

Innovate the Industry

Briefing for Earnings Results for the Fiscal Year Ended June 2023

August 18, 2023
&Do Holdings Co., Ltd

【3457】



&DO HOLDINGS

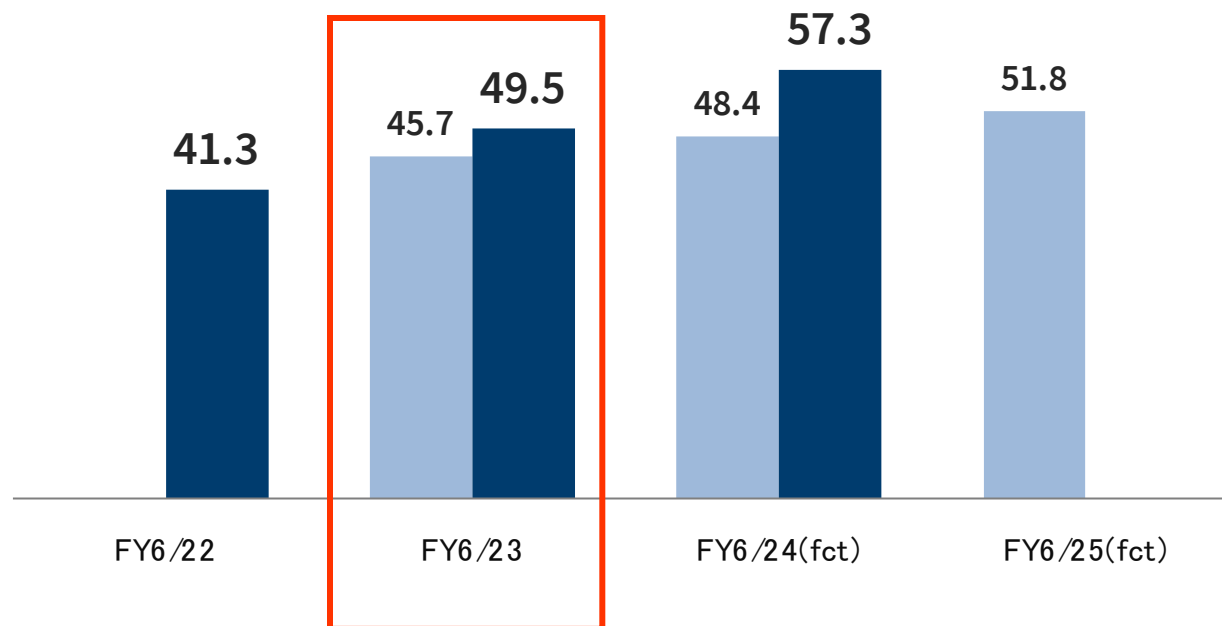


FY6/2023 : Sales ¥49.5 bn, Ordinary Profit ¥3.3 bn

Sales Plan

(¥bn)

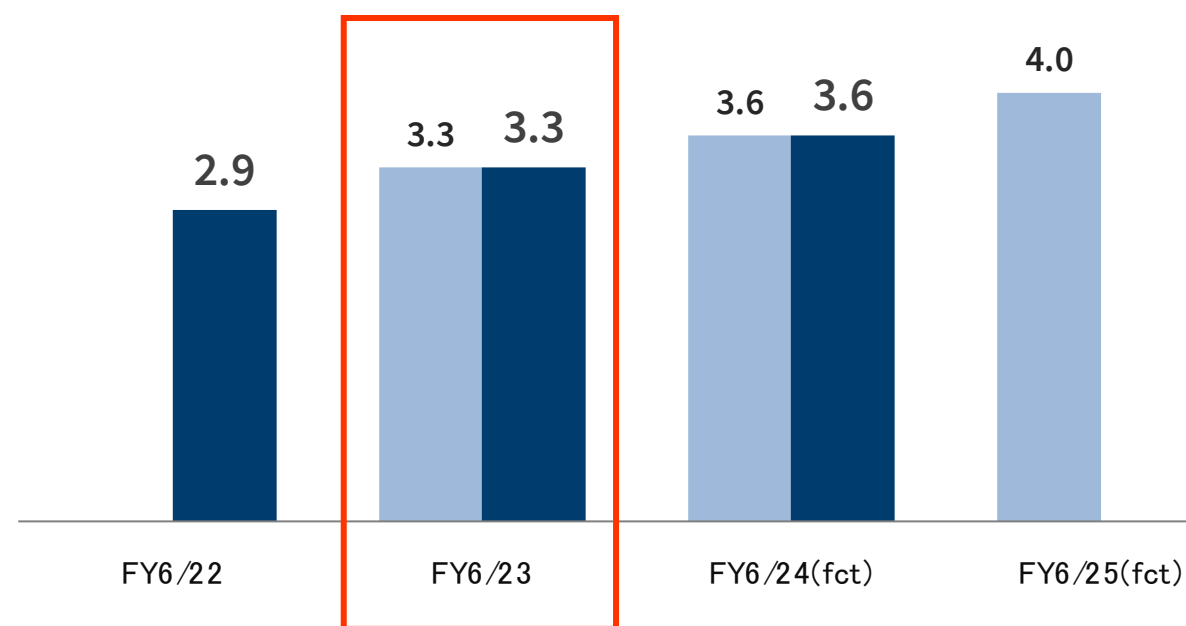
■ Initial Mid-term Management Plan ■ Resuly ▪ FY6/24 Plan



Ordinary Profit Plan

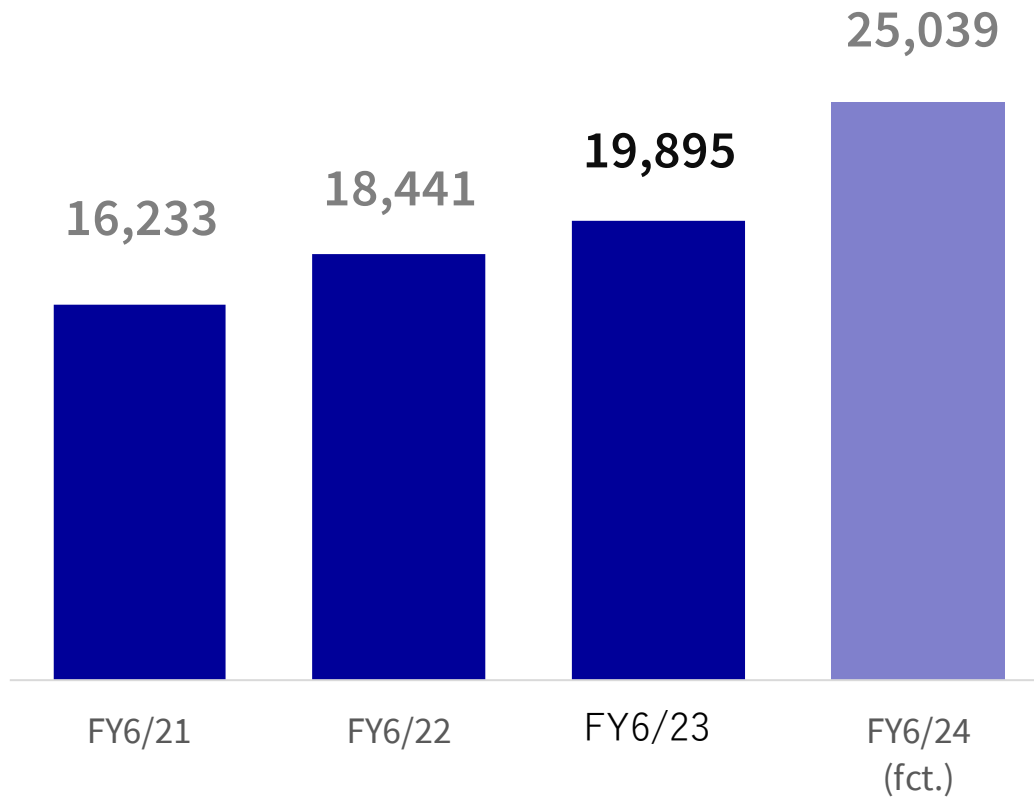
(¥bn)

■ Initial Mid-term Management Plan ■ Resuly ▪ FY6/24 Plan



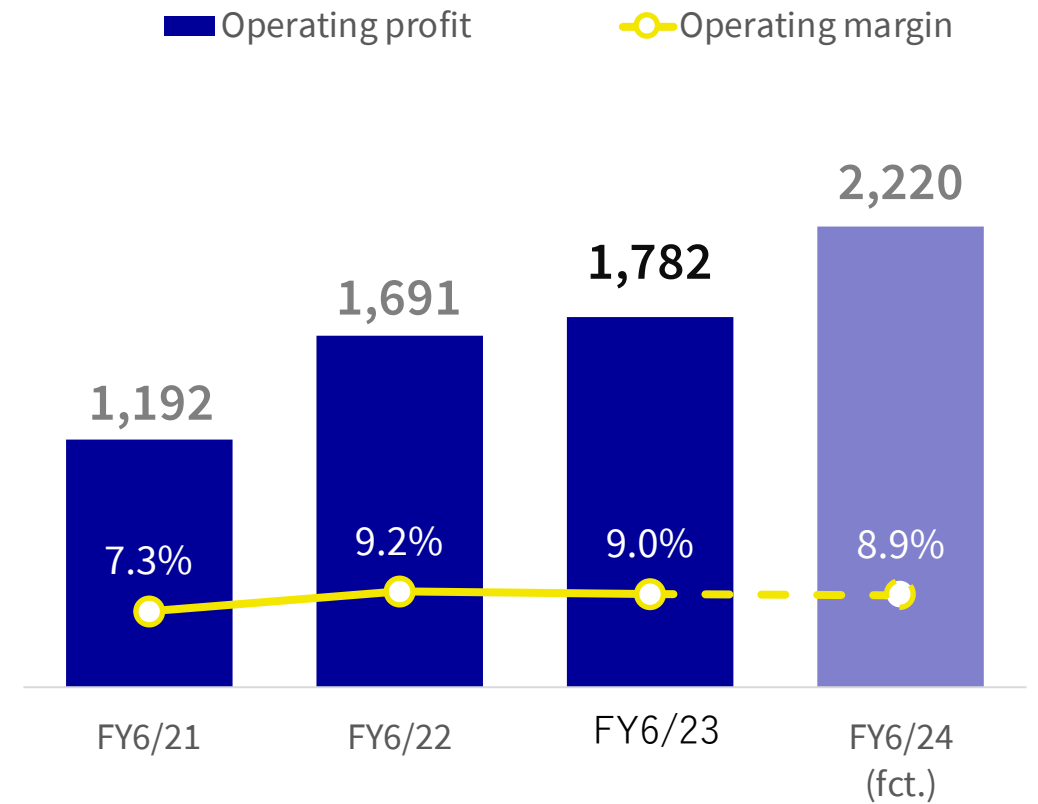
Changes in Net Sales (Millions of yen)

YoY change **+ 7.9 %**



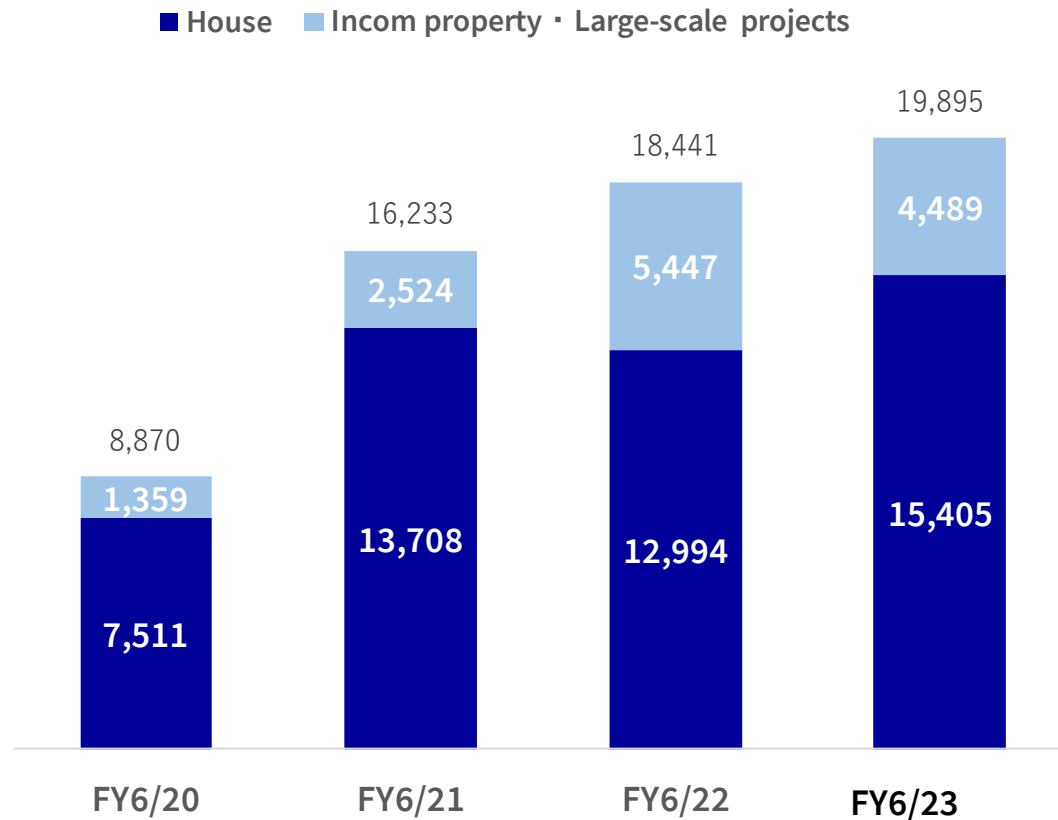
Changes in Operating Profit (Millions of yen)

YoY change **+ 5.4 %**



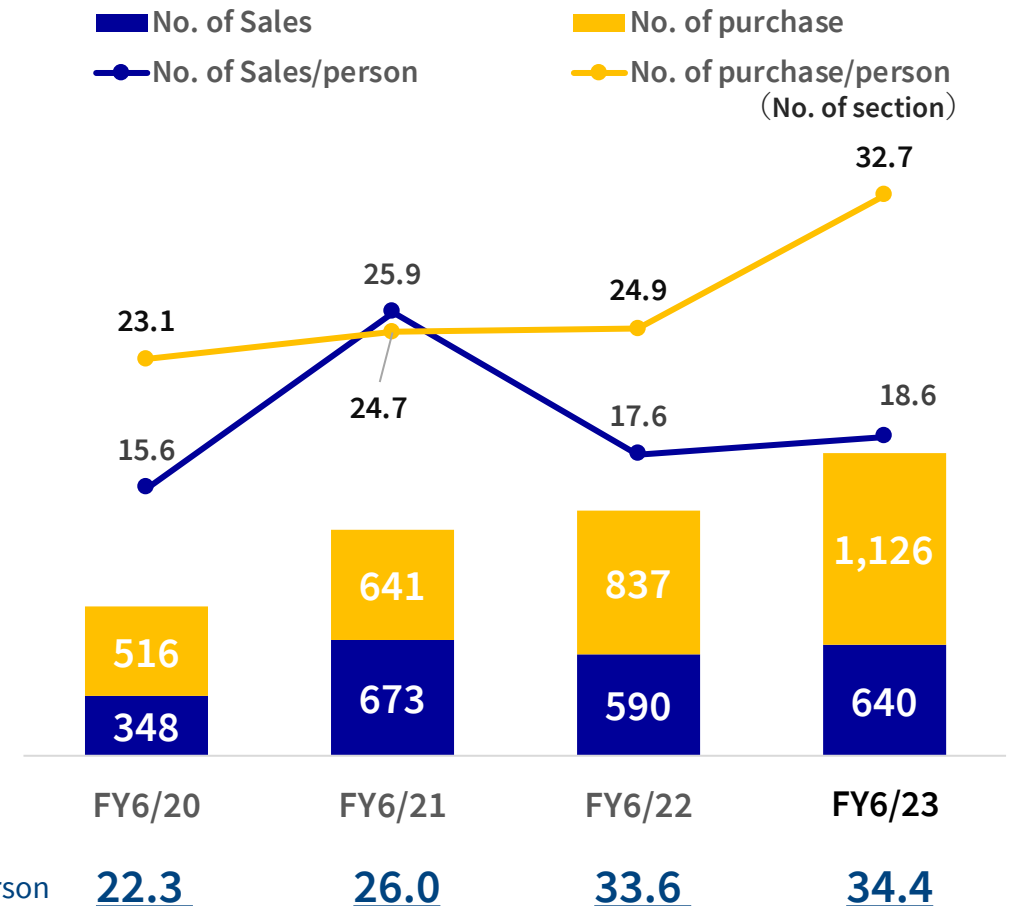
Sales Breakdown in Real Estate Buying and Selling

■ Sales of residential properties steadily grew, backed by end-user demand



No. of Transaction

■ No. of transactions rose, owing to an increase in sales personnel



No. of Sales Person
(period average)

22.3

26.0

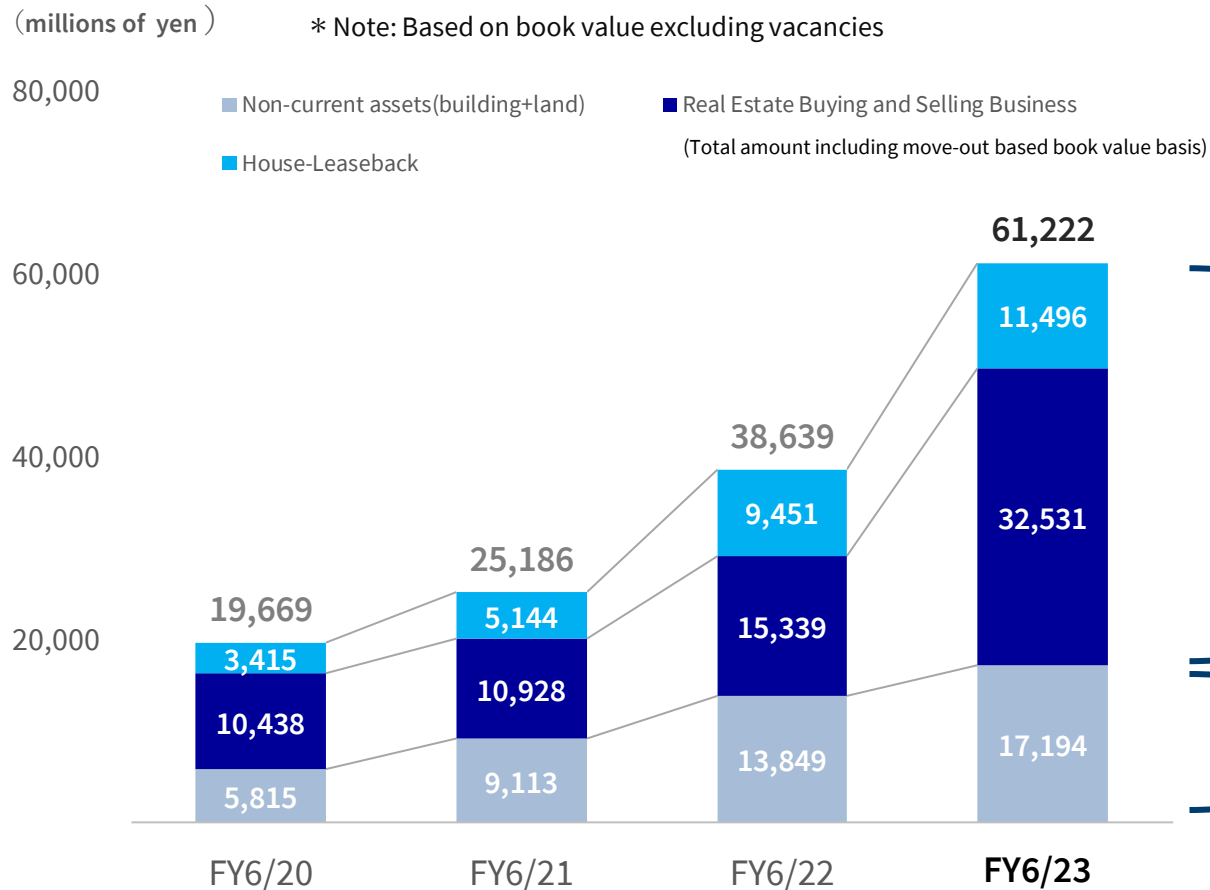
33.6

34.4

Note : Excludes the special factor of large-scale sale of multiple lots in FY6/2021

Key Indicators by Segment :Status of Real Estate Holdings

Real estate for sale sharply expanded as a result of aggressive procurement in the Real Estate Buying and Selling Business



House-Leaseback Business

Change from the end of the previous period **+2.0** bn yen

Real Estate Buying and Selling Business

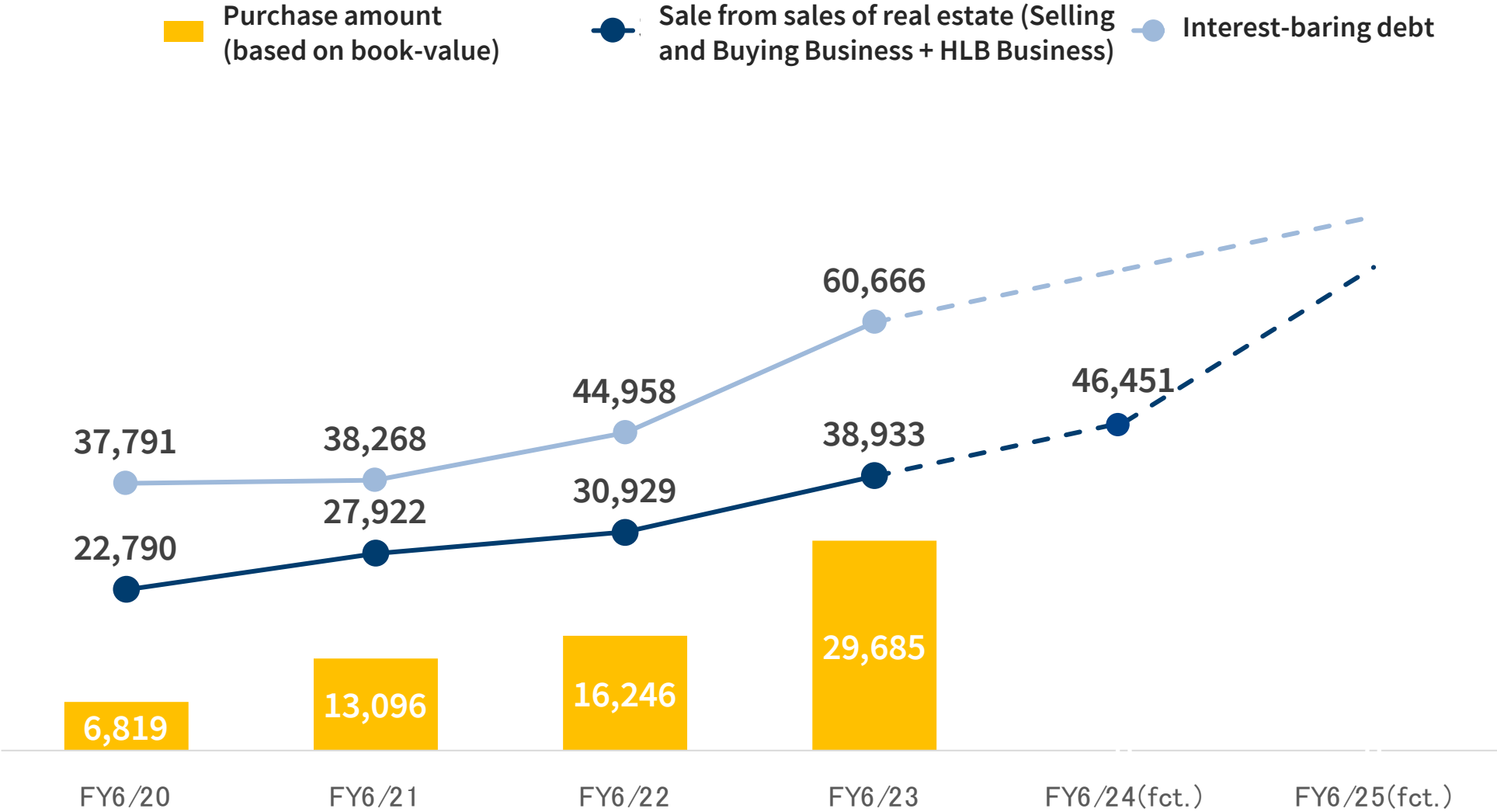
Change from the end of the previous period **+17.1** bn yen

Non-current assets (building+land)

Change from the end of the previous period **+3.3** bn yen

Note: All House-Leaseback properties prior to FY6/22 are retroactively assumed to be real estate for sale.

Real Estate Sales, Purchases and Liabilities



In Full Swing

**The Age has arrived!!
for Pre-owned House**

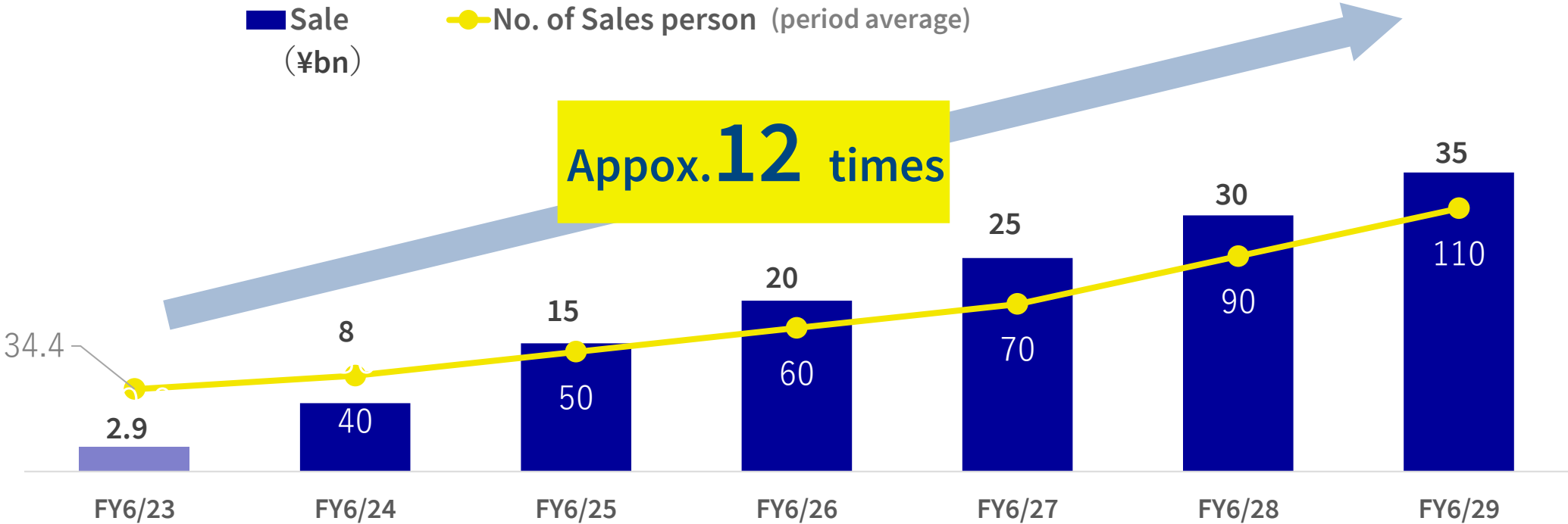
Target : Purchase and Resale of Pre-owned House

FY6/2029 : Aiming for Net Sales ¥35 bn

Social problem

- Vacant house
- Reduced resource consumption

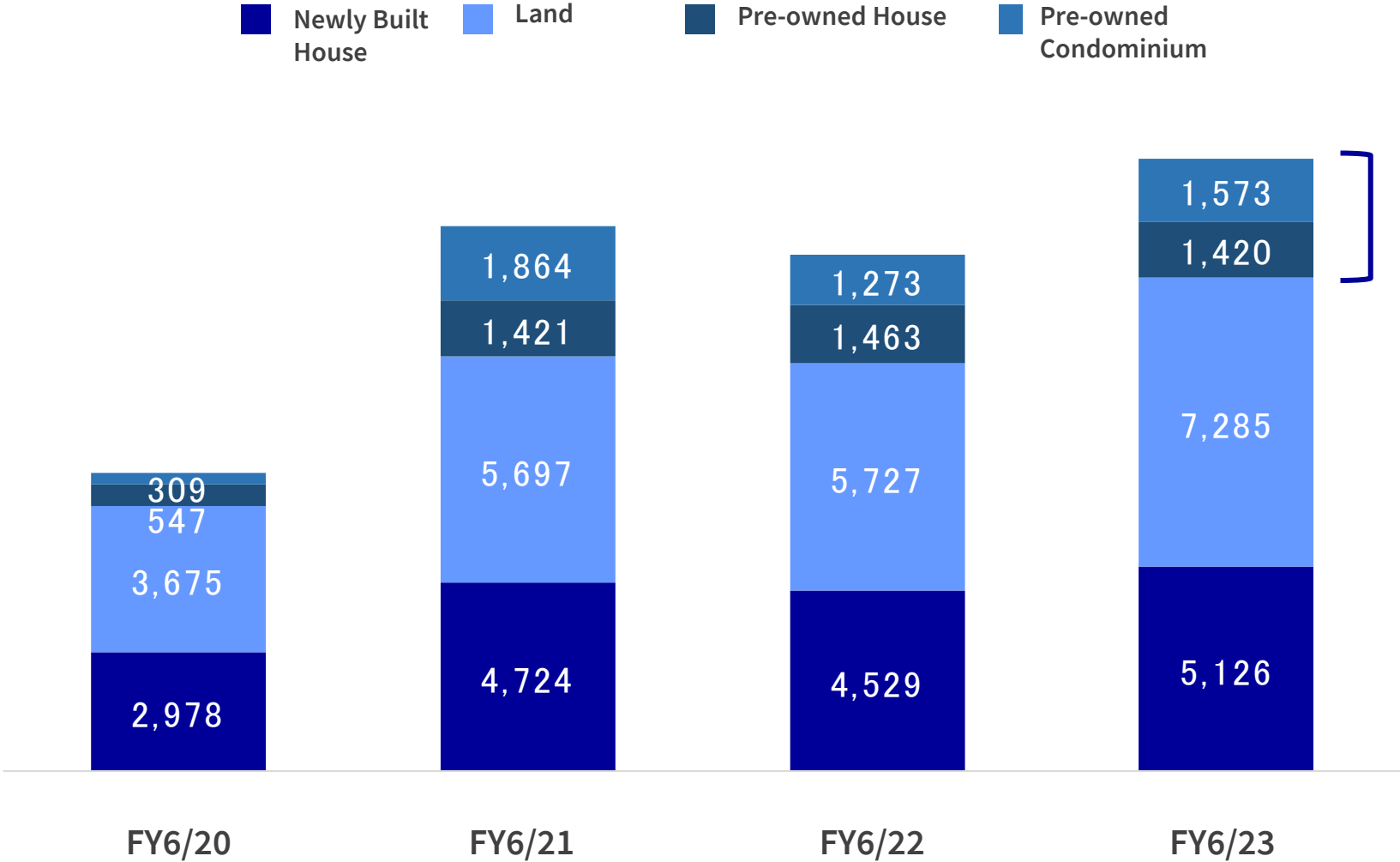
Contribute to problem solving



Strengthening the Purchase and Resale of Pre-owned House

Breakdown of housing related sales in Buying and Selling Business

(million of yen)



Pre-owned House
approx. **20%**
Strengthening

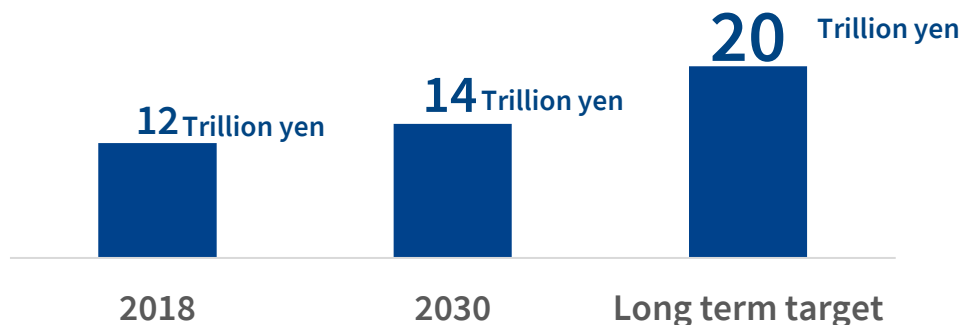
External environment

Purchase and Resale of Pre-owned House

Internal environment

■ Distribution of Pre-owned House and Market size of renovation

Performance Indicator for Basic Plan for Housing and Living (National Plan)



Quote: the Housing Bureau of the Ministry of land Transport, “Basic Plan for Housing and Living (National Plan)”

■ Revision of various related laws

- Partial amendments to Act on Special Measures concerning Promotion of Vacant House
- Special measures to control the occurrence of vacant houses
- Expansion and extension of special measures to control the occurrence of vacant houses, etc.

■ Average sales period in real estate sales business

- Sold in a shorter period of time than time-consuming subdivision development

Newly Built House	Approx. 1 yr
Pre-owned House	Approx. 7 mos
Pre-owned Cond.	Approx. 8 mos

Note: Period from purchase settlement to sale settlement

■ Extensive renovation experience and know-how

- 25 years of experience from the start of Renovation Business
- Approx. 1,800 cases per year and know-how

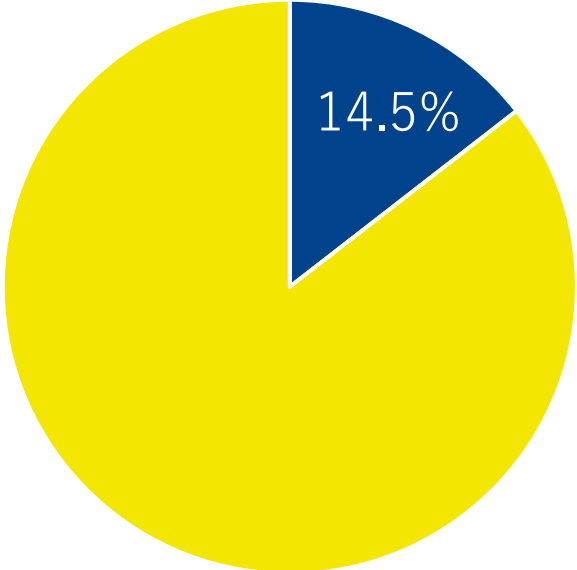


International Comparison of Pre-owned House Distribution Shares

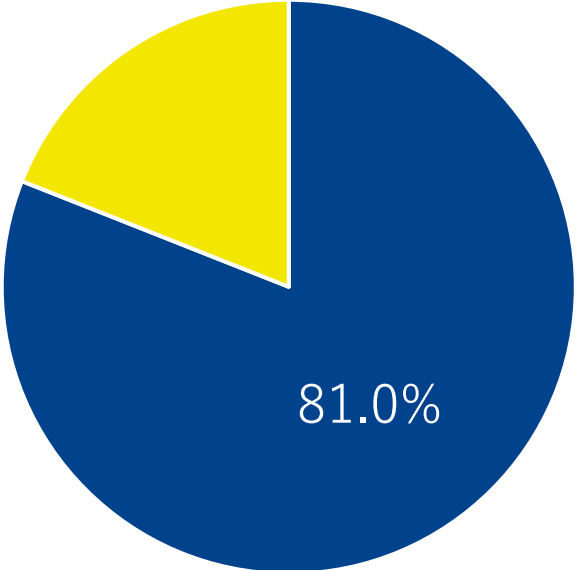
The share of pre-owned house distribution in Japan's total housing distribution is **approx. 14.5%**

■ Pre-owned House transactions ■ Construction of Newly Built House (incl. rental house)

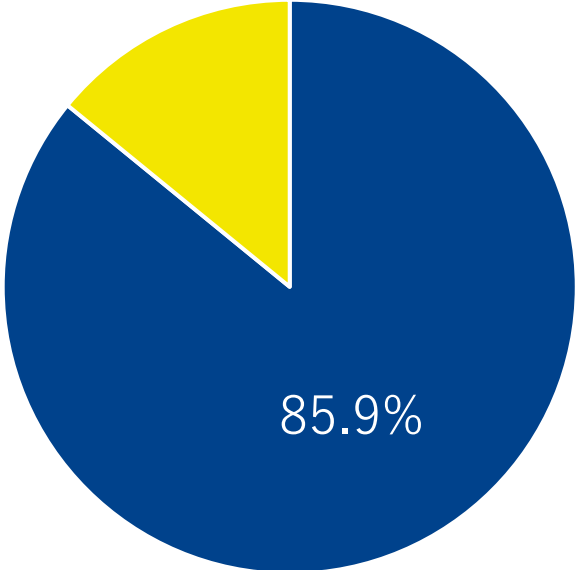
Japan('18)



U.S.('18)



England('18)



Quote: Ministry of land Transport, "Revitalization of the Pre-owned House Market" 7 May, 2020

Consolidated Balance Sheet

(millions of yen)

	FY6/22	FY6/23	YoY change
Cash and deposits	14,319	10,314	▲ 4,005
Inventories	16,131	44,193	+ 28,062

(millions of yen)

	FY6/22	FY6/23	YoY change
Current liabilities	22,807	33,849	+ 11,041
Non-current liabilities	28,835	33,783	+ 4,948
Shareholder's equity ratio	21.1%	18.5%	▲ 2.6pt

Selling, General and Administrative Expenses

(millions of yen)

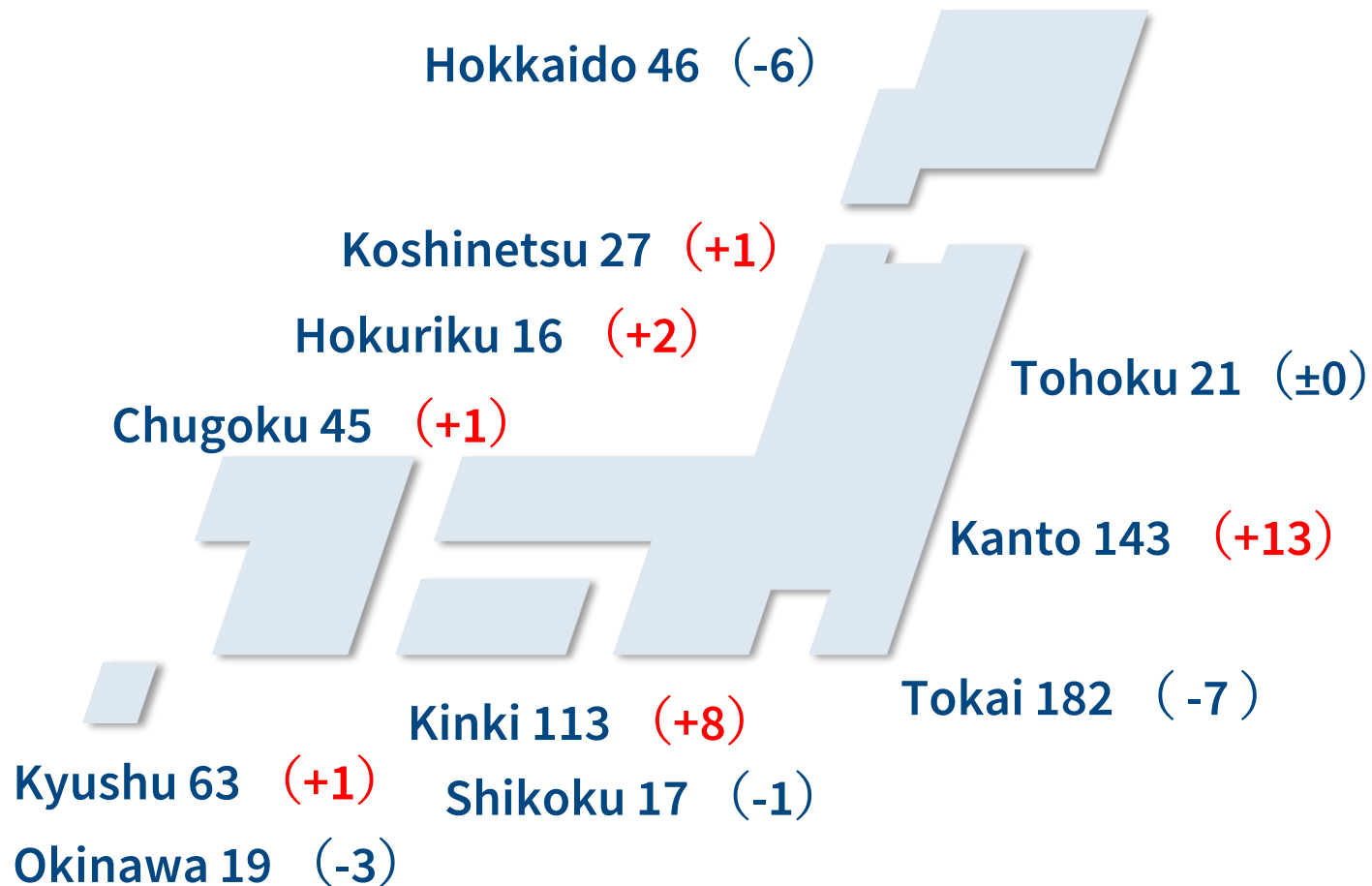
	FY6/22		FY6/23		YoY change
		% to sales		% to sales	
Personnel	4,756	11.5%	4,788	9.7%	+ 0.7%
Others	3,946	9.5%	5,102	10.3%	+ 29.3%
Commission paid	1,400	3.4%	1,858	3.8%	+ 32.7%
tax and public dues	771	1.9%	1,322	2.7%	+ 71.5%

- Continued to actively invest in promotions, primarily for growth-driving businesses
- In other SG&A expenses, taxes and dues and commission expenses increased due to expansion of the House-Leaseback Business and the Real Estate Buying and Selling Business

Key Indicators by Segment: Franchisee Business

■ New franchisee contracts grew steadily in the mainstay Tokyo and Kinki metropolitan areas

■ No. of stores by region



Note: Figures in parentheses indicate increase/decrease from the end of the previous period.

■ New franchisee contracts

114 stores YoY change + 2.7%

■ New franchised stores opened

124 stores YoY change + 24.0%

■ Total No. of Franchised stores

692 stores Change from the end of the previous period + 9

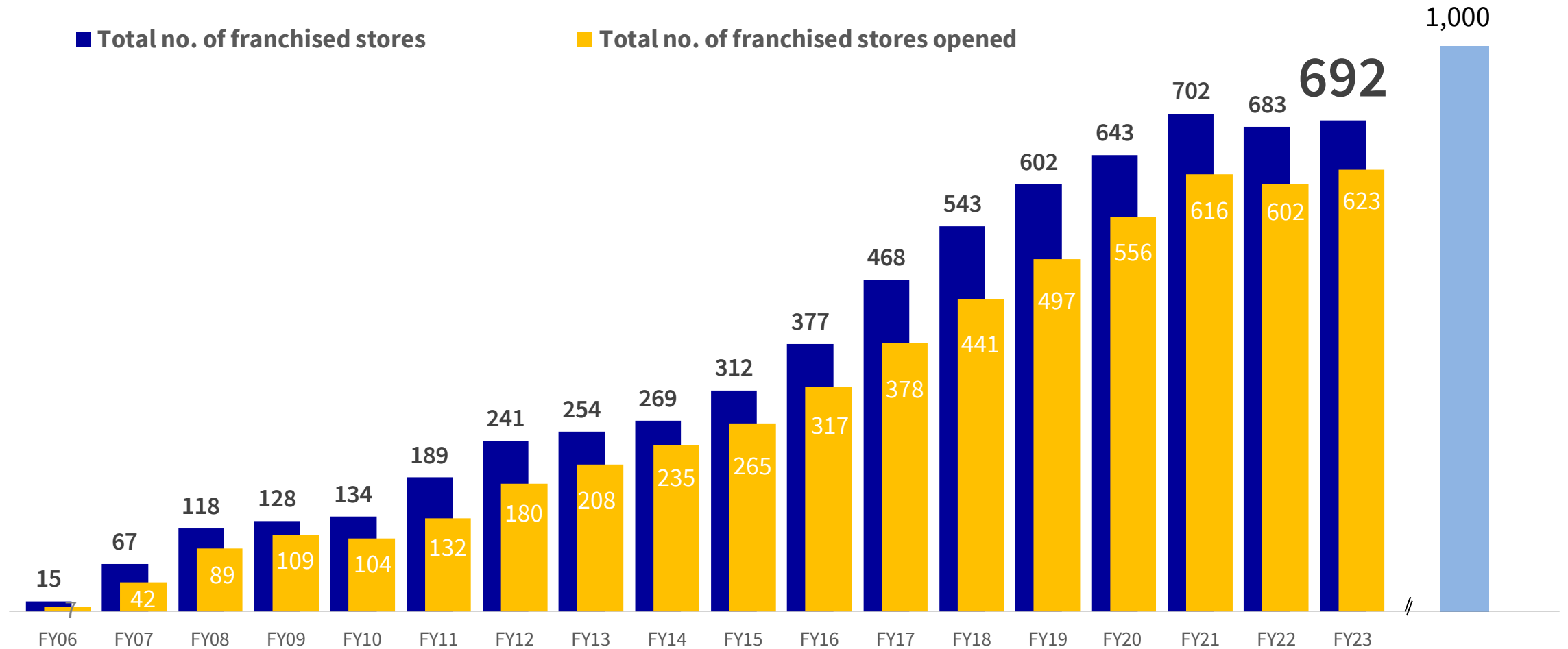
■ Total No. of Franchised stores opened

623 stores Change from the end of the previous period + 21

Franchisee Business : Changes in No. of stores

At the end of June 2023, there was a total of 692 franchised stores

Note: Including 69 stores preparing to open (including RENT Do)



House-Leaseback Business: Gain on investment in silent partnerships

■ Assume profit distribution from HLB Funds (gain on investment in silent partnerships = non-operating income) is included in segment results

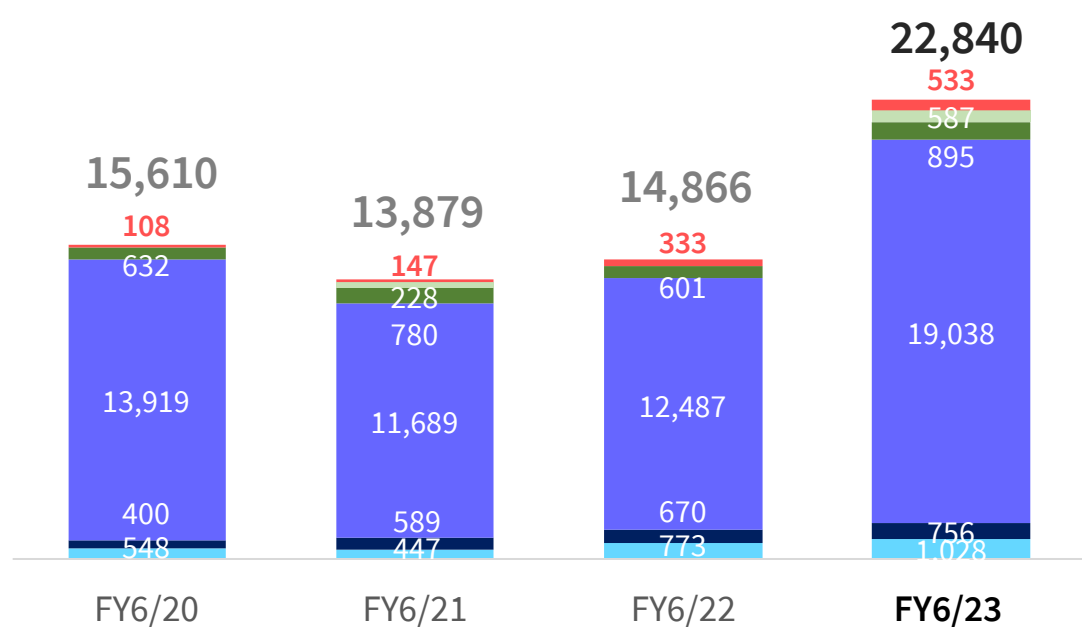
Changes in Net Sales

(Millions of yen)

YoY change

+ 53.6 %

- Rent income
- Income from sales
- Profit sales
- Fees and others
- Leasing revenue
- Gain on investment in silent partnerships



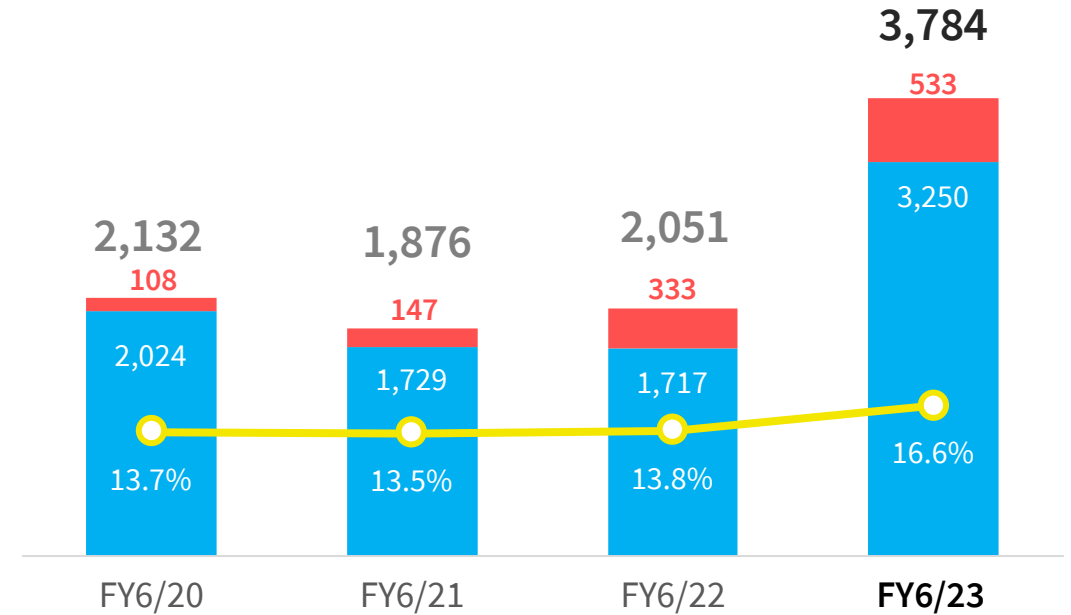
Changes in Operating Profit

(Millions of yen)

YoY change

+ 84.5 %

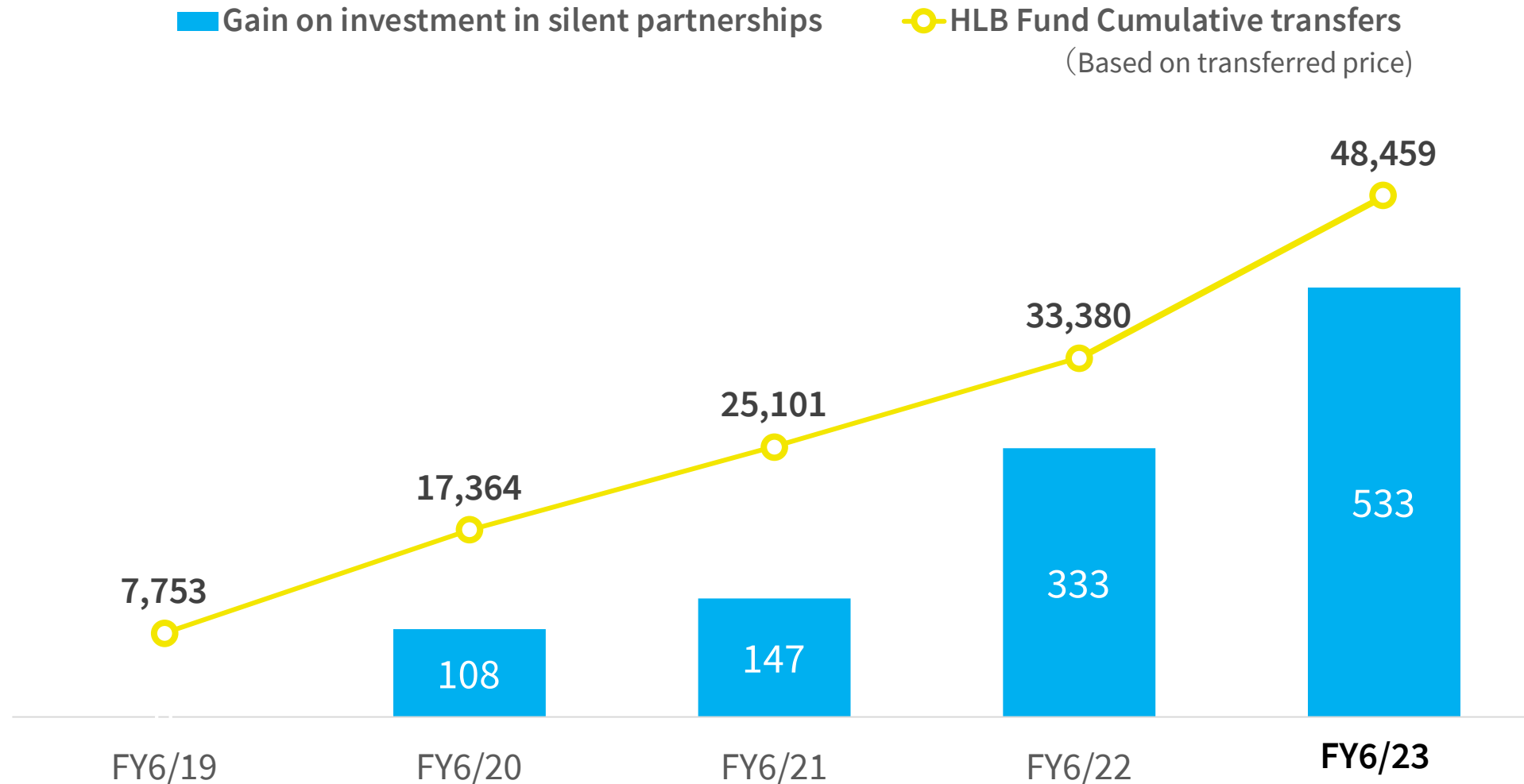
- Operating profit
- Gain on investment in silent partnerships
- YoY



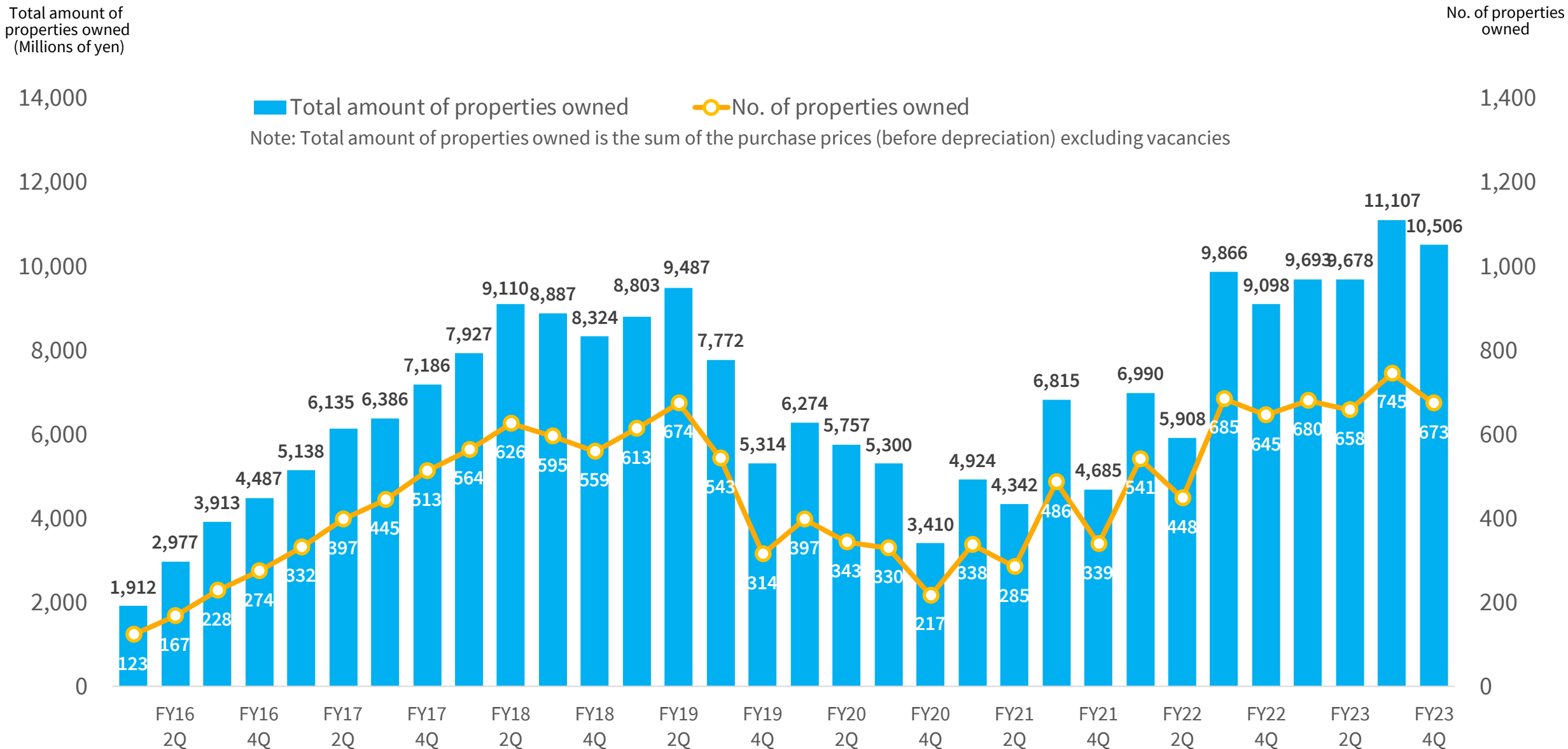
Note: Results prior to FY6/2021 are reference values reclassified to the new business segment classifications.

Property Sales to HLB Funds and Gain on Investment in Silent Partnerships

■ Gain on investment in silent partnerships grew, backed by an increase in property sales to HLB Funds



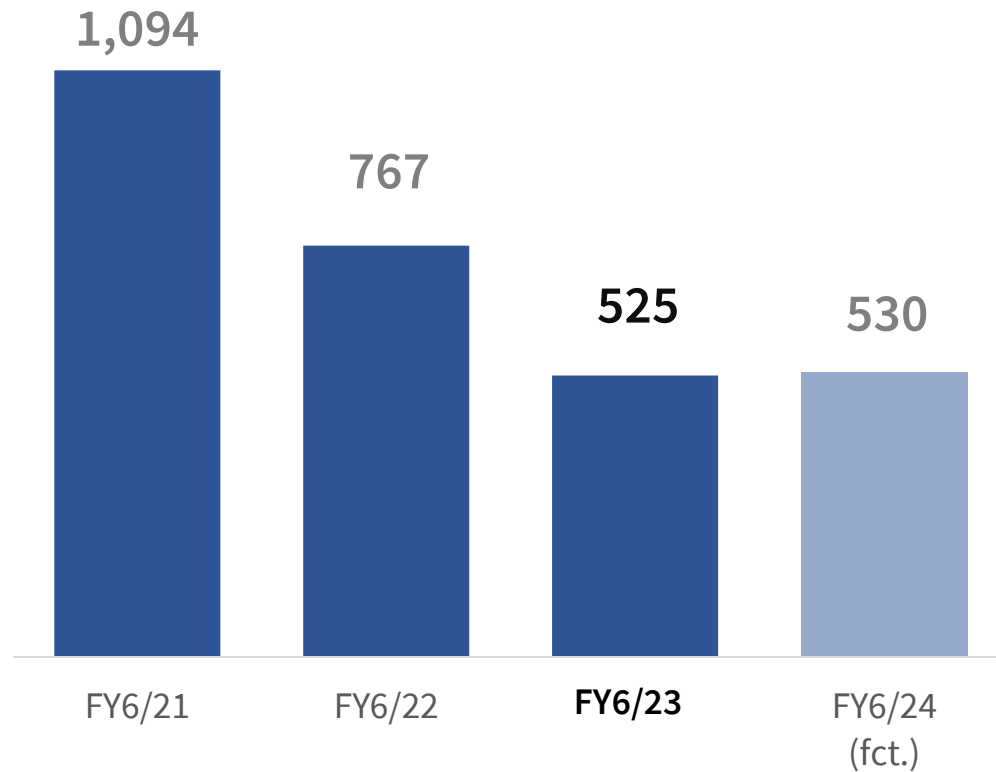
Total Amount and No. of Properties Owned



Changes in Net Sales

(millions of yen)

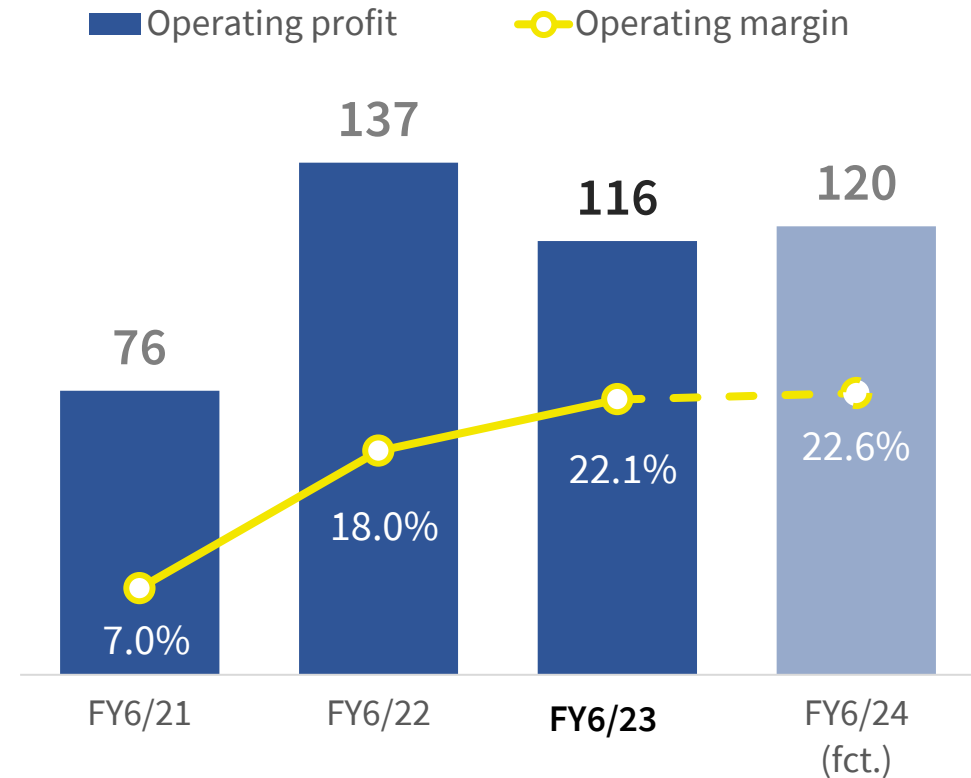
YoY change **- 31.5 %**



Changes in Operating Profit

(millions of yen)

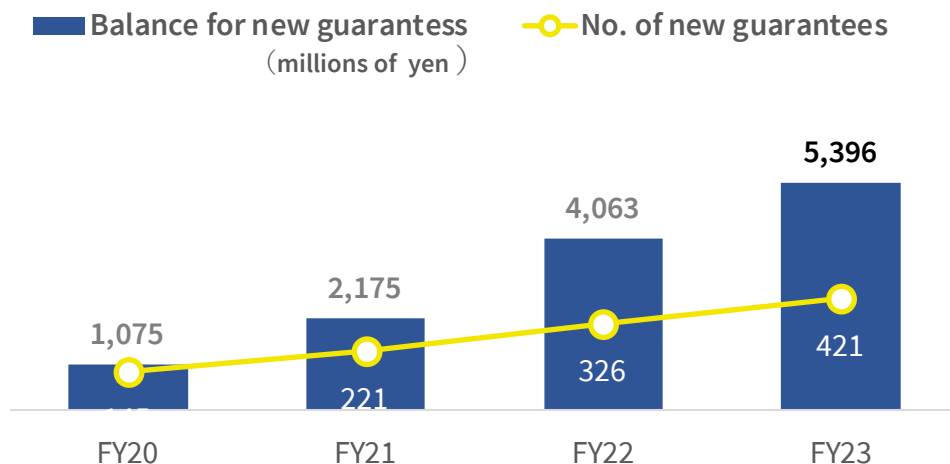
YoY change **- 15.7 %**



Key Indicators by Segment: Reverse Mortgage Guarantees for Finance Business

■ No. of new guarantees on an uptrend, with the total balance of guarantees expanding to about 1.5x that of end-FY6/22

■ No. of Reverse Mortgage Guarantees and Balance



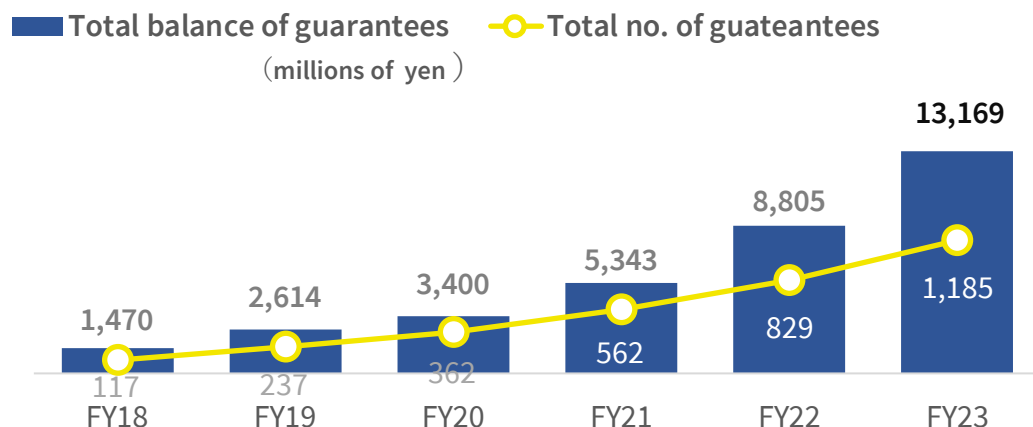
■ No. of New Guarantees

YoY change **+ 29.1%**

■ Balance for New Guarantees

YoY change **+ 32.8%**

■ Total Balance and No. of Reverse Mortgage Guarantees



■ Total No. of Reverse Mortgage Guarantees

Change from the end of the previous period **+356** case

■ Total Balance of Reverse Mortgage Guarantees

Change from the end of the previous period **+4.36** bn yen

Key Indicators by Segment: Alliance with Financial Institutions in Reverse Mortgage Guarantee Business

46 (as of August 14, 2023)
Alliance with Financial Institutions

Note : based on head released date

Tohoku・Hokuriku

The Taiko bank,Ltd.	Fukushima Bank
Toyama Shinkin Bank	

Kansai Area

Osaka Shoko Shinkin Bank	Shiga Chuou Shinkin Bank
Osaka Shinkin Bank	The Tajima Bank
NEW Kansai Mirai Bank, Limited	Nagahama Shinkin Bank
Keiji Credit Association	The Nanto Bank
Koto Shinkin Bank	Resona Bank, Limited. NEW

Chugoku/Shikoku Area

Ehime bank	Shikoku Bank
Kasaoka Shinkumi Bank	Tamashima Shinkin Bank
NEW Kure Shinkin Bank	Chugoku Bank
The Bank of Kochi	

Kanto Area

Adachiseiwa Shinkin bank	Shiba Shinkin Bank
Kanagawa Bank	Chunan shinkin bank
Kawaguchi-Shinkin Bank	Toei shinkin bank
Kiraboshi Bank	The Tokyo Star bank
Komatsugawa Shinkin Bank	Tokyo Higashi Shinkin Bank
NEW Saitama Resona Bank	Tokyo Bay Shinkin
The Saitamaken Shinkin Bank	Hanno Shinkin Bank
The Sawayaka Shinkin Bank	Rakuten Bank
Showa Shinkin Bank	

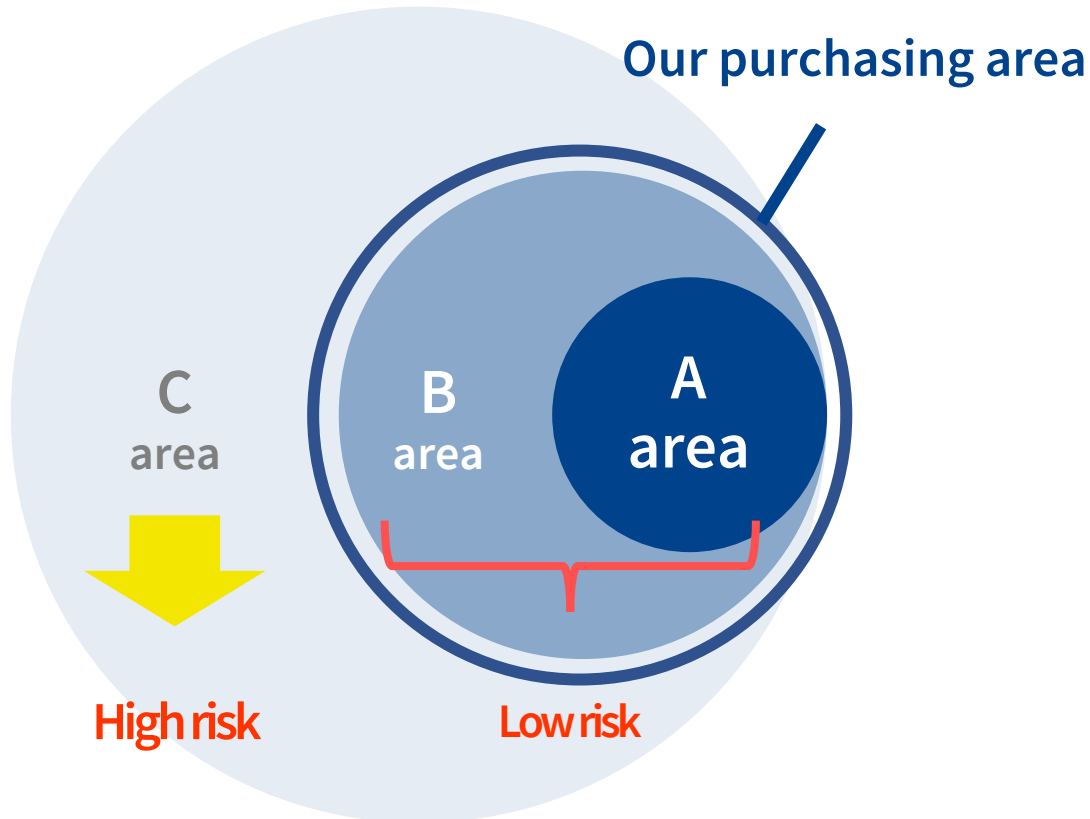
Tokai Area







Enshu Shinkin Bank	Hamamatsu Iwata shinkin bank
San ju San bank	Bisai Shinkin bank
The Seishin Shinkin Bank	Fuji Shinkin Bank
Shizuoka Bank	Mishima Shinkin Bank
Chita Shinkin bank	

Note : the syllabary order and Area is classified based on head office location

Inflation ▶ Rising price ▶ Rising rate

【Housing Market】



Newly Build House	A :  B :  C :  ~ x
Pre-owned House	A :  B :  C : 

House-Leaseback Business

- Demand increases as interest rates rise
- Highly secure, high yields
- Interest rate increases are passed on to rent, reduction in purchase price



Innovate the industry!

- Making the industry that benefit customers -

Japan **1,000** stores Asia **50,000** stores