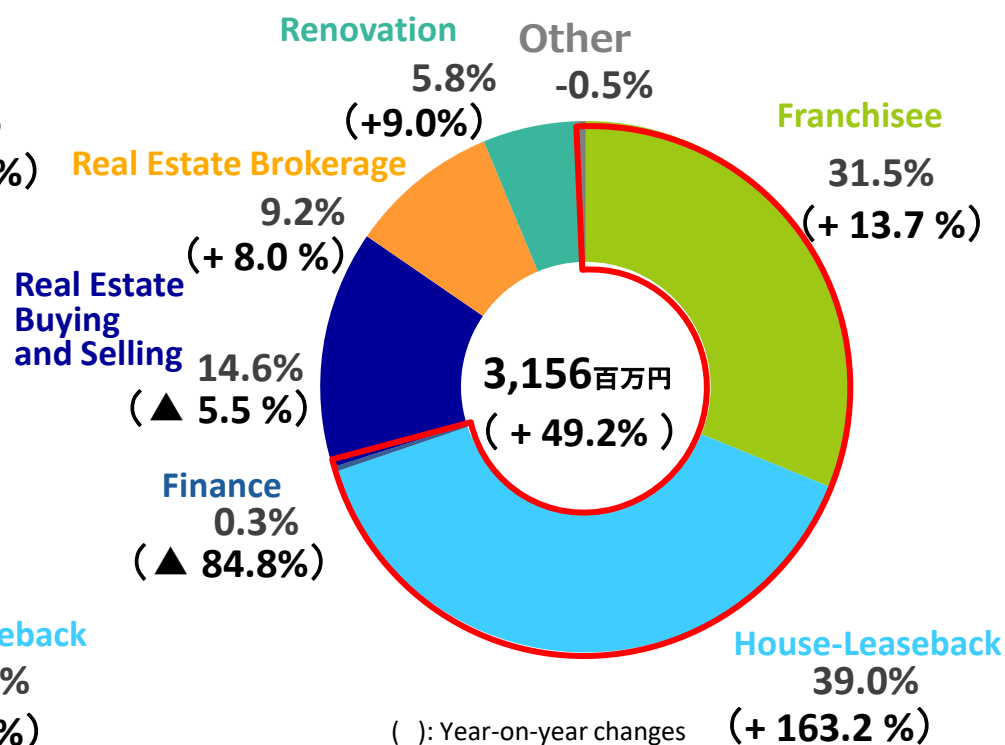
FY2019 Net Sales

Steady-income businesses ➡ **55.4%**
(FY2018 38.3 %)



FY2019 Operating Profit

Steady-income businesses ➡ **70.8%**
(FY2018 60.3 %)



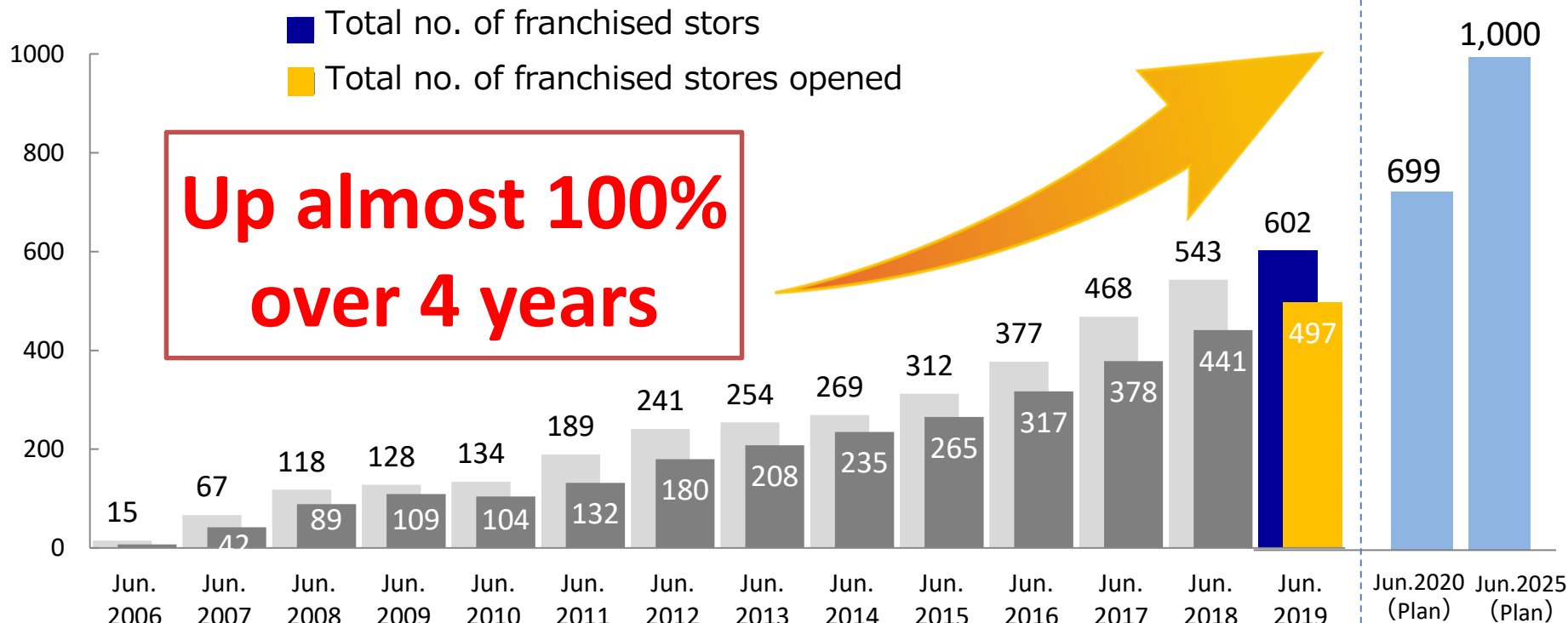


Growth in Number of Franchised Stores



At the end of June 2019, there was a total of **602** franchised stores

Note: Including 105 stores preparing to open (including RENT Do!)



	Satellite stores	Stores specializing in buying houses and other real estate	Housing information malls	RENT Do !	Total
Stores franchised to third parties	422	123	2	36	583
Stores franchised to group companies	8	5	4	2	19
Total	430	128	6	38	602

A Nationwide Network of Franchised Stores

Satellite stores + Housing information malls

(only brokerage)

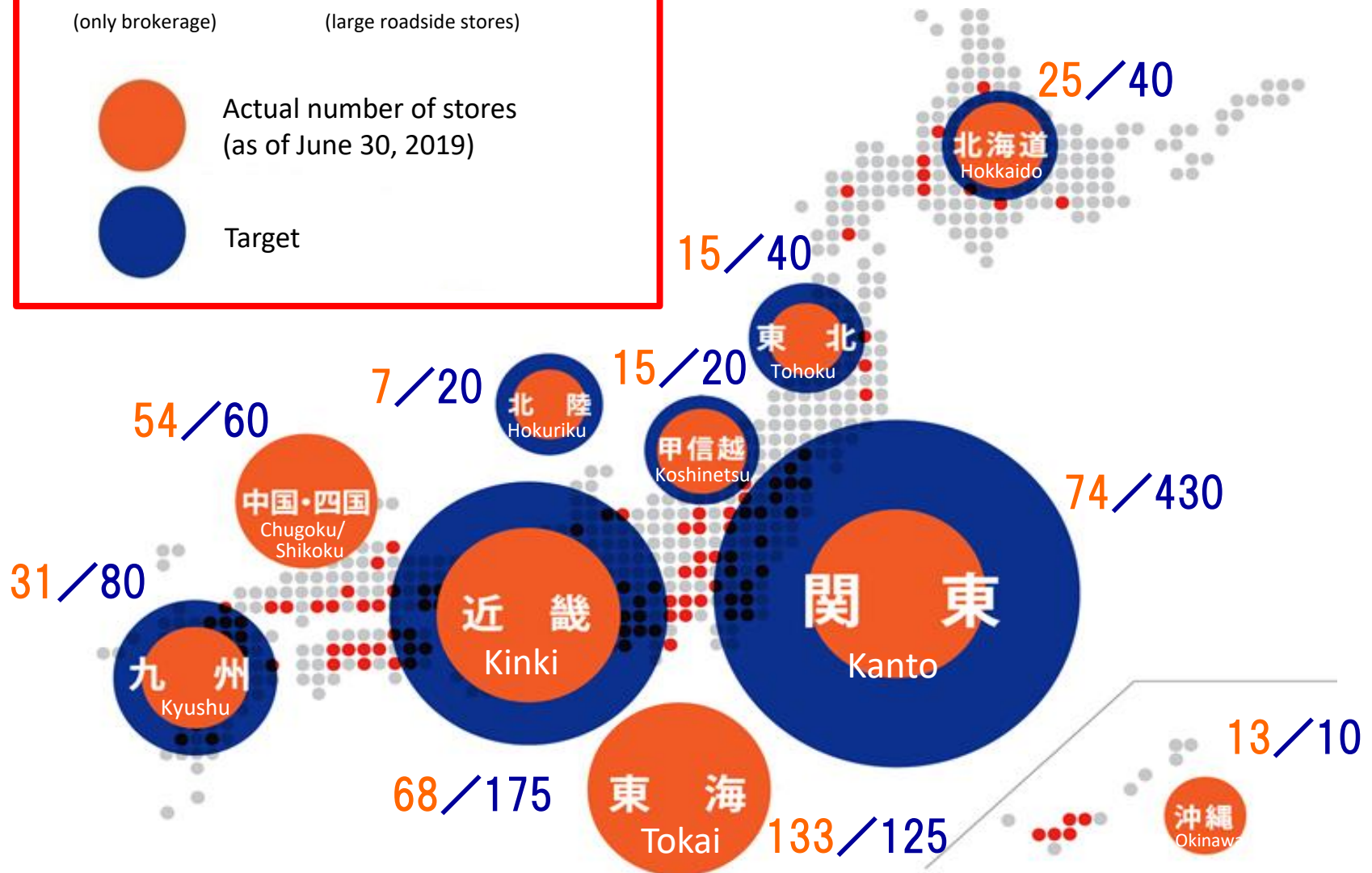
(large roadside stores)



Actual number of stores
(as of June 30, 2019)

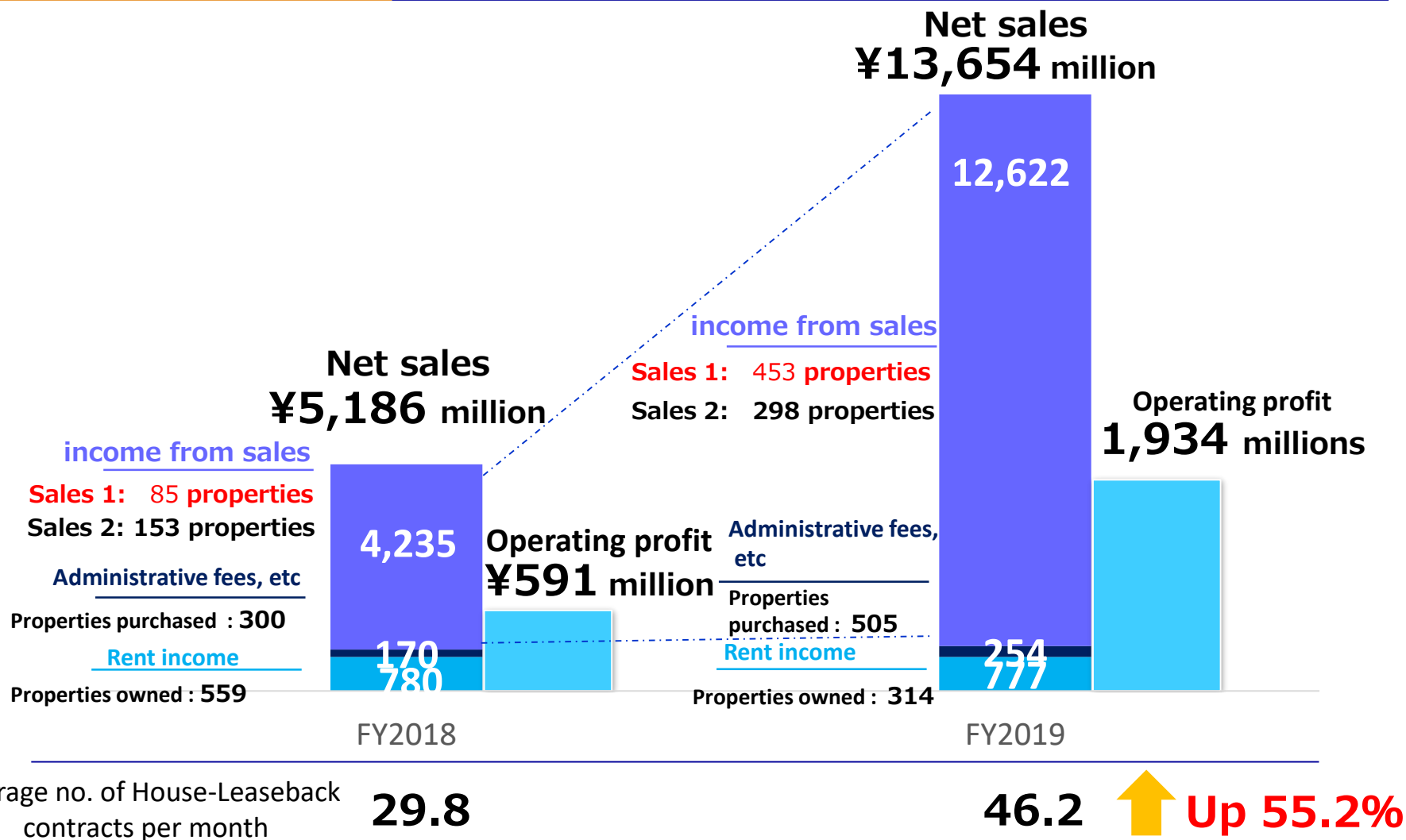


Target





House-Leaseback Business (non-consolidated)



Sales 1: Sales of properties to a real estate fund

Sales 2: Resale and disposal of properties, real estate companies and investors



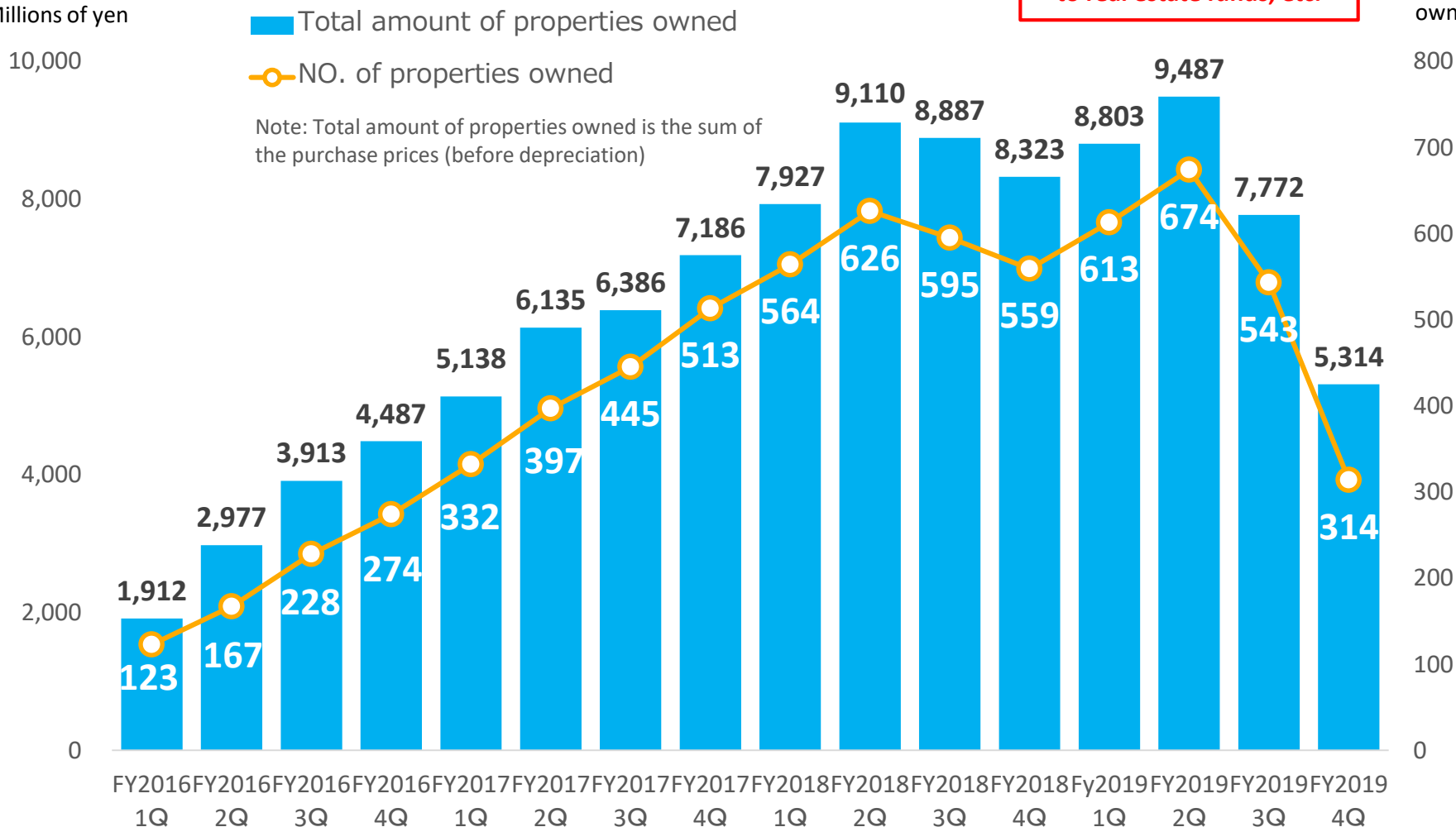
Total Amount and No. of Properties Owned

HOUSE DO

Decreased due to sales made to real estate funds, etc.

Total amount of properties owned (Millions of yen)

No. of properties owned



Consolidated Balance Sheet



(Millions of yen)

	FY2018	FY2019	Change
Current assets	16,338	28,122	+11,784
Cash and deposits	3,694	12,444	+8,750
Inventories	6,599	6,920	+320
Other	6,044	8,758	+2,714
Non-current assets	14,282	12,263	(2,019)
Property, plant and equipment	13,080	10,402	(2,678)
Intangible assets	96	121	+25
Investments and other assets	1,105	1,740	+635
Total assets	30,621	40,386	+9,765

(Millions of yen)

	FY2018	FY2019	Change
Liabilities	20,934	29,123	+8,189
Current liabilities	10,060	18,441	+8,381
Non-current liabilities	10,874	10,681	(193)
Net assets	9,686	11,263	+1,577
Shareholders' equity	9,669	11,263	+1,594
Accumulated other comprehensive income	(4)	(32)	(28)
Subscription rights to shares	21	32	+11
Total liabilities and net assets	30,621	40,386	+9,765

Shareholder's equity ratio : 31.6 % → 27.8 %

- Dividend policy: Increase corporate value through sustainable growth of business operations and improving profitability
- FY6/19: Ordinary dividend payout ratio up to about 33% from initial forecast of 30%
Commemorative dividend payout ratio of about 2%
Total payout ratio of about 35%

	FY2018	FY2019
Dividend per share (Yen)	※ 1 22.5	※ 2 37
Total dividends (Millions of yen)	436	719
Earnings per share (Yen)	74.94	103.38
Dividend payout ratio (%)	30.0%	35.8%

*1: On July 1, 2018, the company conducted a 2-for-1 stock split. Accordingly, figures have been adjusted as if this stock split had been conducted at the beginning of FY6/18.

*2: We plan to submit a proposal for the year-end dividend for FY6/19 at the annual general shareholders' meeting scheduled for September 2019.

FY6/20 Plan: Sales and Operating Profit by Business Segment



(Millions of yen)	Sales	Change	Operating profit	Change	Ordinary profit
Franchisee Business	3,148	+11.1%	1,846	+10.0%	
House-Leaseback Business	15,091	+7.8%	2,140	+3.2%	
Finance Business	1,238	+52.7%	335	+1,881.2%	
Real Estate Buying and Selling Business	9,705	+7.4%	869	+11.7%	Non-operating income +31 Non-operating expenses (252)
Real Estate Brokerage Business	2,140	+4.0%	520	+5.8%	
Renovation Business	3,097	-0.1%	300	-3.0%	
Koyama Corporation Group	3,162	—	337	—	
Adjustment	(363)		(2,828)*	—	
Total	37,221	+18.0%	3,521	+11.6%	3,300

■ We project an 18.0% rise in sales and a 9.9% increase in ordinary profit (+9.9%)

*Includes expenses associated with the acquisition of the Koyama Corporation Group, subsequent PMI expenses, goodwill, etc.

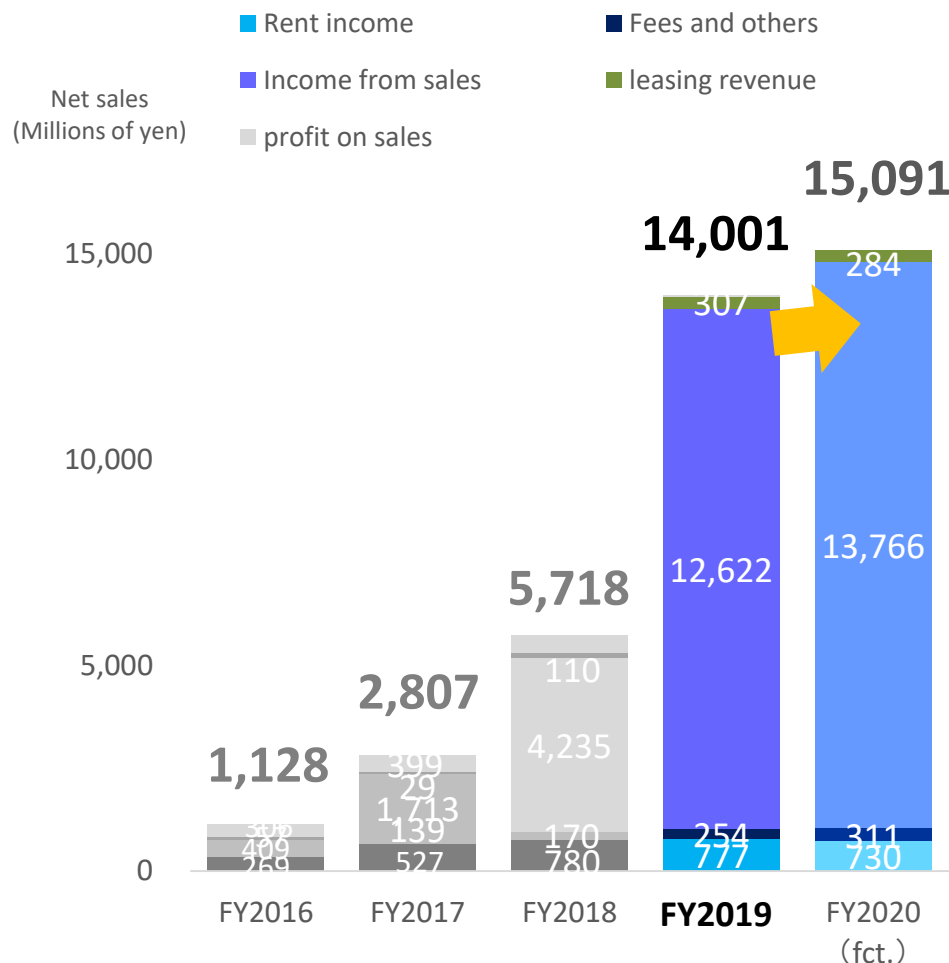
➡Substantial profit contributions from the group are expected from FY6/21



House-Leaseback Business (consolidated)



Changes in Net Sales



**Net Sales
Up 144.9%**

Resales; sales of properties; sales of properties to real estate companies and funds

751 properties

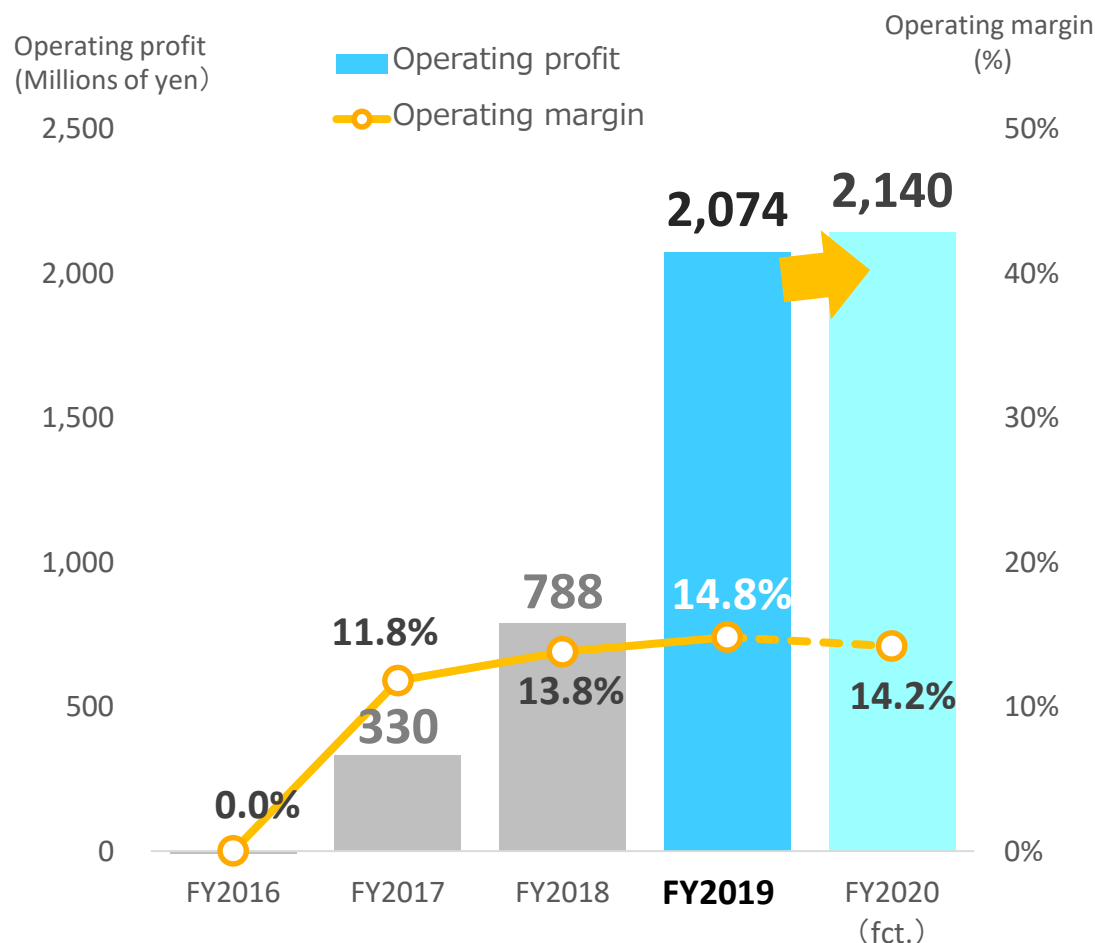
Income from sales ¥1,262 million



**FY2020 plan
Up 7.8%**



Changes in Operating Profit

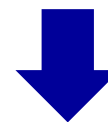


Operating Profit Up 163.2%

Resales; sales of properties; sales of properties to real estate companies and funds

Gross profit on sales :

¥ 2,744 million



FY2020 plan Up 3.2%

House-Leaseback Business:

Medium-term Plan (Final Year in FY6/22)

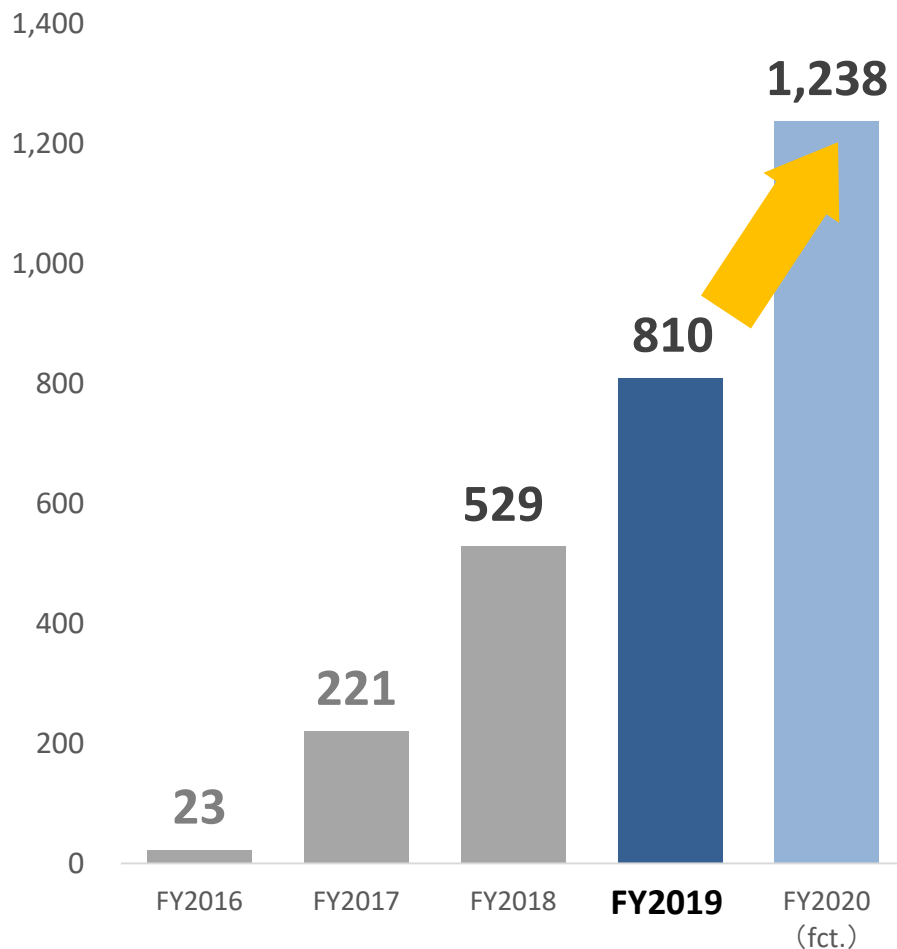


	FY6/19	FY6/20	FY6/21	FY6/22
No. of new House-Leaseback contracts	554 (46.2 per month)	827 (68.9 per month)	964 (80.3 per month)	1,084 (90.3 per month)
No. of properties owned	314	447	555	716
Value of properties owned	¥5,314 million	¥5,996 million	¥7,454 million	¥9,627 million



Changes in Net Sales

Net sales
(Millions of yen)



**Net sales
Up 53.3%**



**FY2020 plan
Up 52.7%**



Changes in Operating Profit

Operating profit
(Millions of yen)

400

300

200

100

0

FY2016

FY2017

FY2018

FY2019

FY2020
(fct.)

■ Operating profit
○ Operating margin

72

111

21.0%

2.1%

16

335

27.1%

Operating margin
(%)

100%

80%

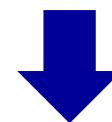
60%

40%

20%

0%

**Operating profits
Down 84.8%**

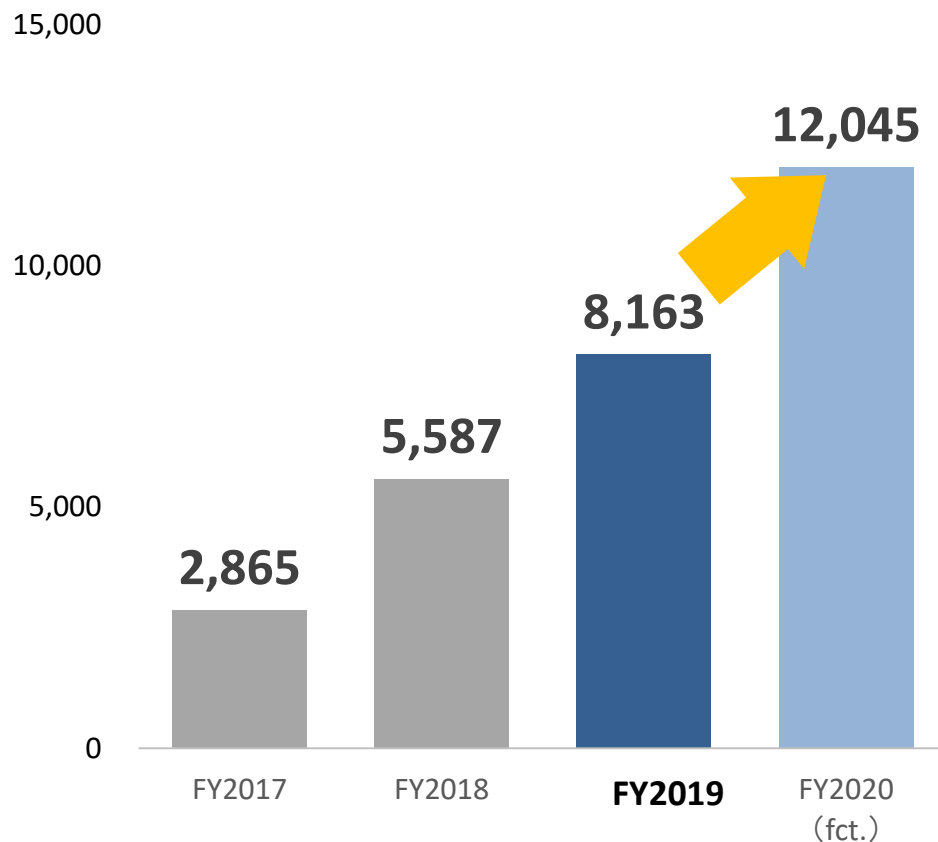


**FY2020 plan
Up 1,881.2%**

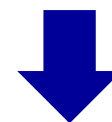


Changes in Loans Outstanding

(Millions of yen)

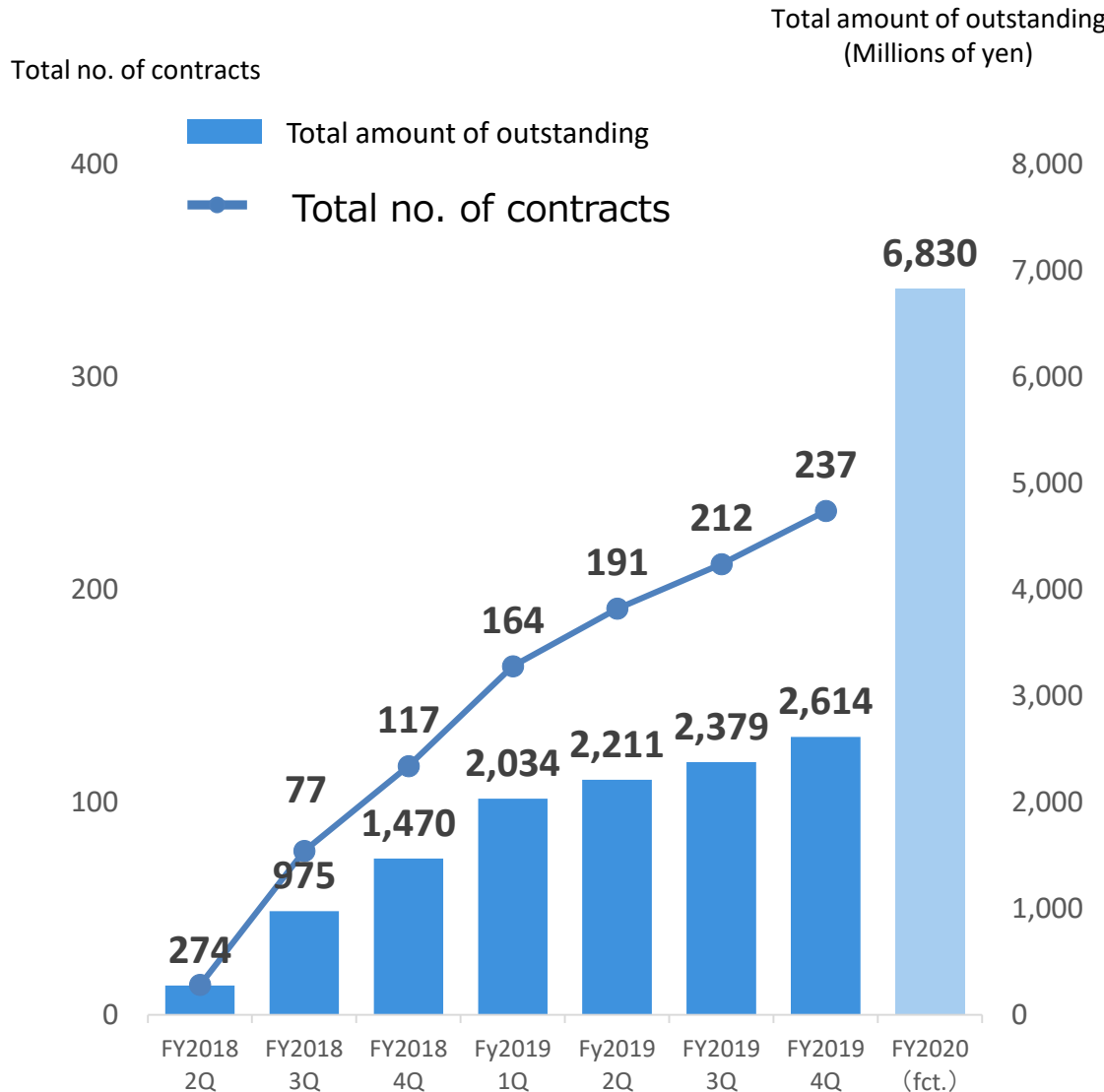


**Real estate secured loan
outstanding
8,163 million**



**FY2020 plan
Up 3,882 million**

Changes in Number of Reverse Mortgage Guarantees



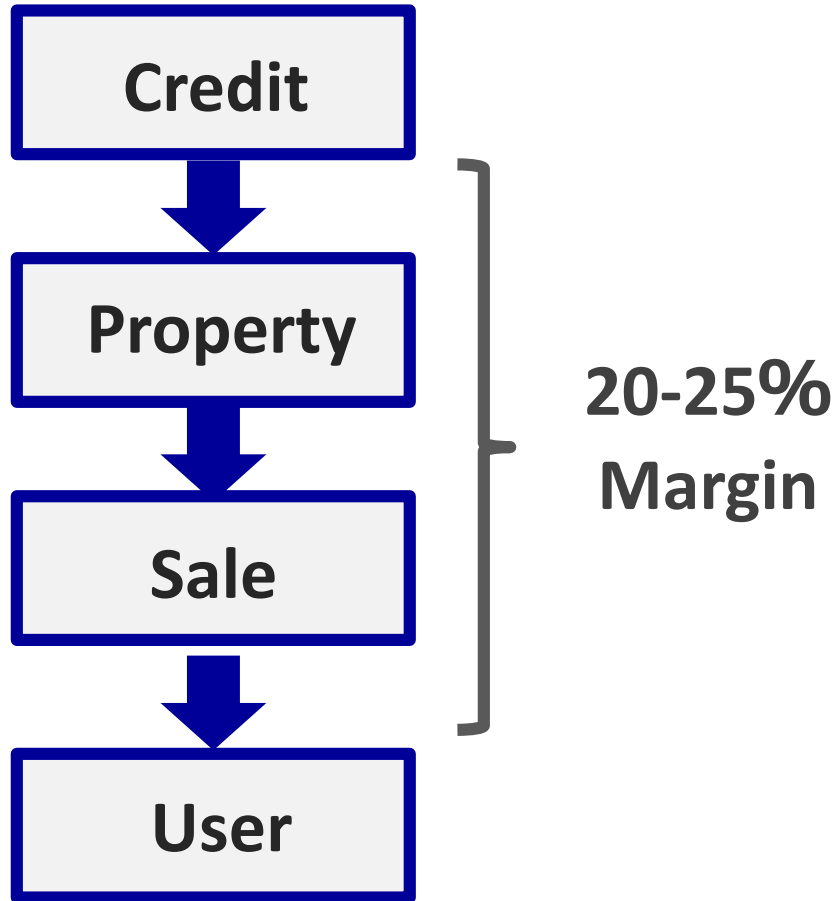
Reverse Mortgage Guarantees 237
Reverse Mortgage Guarantees outstanding 2,641 million

We have formed alliances with eight financial institutions and are focusing on creating more

Our Competitive Advantage



General Process



HOUSEDO



Competitive Advantage (2)



Nationwide Network of Stores



Finance Business:

Medium-term Plan (Final Year in FY6/22)



	FY6/19	FY6/20	FY6/21	FY6/22
No. of new reverse mortgage contracts	129	692	1,485	2,516
Reverse mortgage guarantee outstanding	¥2,621 million	¥6,830 million	¥15,666 million	¥30,633 million
No. of new real estate secured loan contracts	186	405	287	293
Real estate secured loan outstanding	¥8,163 million	¥12,045 million	¥15,480 million	¥18,990 million

Acquisition of Koyama Construction Group (Converting It into a Subsidiary)



Date of share transfer: August 9, 2019

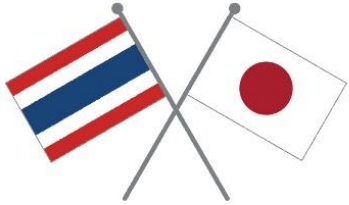


Group Overview

- **Koyama Construction**
Business description: Real estate and rental brokerage, construction
- **Koyama Real Estate**
Business description: Real estate and rental brokerage, management
- **Soka Matsubara Jyuken**
Business description: Real estate and rental brokerage
- **Consolidated net sales: about ¥3,600 million**
- **Total assets: about ¥4,800 million**
- **Total net assets: about ¥2,100 million**

Operating mainly in Soka, Saitama, the Koyama Construction Group is a community-based company that manages real estate trading and construction businesses, as well as a rental business with about 6,000 managed properties.

Current Status of H-DO (THAILAND) Limited



February 20, 2019

Established joint venture “H-DO (THAILAND) Limited”



Signing ceremony commemorating the conclusion of the agreement to establish the joint venture (held on January 25, 2019 in Bangkok)

Business description

- Pre-owned housing renovation
- Servicer business



- **Strengthening House-Leaseback Purchasing**

- **Reverse Mortgage Guarantee Business, Asset-Leaseback**

- **Strengthening Franchised Stores**

- **Koyama Corporation**

- **Thailand Business**

■ Guarantee Business

- └ Business loan guarantees
- └ Rental guarantee services

■ Increase the RENT Do! network in Japan to 1,000 stores

■ Offer hourly and monthly rentals of unused apartments and houses through the Time Room business

■ Engage in proactive domestic M&A efforts

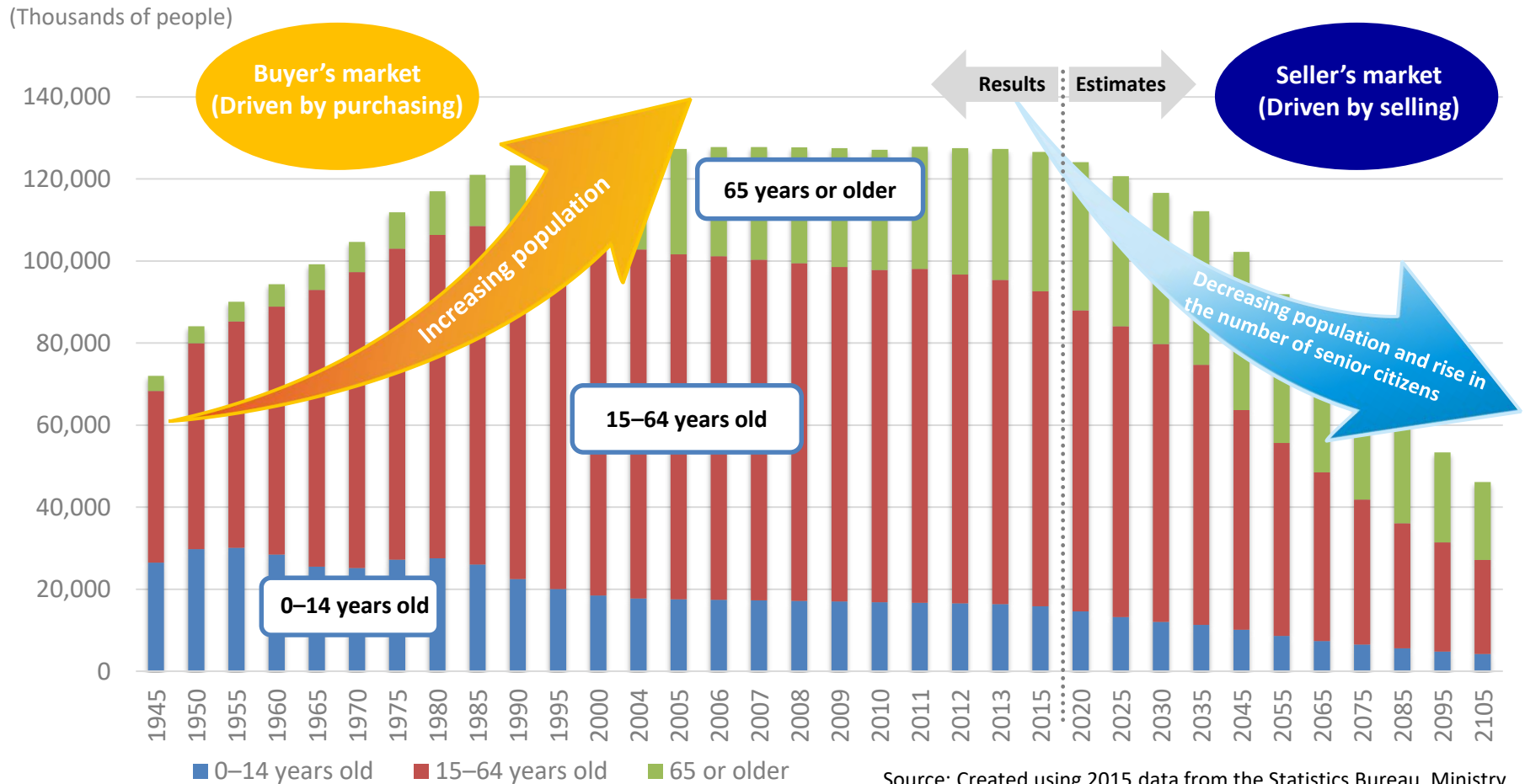
Real estate companies that have assets or rental properties under management or are dealing with succession issues

External Environment (1)

Future Population Estimates



Expansion in the senior market → Moving from creation to utilization and disposal

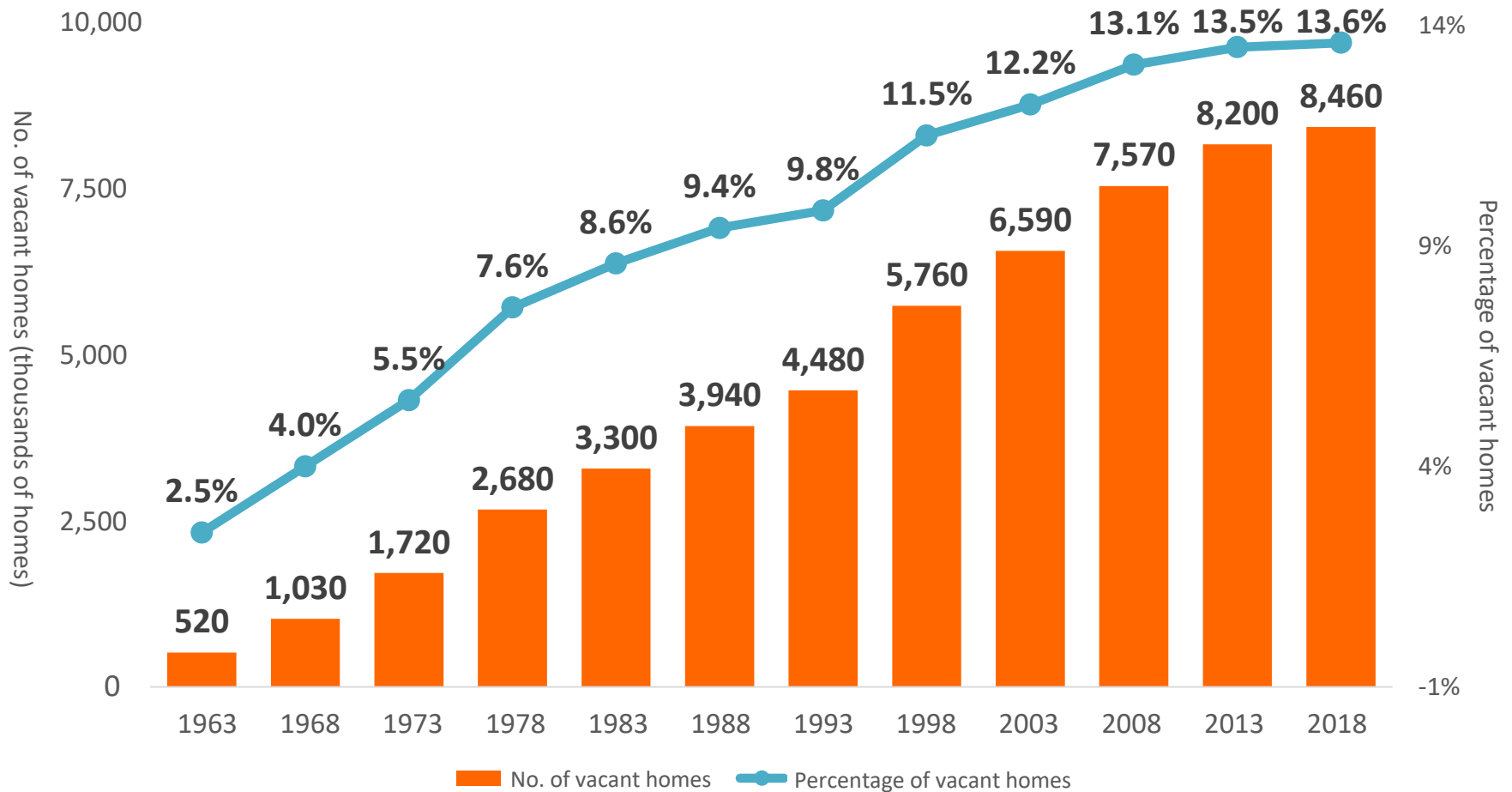


Source: Created using 2015 data from the Statistics Bureau, Ministry of Internal Affairs and Communications

Number and Percentage of Vacant Homes



Number and percentage of vacant homes will continue to trend upward



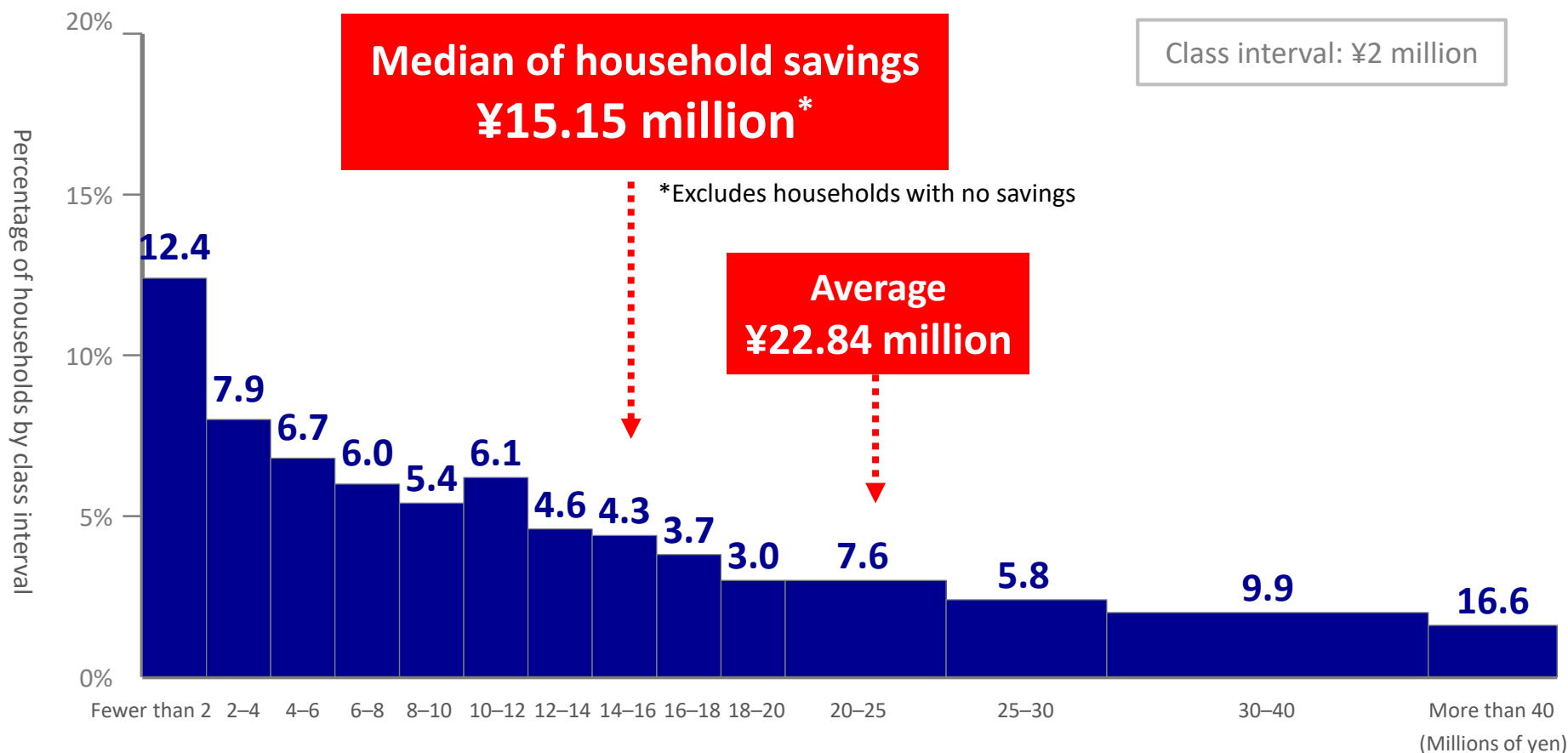
Source: From the 2018 Housing and Land Survey released by the Statistics Bureau, Ministry of Internal Affairs and Communication

External Environment (3)

Distribution of Current Savings of Senior Households (with Two or More Senior Citizen Members) by Class (2018)



More than 60% of senior citizens have savings of less than ¥20 million

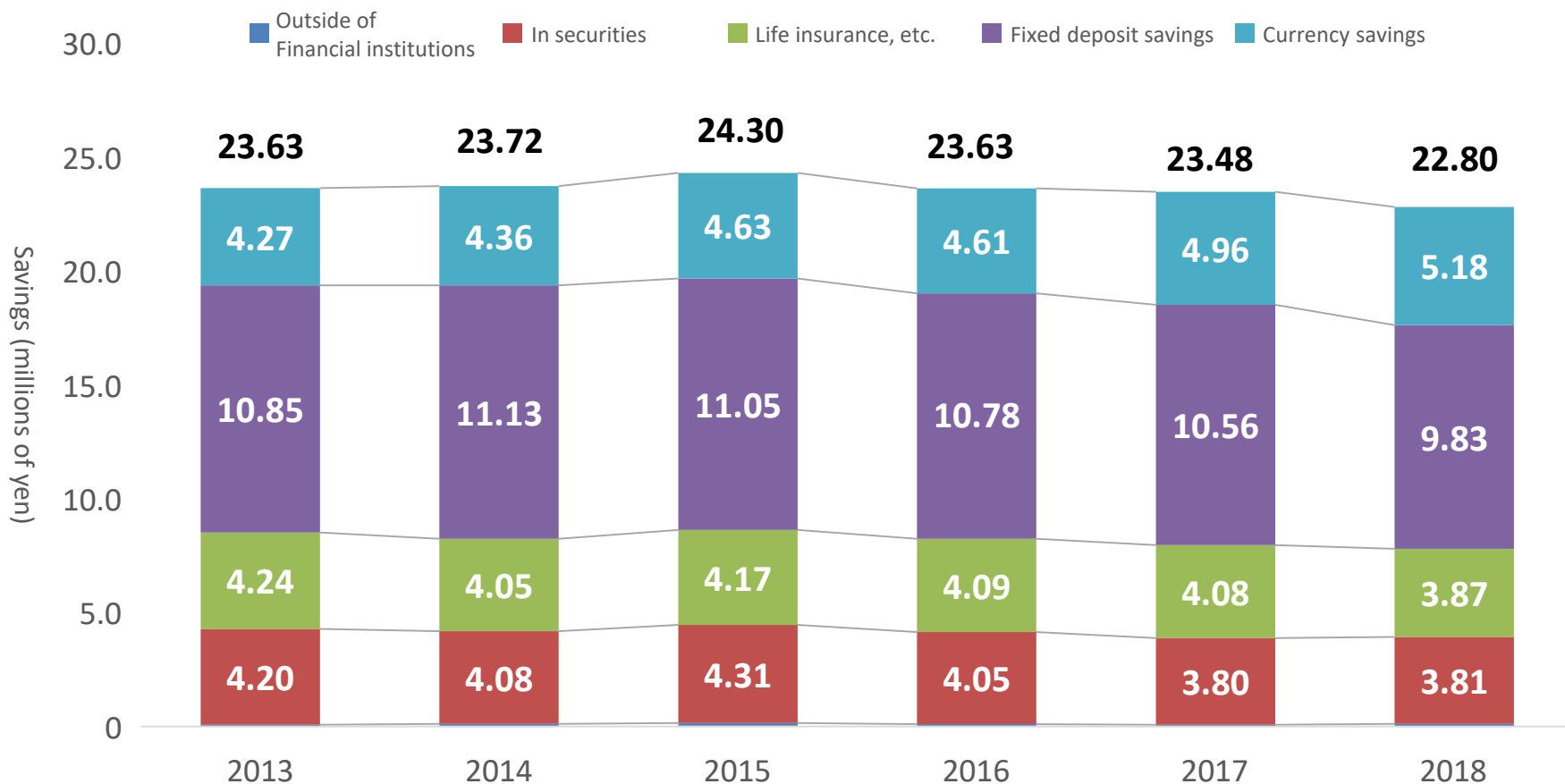


Source: Family Income and Expenditure Survey reported by the Statistics Bureau, Ministry of Internal Affairs and Communication
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External Environment (4) Changes in Current Savings of Unemployed Senior Households (with Two or More Senior Citizen Members) by Type



Savings of the senior population are trending downward in recent years



Source: Family Income and Expenditure Survey reported by the Statistics Bureau, Ministry of Internal Affairs and Communication

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Our Decade Vision



Revolutionizing the industry by fully utilizing HOUSEDO's strengths

All based on operations
in local markets

- 1 Sales skills >
- 2 Assessment skills >
- 3 Creditworthiness >
- 4 Nationwide coverage >



Business plan for rental services

Using vacant homes ➡ Time Room, monthly dormitories for foreigners, rent guarantees

Business plan for the elderly services

House-Leaseback, reverse mortgages

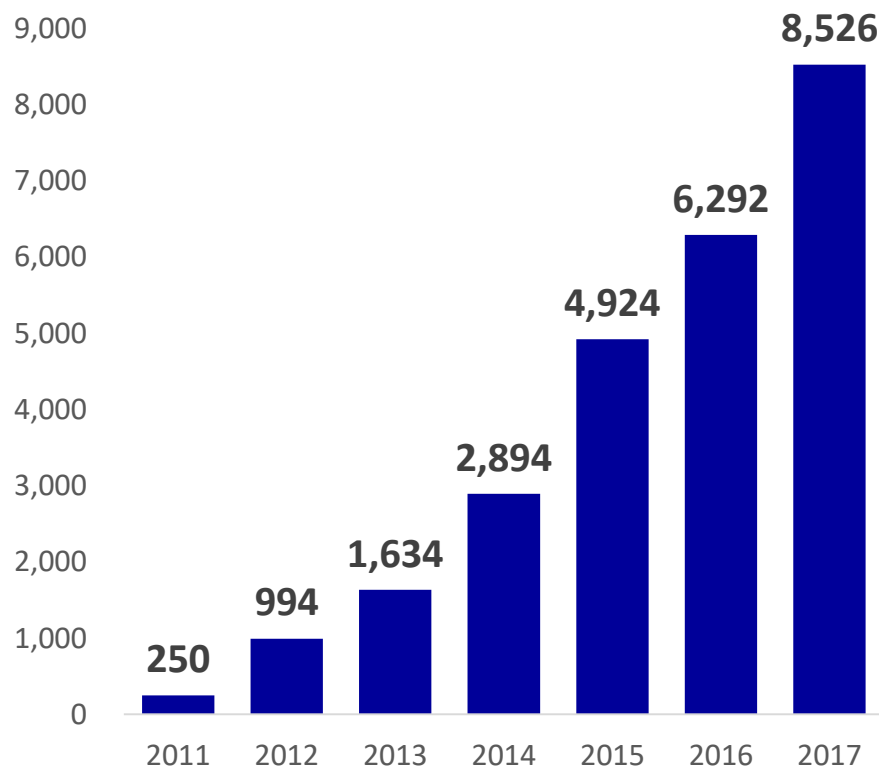
Business plan for real estate trust

Aiming to become Asia's real estate service provider

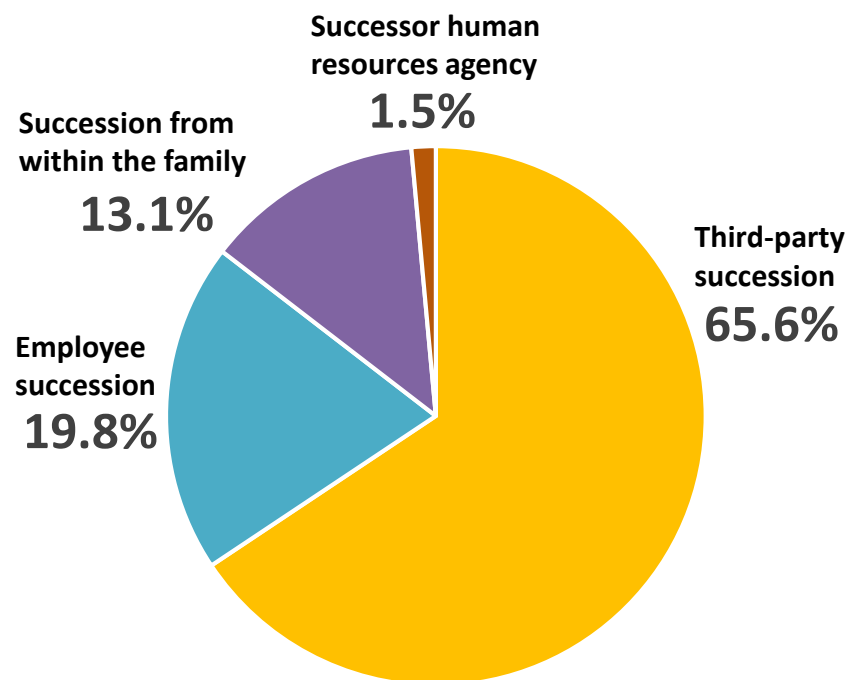
**Consultations from small and medium-sized companies concerning
business succession, including M&A, are increasing annually**

**Number of Consultations Received by
Business Succession Centers**

No. of
consultations



Breakdown of Business Successions



Source: Organization for Small & Medium Enterprises and
Regional Innovation, JAPAN (SME SUPPORT JAPAN)

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Providing a variety of services that contribute to the resolution of social issues



...and creating business opportunities