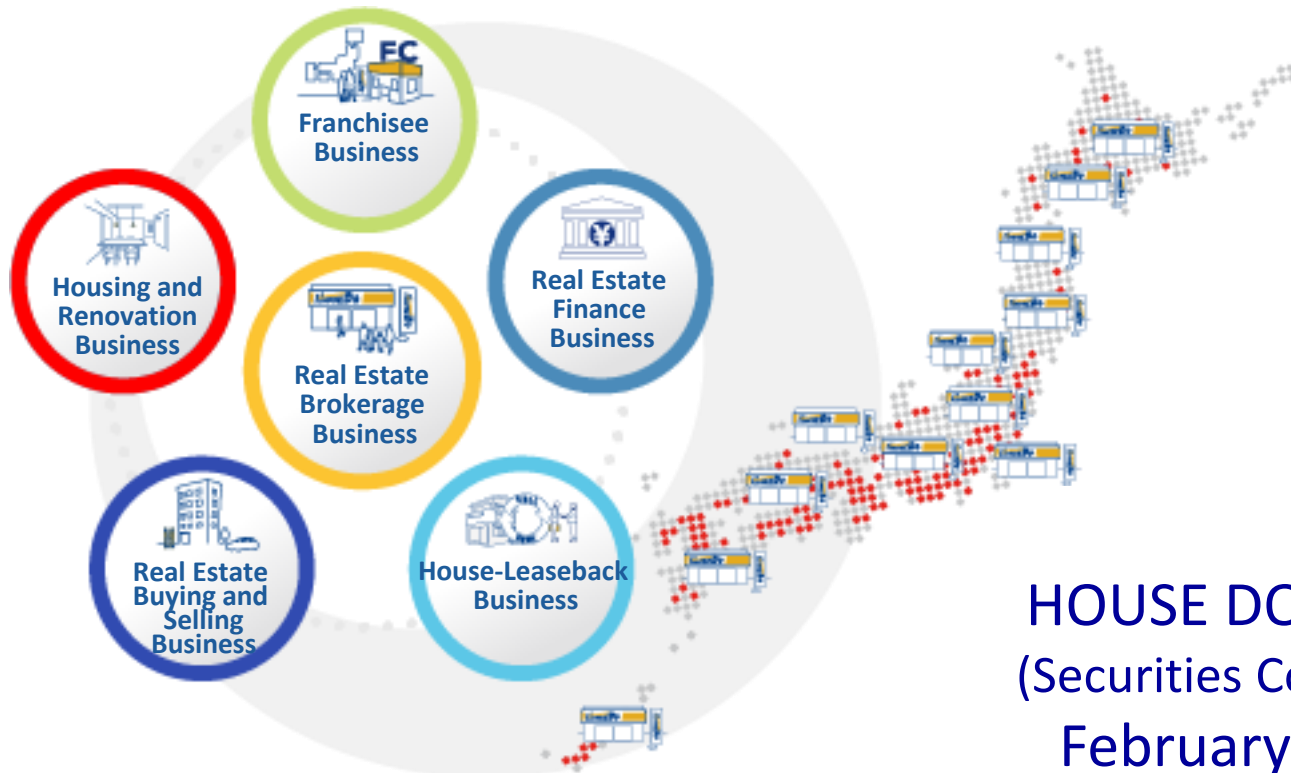




Financial Results for the First Half of the Fiscal Year Ending June 2017



HOUSE DO Co., Ltd.
(Securities Code: 3457)
February 10, 2017

First Half of FY6/17



Consolidated Results Summary

p3

July 2016 to June 2019



Medium-term Plan and Goals

p29

Supplementary Material



Analysis of the House-Leaseback Business

p47

First Half of FY6/17 Consolidated Results Summary

■ Central goal of the medium-term plan

Steady progress with **shifting emphasis to businesses generating consistent revenue streams (steady-income businesses)**: Franchisee Business, House-Leaseback Business, Real Estate Secured Loans

■ Strong earnings growth

First half ordinary income was **27.8% higher** than planned

Summary of Consolidated Statement of Income



(Year-on-year comparison)

(Millions of yen)

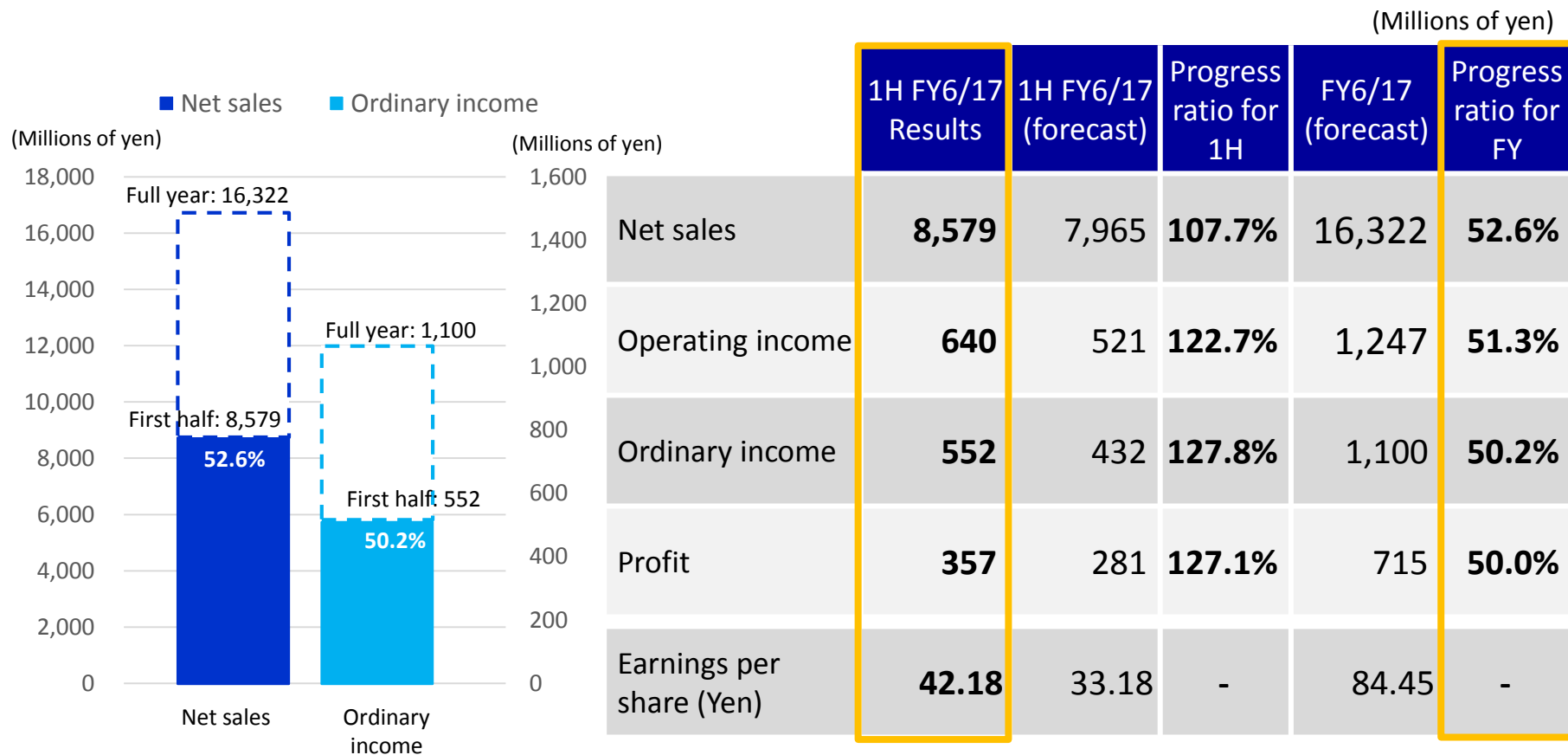
■ Gross profit: + 5.3% YoY ■ Gross profit ratio: + 2.3%

	1H FY6/16		1H FY6/17		YoY change (%)	1H FY6/17 plan	Vs. plan
		% to sales		% to sales			
Net sales	Note 1 8,676	100.0%	8,579	100.0%	-1.1%	7,965	+7.7%
Gross profit	Note 1 3,085	35.6%	3,248	37.9%	+5.3%	3,179	+2.1%
SG&A expenses	2,379	27.4%	2,607	30.4%	+9.6%	2,658	-1.9%
Operating income	706	8.1%	640	7.5%	-9.3%	521	+22.7%
Ordinary income	673	7.8%	552	6.4%	-18.0%	432	+27.8%
Profit	446	5.1%	Note 2 357	4.2%	-20.0%	281	+27.1%

Note 1: Real Estate Buying and Selling Business timing difference for FY6/15 affected FY6/16 sales by about ¥530 million and earnings by about ¥120 million

Note 2: Accumulated earnings tax is about ¥22 million

Progress toward FY Targets



- Net sales: ¥8.57 billion ⇒ **+7.7% vs. plan**; progress ratio of 52.6% toward FY targets
- Ordinary income: ¥0.55 billion ⇒ **+27.8% vs. plan**; progress ratio of 50.2% toward FY targets
- **Planning on gradual earnings growth quarter to quarter** due to expansion of steady-income businesses

Sales by Business Segment



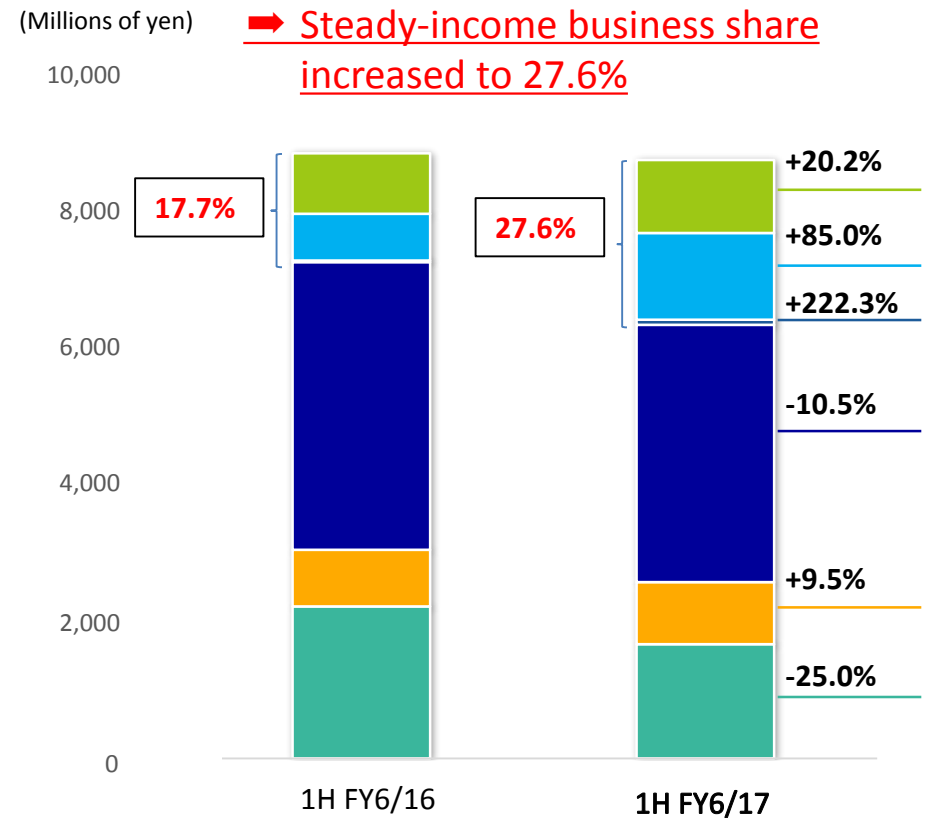
Sales by Segment

(Year-on-year comparison)

(Millions of yen)

	1H FY6/16	1H FY6/17	YoY change
Franchisee Business	885	1,064	+20.2%
House-Leaseback Business	684	1,265	+85.0%
Real Estate Buying and Selling Business	4,200	3,759	-10.5%
Real Estate Brokerage Business	828	907	+9.5%
Housing and Renovation Business	2,221	1,666	-25.0%
Real Estate Finance Business, other	24	79	+222.3%
Adjustment	-168	-162	-
Total	8,676	8,579	-1.1%

Changes in Segment Sales



Operating Income by Business Segment



Operating Income by Segment

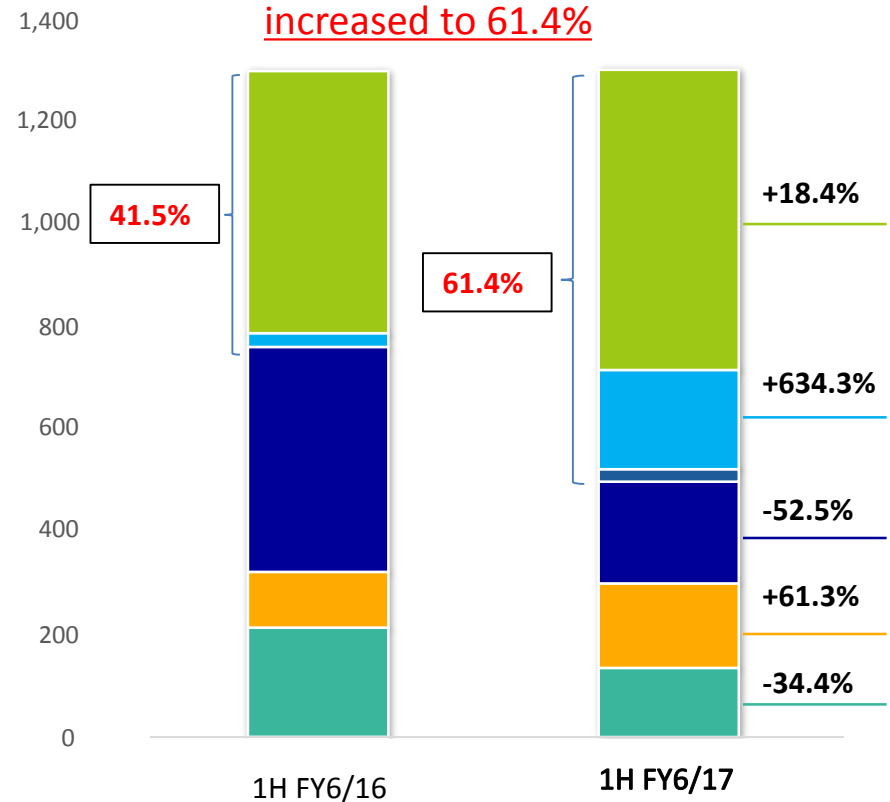
(Year-on-year comparison)

(Millions of yen)

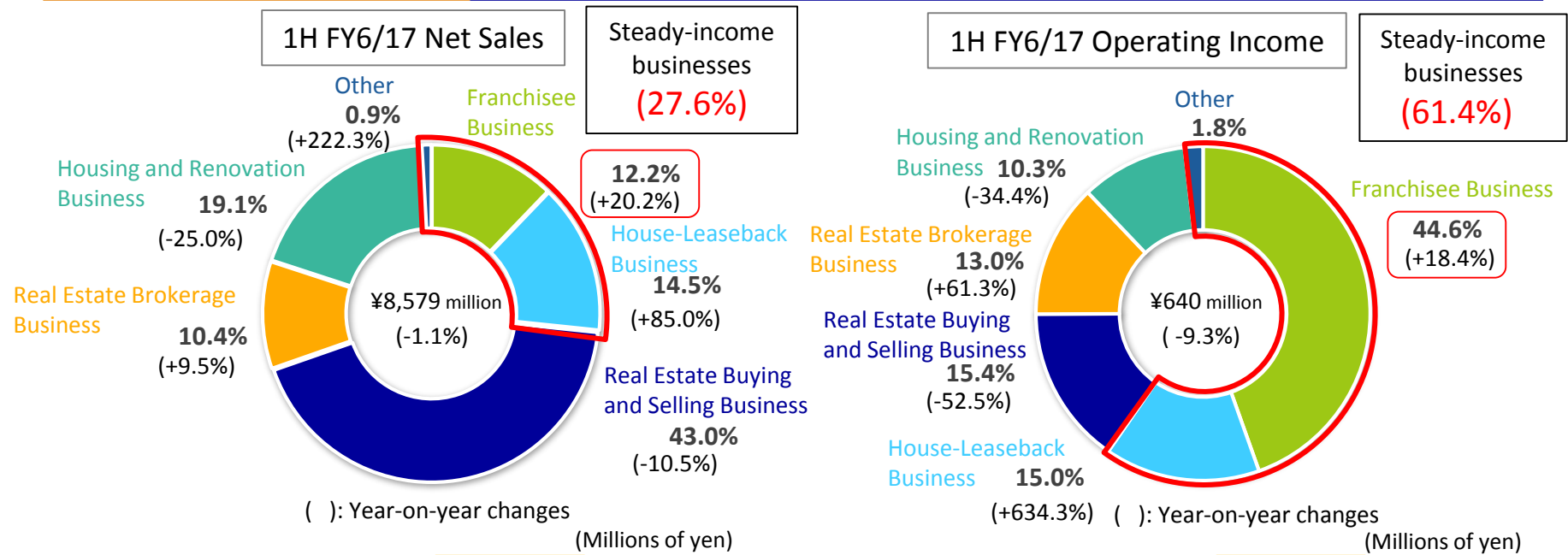
	1H FY6/16	1H FY6/17	YoY change
Franchisee Business	510	604	+18.4%
House-Leaseback Business	27	203	+634.3%
Real Estate Buying and Selling Business	438	208	-52.5%
Real Estate Brokerage Business	108	175	+61.3%
Housing and Renovation Business	213	139	-34.4%
Real Estate Finance Business, other	-2	24	-
Adjustment	-589	-715	-
Total	706	640	-9.3%

Changes in Segment Operating Income

(Millions of yen) ➔ Steady-income business share increased to 61.4%



Composition of Segment Sales and Operating Income

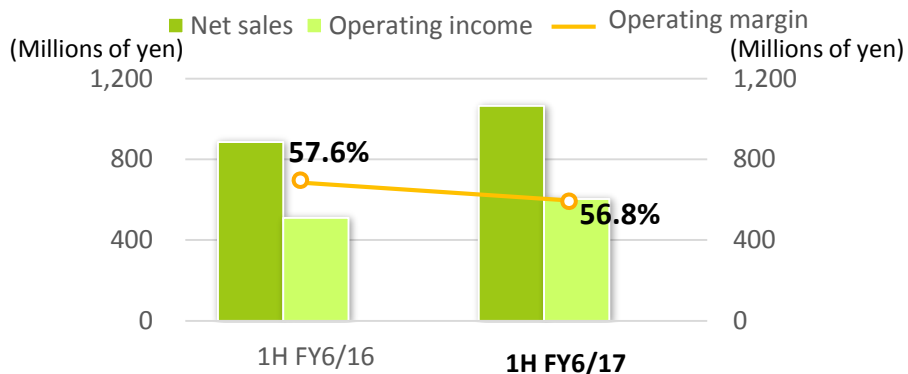


	1H FY6/16	1H FY6/17	YoY change
Franchisee	885	1,064	+20.2%
House-Leaseback	684	1,265	+85.0%
Real Estate Buying and Selling	4,200	3,759	-10.5%
Real Estate Brokerage	828	907	+9.5%
Housing and Renovation	2,221	1,666	-25.0%
Real Estate Finance, other	24	79	+222.3%
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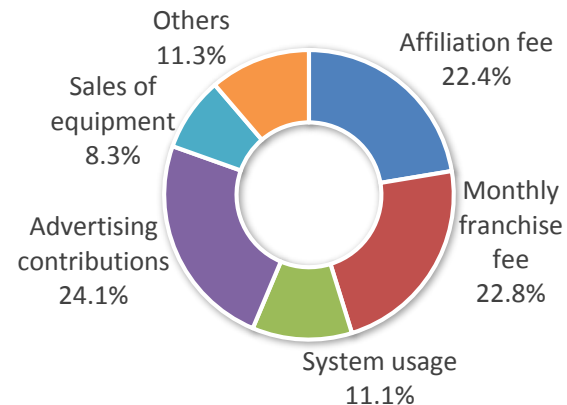
	1H FY6/16	1H FY6/17	YoY change
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House-Leaseback	27	203	+634.3%
Real Estate Buying and Selling	438	208	-52.5%
Real Estate Brokerage	108	175	+61.3%
Housing and Renovation	213	139	-34.4%
Real Estate Finance, other	-2	24	-
Adjustment	-589	-715	-
Total	706	640	-9.3%



Net Sales / Operating Income

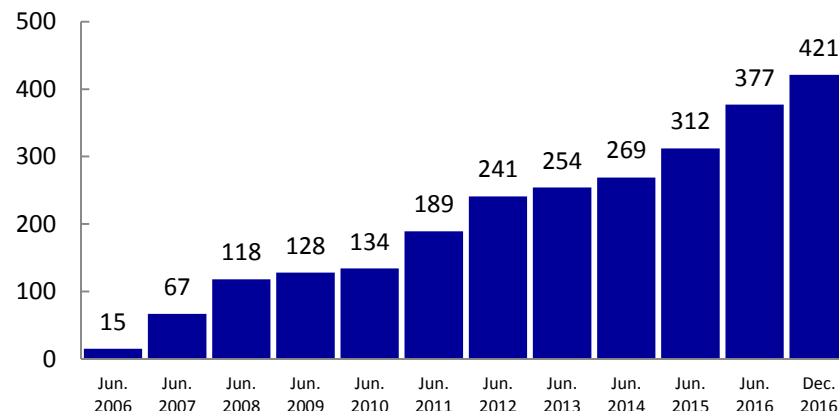


Franchisee Business Sales Composition



	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	885	1,064	2,144	49.6%
Operating income (Millions of yen)	510	604	1,270	47.6%
Operating margin (%)	57.6%	56.8%	59.2%	-
Total no. of franchised stores (incl. stores preparing to open)	339	421	472	-
Total no. of franchised stores opened	284	352	388	-

Changes in Number of Franchised Stores



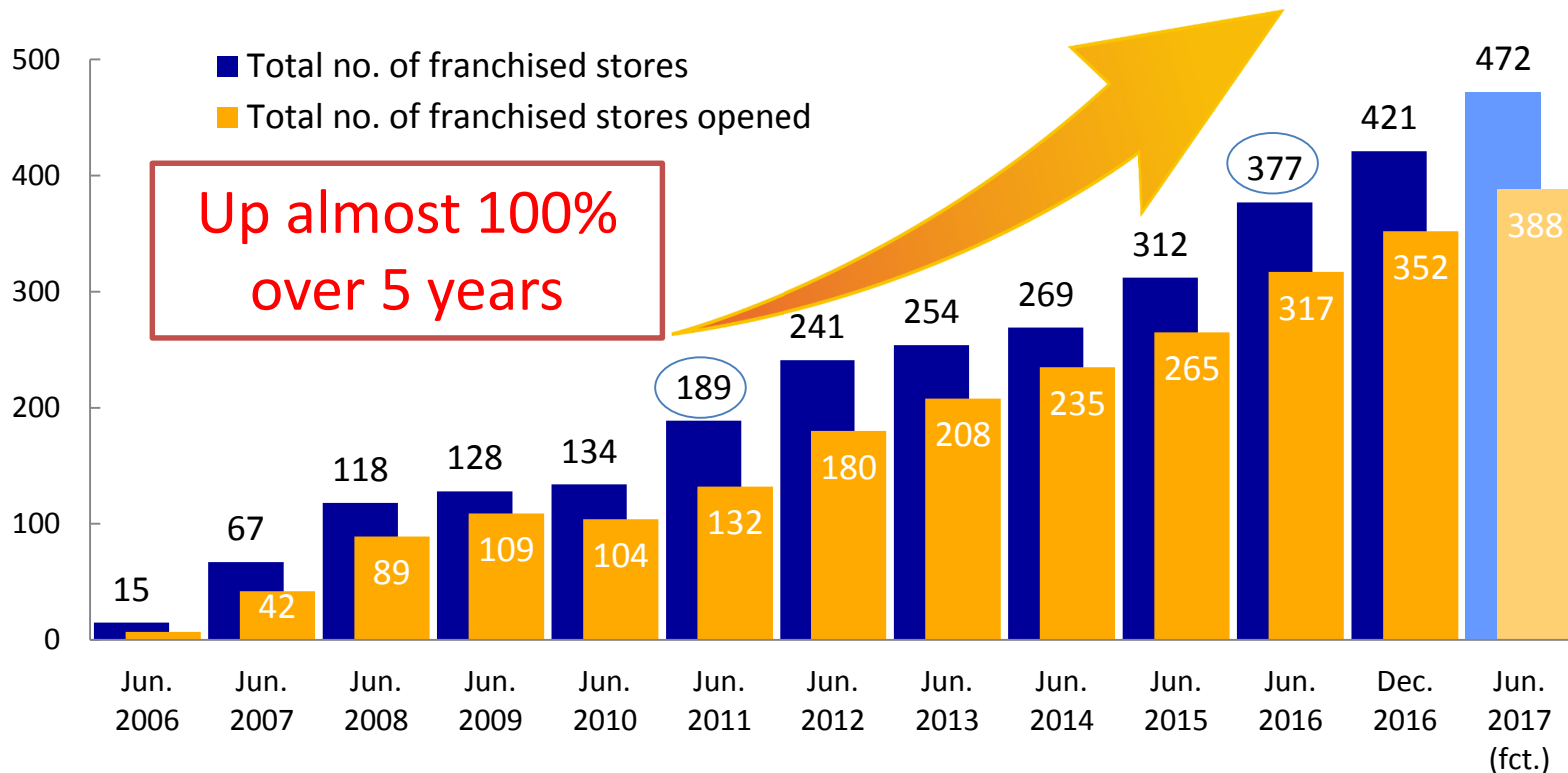
- Advertising investments and TSE first section listing helped attract more franchisees.
- Steady growth – 64 new franchisee contracts and 54 franchised stores opened during the first half



Growth in Number of Franchised Stores



At the end of 2016, there was a total of 421 franchised stores (404 stores franchised to third parties and 17 stores franchised to group companies) *including 69 stores preparing to open



	Satellite stores	Stores specializing in buying houses and other real estate	Housing information malls	Total
Stores franchised to third parties	318	86	0	404
Stores franchised to group companies	5	6	6	17
Total	323	92	6	421

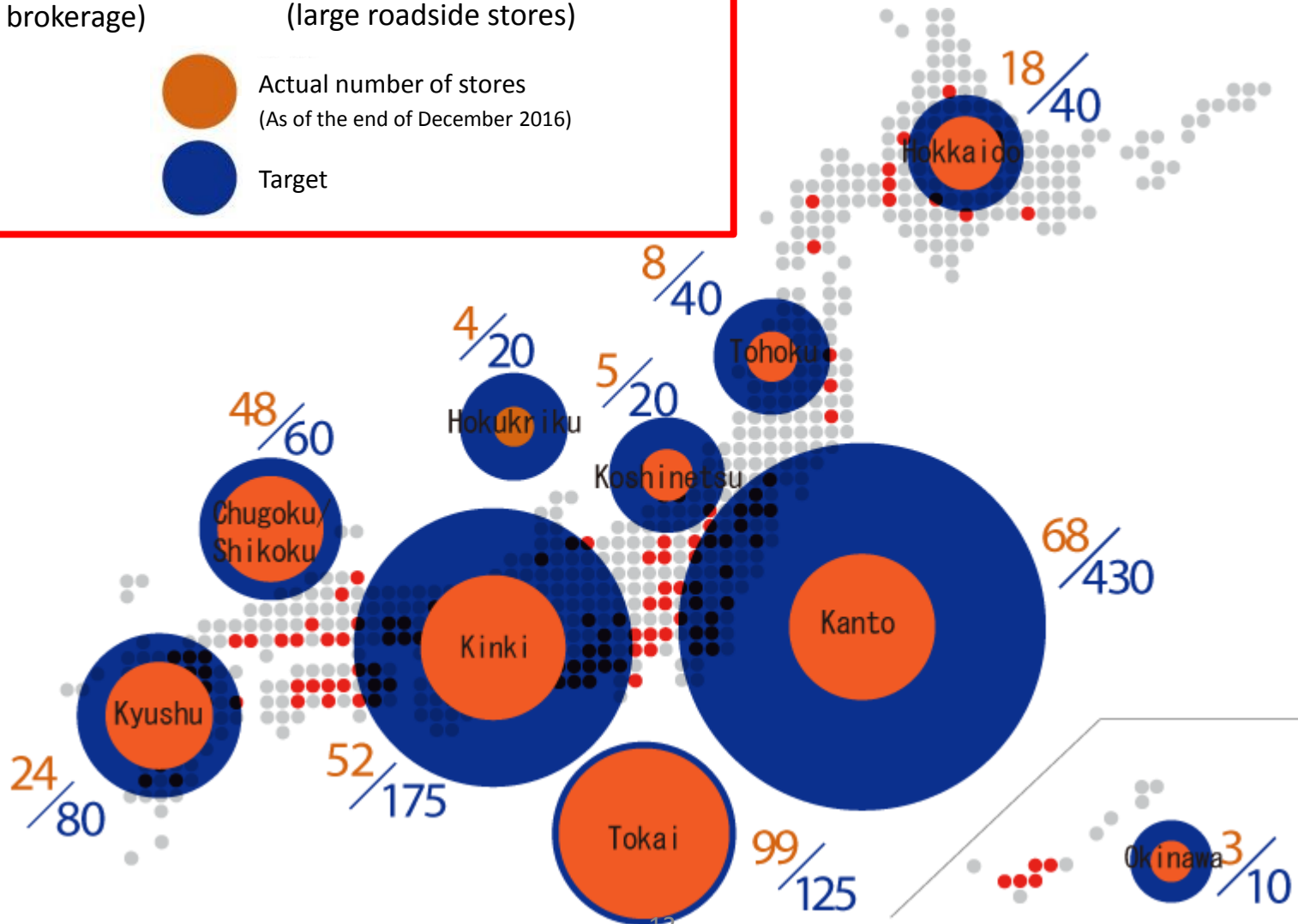
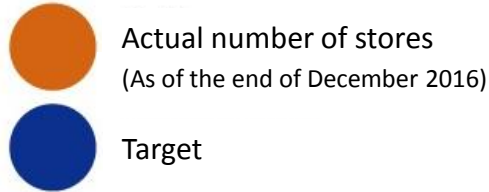
A Nationwide Network of Franchised Stores



Satellite stores + Housing information malls

(only brokerage)

(large roadside stores)

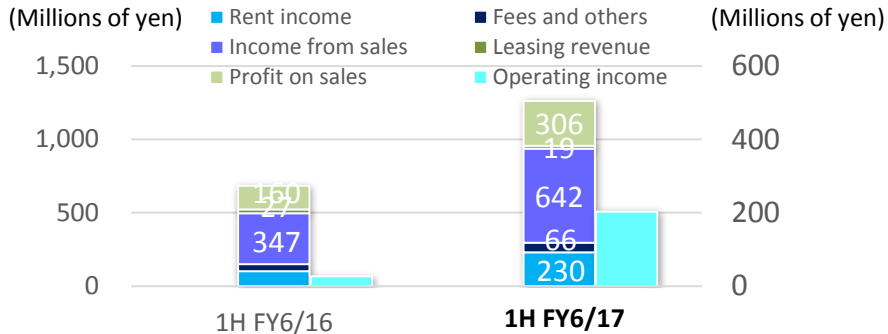




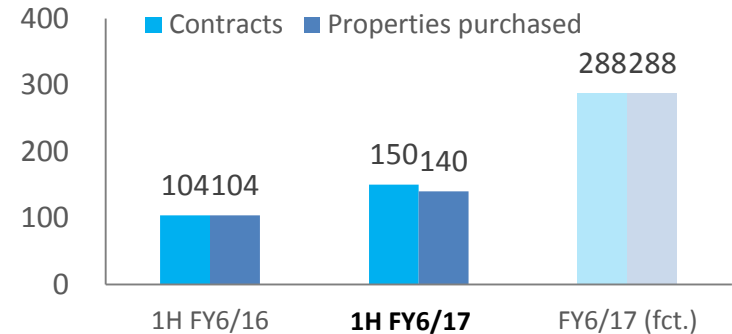
House-Leaseback Business



Net Sales / Operating Income

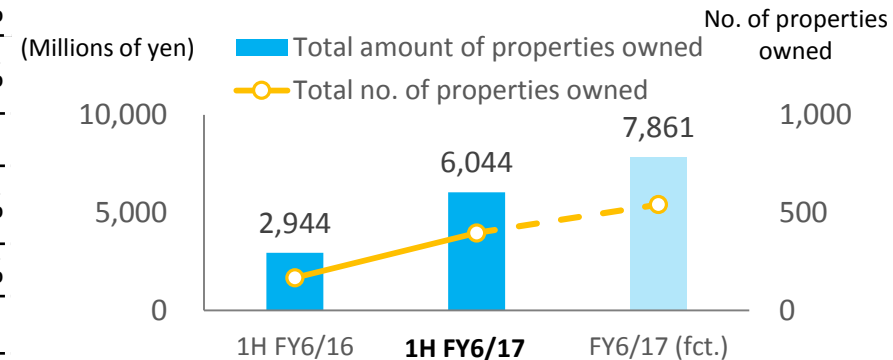


Changes in Number of Contracts and Properties Purchased



	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	684	1,265	1,306	96.9%
Operating income (Millions of yen)	27	203	131	154.3%
Operating margin (%)	4.1%	16.1%	10.1%	-
No. of house-leaseback contracts	104	150	288	52.1%
No. of properties purchased	104	140	288	48.6%
Total no. of properties owned	167	397	522	-
Total amount of properties owned (Millions of yen)	2,944	6,044	7,861	-

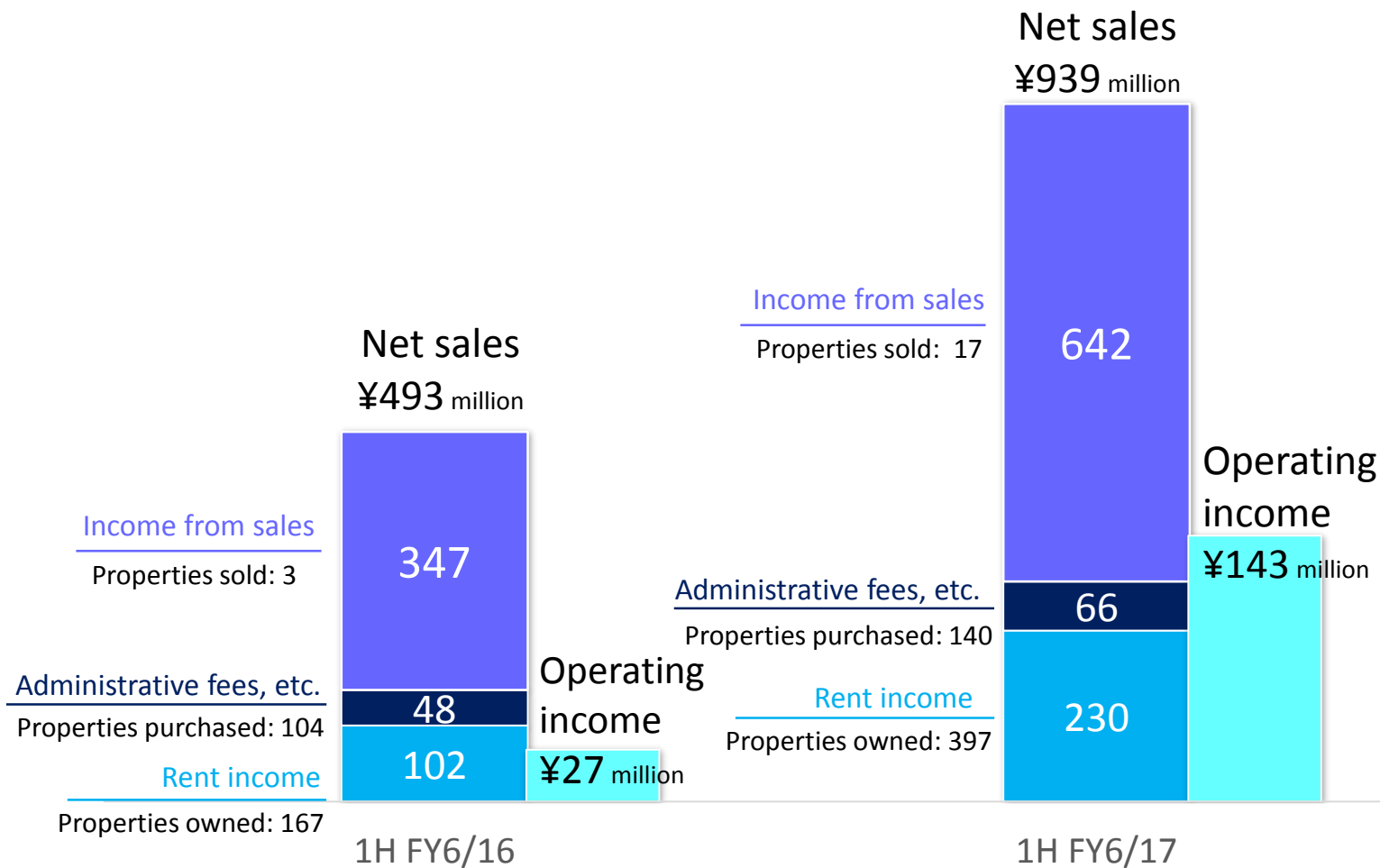
Changes in Total Number and Amount of Properties Owned



■ Contracts: 150 ■ Properties purchased: 140 ■ Properties sold: 17, ¥642 million
 ■ Properties owned: 397; total amount: ¥6.0 billion



House-Leaseback Business (Non-consolidated)



Average no. of house-leaseback contracts

17.8

25.0



Total Amount and Number of Properties Owned

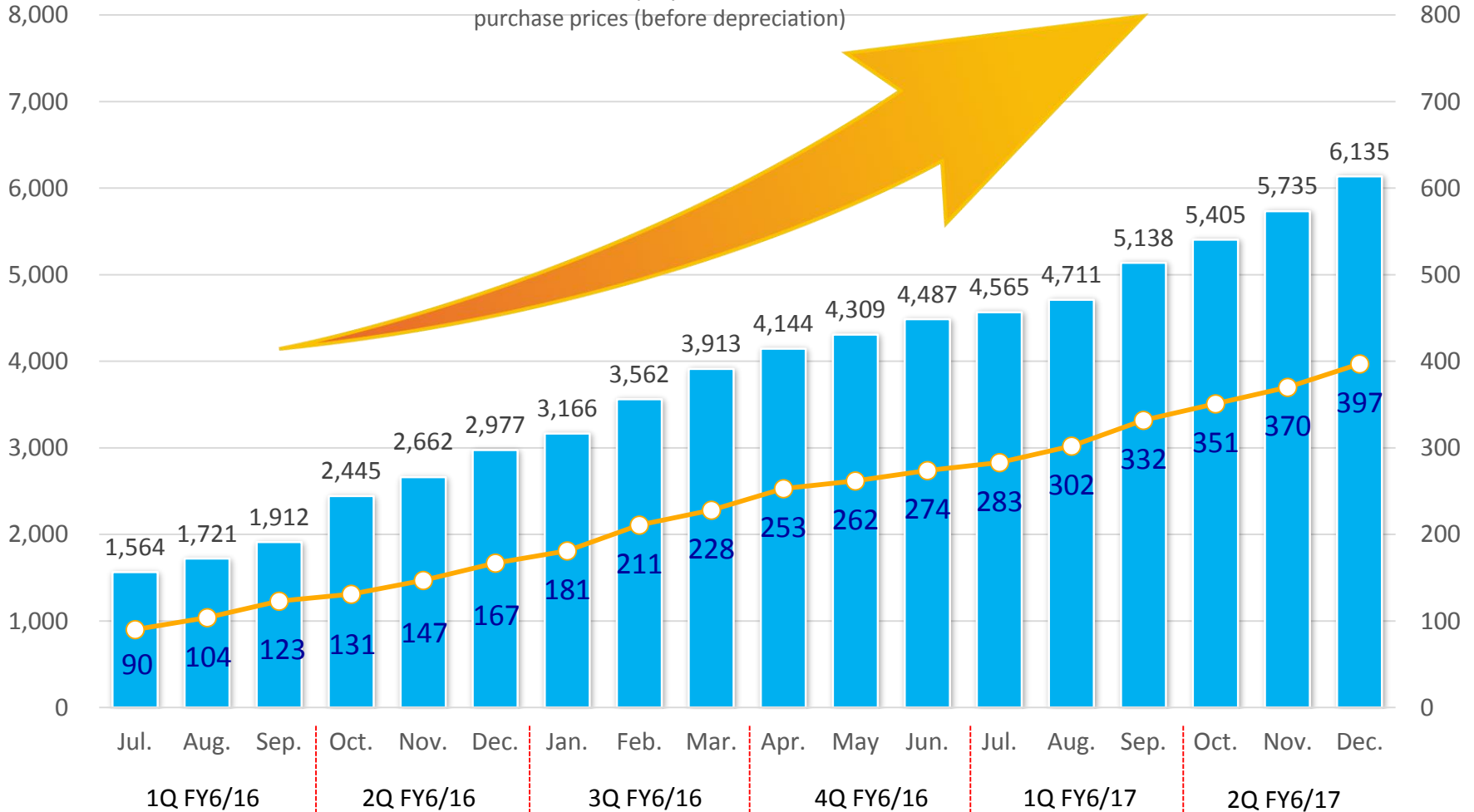


Total amount of properties owned (Millions of yen)

■ Total amount of properties owned ○ Total number of properties owned

Number of properties owned

Note: Total amount of properties owned is the sum of the purchase prices (before depreciation)

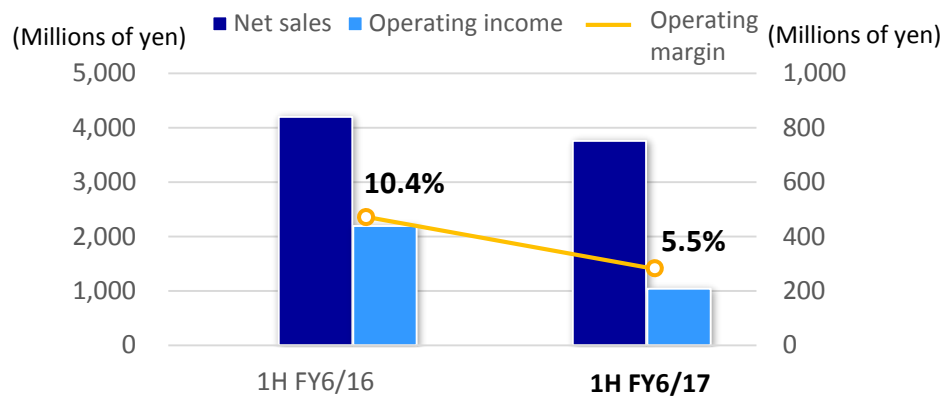




Real Estate Buying and Selling Business

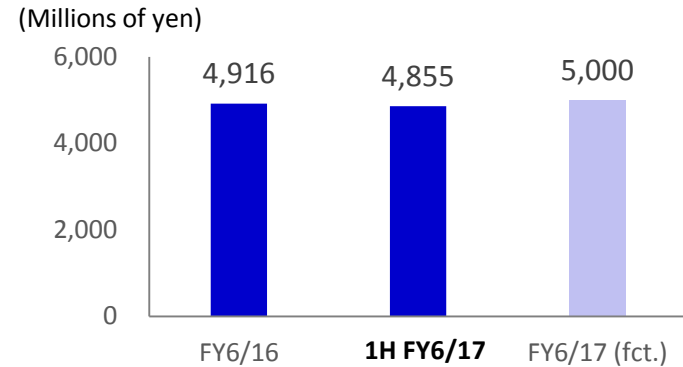


Net Sales / Operating Income

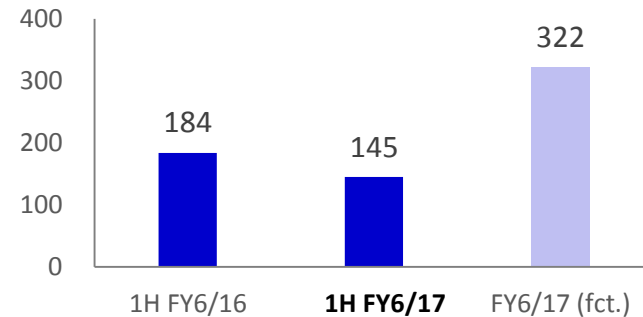


	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	4,200	3,759	7,842	47.9%
Operating income (Millions of yen)	438	208	675	30.8%
Operating margin (%)	10.4%	5.5%	8.6%	-
Number of transactions	184	145	322	45.0%

Inventories



Number of Transactions



- FY6/16 includes the recognition of sales and earnings from activity in FY6/15 due to timing differences for properties where recognition of sales and earnings was pushed forward from FY6/15 and large properties, including two valued at more than ¥200 million each; approximate effects of about ¥530 million on sales and ¥120 million on earnings.

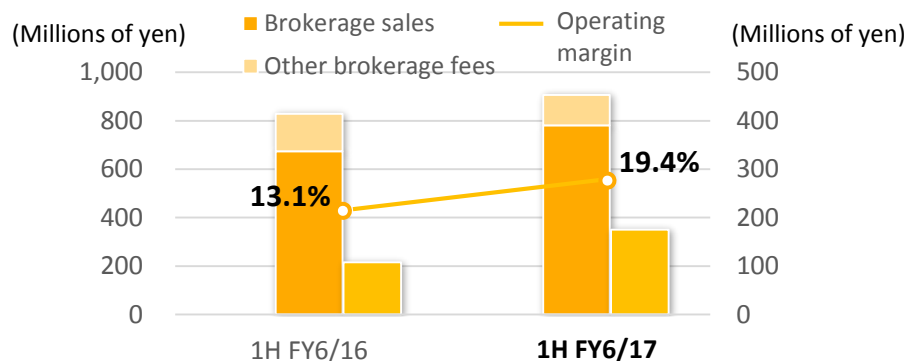
■ **Stepping up purchasing activity in areas covered by directly operated stores**



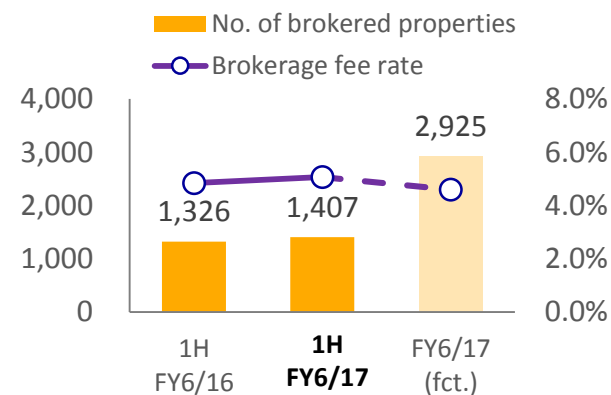
Real Estate Brokerage Business



Net Sales / Operating Income



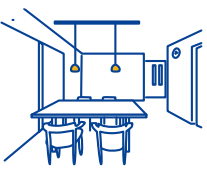
Changes in Number of Brokered Properties and Brokerage Fee Rate



	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	828	907	1,797	50.5%
Operating income (Millions of yen)	108	175	209	83.9%
Operating margin (%)	13.1%	19.4%	11.6%	-
No. of brokered properties	1,326	1,407	2,925	48.1%
Brokerage fee rate	4.85%	5.07%	4.60%	-



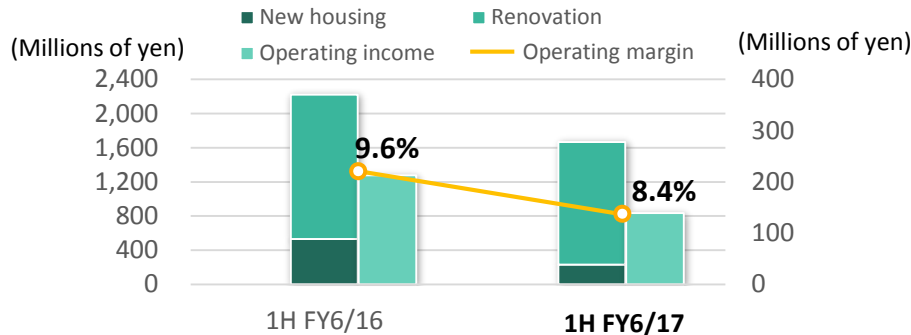
- **Brokered properties increased 6.1% from one year earlier to 1,407**
- **More profitable due to benefits of TSE 1st section listing, more franchised stores and TV commercials**



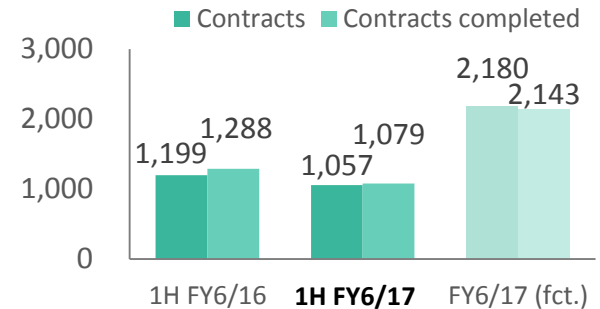
Housing and Renovation Business



Net Sales / Operating Income

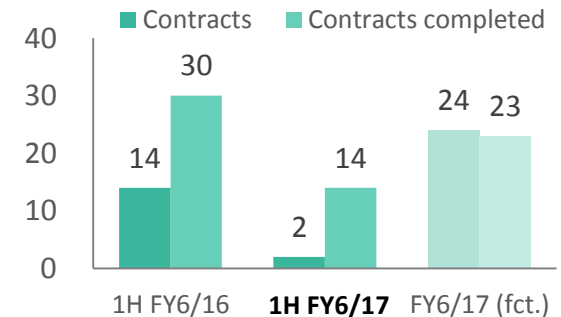


Renovation Contracts



	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	2,221	1,666	3,374	49.4%
Operating income (Millions of yen)	213	139	204	68.5%
Operating margin (%)	9.6%	8.4%	6.0%	-
Renovation contracts	1,199	1,057	2,180	48.5%
Renovation contracts completed	1,288	1,079	2,143	50.3%
New housing contracts	14	2	24	8.3%
New housing contracts completed	30	14	23	60.9%

New Housing Contracts



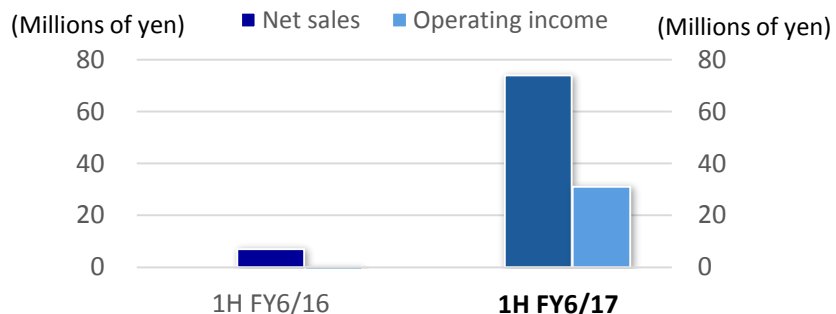
- Decline in orders for building new houses caused sales to decrease
- Orders are currently solid due to existing housing brokerage/renovation packaging



Other Businesses (Real Estate Finance Business)

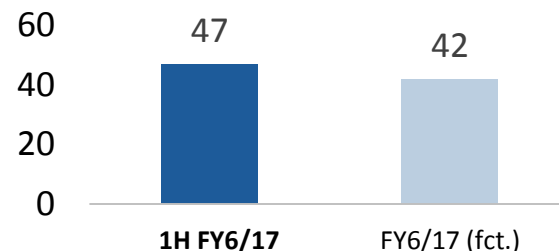


Net Sales / Operating Income

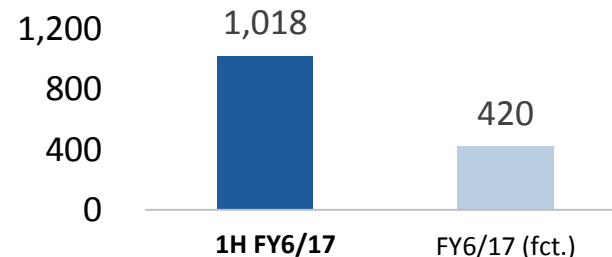


	1H FY6/16	1H FY6/17	FY6/17 (forecast)	Progress ratio
Net sales (Millions of yen)	7	74	88	84.1%
Operating income (Millions of yen)	-3	31	17	182.8%
Operating margin (%)	-	41.8%	19.2%	-
New loans	-	47	42	111.9%

New Loans



Loans Outstanding



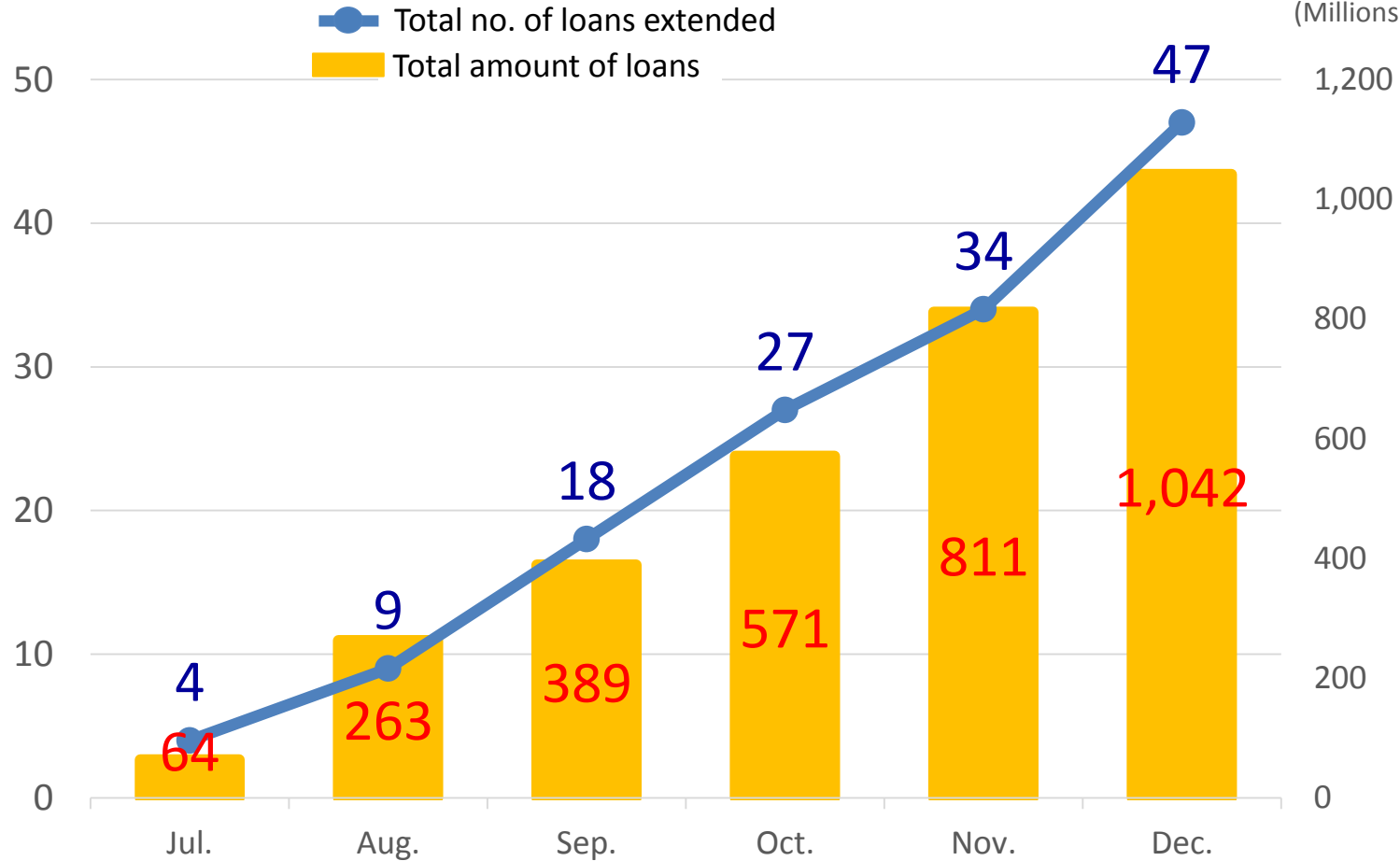
- Real estate secured loans: Far above the target with 47 new loans and ¥1,018 million outstanding
- Helping invigorate the real estate loan market by combining real estate and finance to meet the needs of Japan's aging population
- Also benefiting from synergies as a supplementary business for the House-Leaseback Business

Total Number and Amount of Real Estate Secured Loans



(Number of loans)

(Millions of yen)



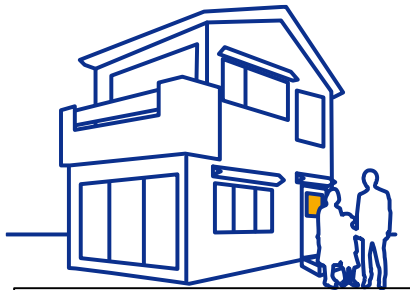
The Strengths of HOUSEDO



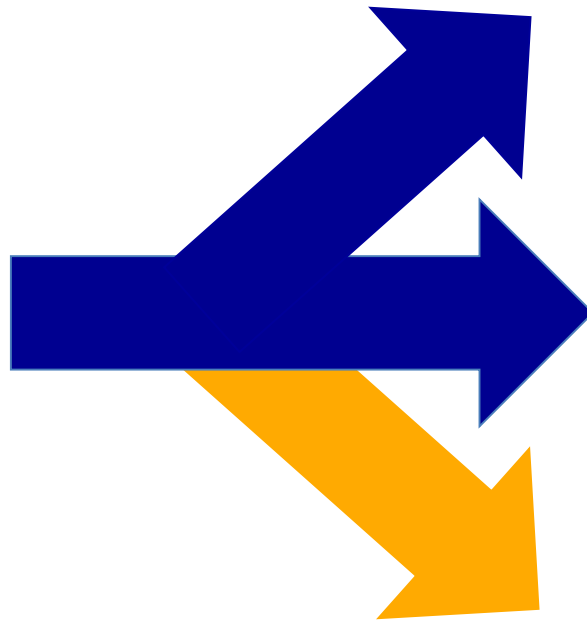
- 1** Examination skills >
- 2** Sales skills >
- 3** Nationwide coverage >

All based on operations with deep roots in local markets





Customers
(Seniors)



Real estate + Finance

(HOUSEDO + Financial Do)

Real estate liquidation to produce funds needed by seniors involving life style changes and relocating to a different residence

House-leaseback

(Purchase + Leasing)

Homeowner sells the house but remains by leasing the house

Real estate secured loans

App examines applications in ten seconds

Loan examination and sales skills of the nationwide HOUSEDO network are key strengths

Reverse mortgages



(Examinations/Sales)

Alliances with regional financial institutions

Financial institutions

(Provide funds)

Selling, General and Administrative Expenses



SG&A Expenses

(Millions of yen)

	1H FY6/16		1H FY6/17		YoY change
		% to sales		% to sales	
SG&A Expenses	2,379	27.4%	2,607	30.4%	+9.6%
Personnel	1,249	14.4%	1,333	15.5%	+6.7%
Advertising and promotion	504	5.8%	554	6.5%	+9.8%
Office maintenance	97	1.1%	105	1.2%	+8.6%
Others	527	6.1%	614	7.2%	16.4%
Gross profit	3,085	35.6%	3,248	37.9%	+2.3%

- SG&A expenses increased to 37.9% of sales from 35.6% one year ago.
- Shifted existing employees to businesses with the most potential in order to target opportunities for earnings growth
- Advertising expenses increased due to a higher budget reflecting the larger number of stores and to faster growth of the Franchisee Business and House-Leaseback Business.
- Fees for selling income properties, the cost of shareholder benefits and management fees for IT system maintenance were mainly responsible for the increase in other expenses.

Consolidated Balance Sheet



(Millions of yen)

	FY6/16	2Q FY6/17	Change
Current assets	7,393	8,664	+1,270
Cash and deposits	2,001	2,363	+361
Inventories	4,916	4,855	-61
Other	475	1,445	+969
Non-current assets	5,501	6,873	+1,372
Property, plant and equipment	5,207	6,571	+1,363
Intangible assets	72	69	-3
Investments and other assets	220	232	+11
Total assets	12,895	15,537	+2,642

(Millions of yen)

	FY6/16	2Q FY6/17	Change
Liabilities	10,725	13,143	+2,417
Current liabilities	6,003	6,398	+395
Non-current liabilities	4,722	6,745	+2,022
Net assets	2,169	2,393	+224
Shareholders' equity	2,168	2,391	+222
Accumulated other comprehensive income	-0	0	+1
Subscription rights to shares	1	2	0
Total liabilities and net assets	12,895	15,537	+2,642

Shareholder's equity ratio: 16.8% → 15.4%

- Inventories are mostly property for sale in the Real Estate Buying and Selling Business.
- Other current assets increased mainly because of loans to customers of ¥1,018 million in the Real Estate Finance Business.
- Property, plant and equipment increased mainly because of the larger number of house-leaseback transactions.

■ Interest-bearing debt

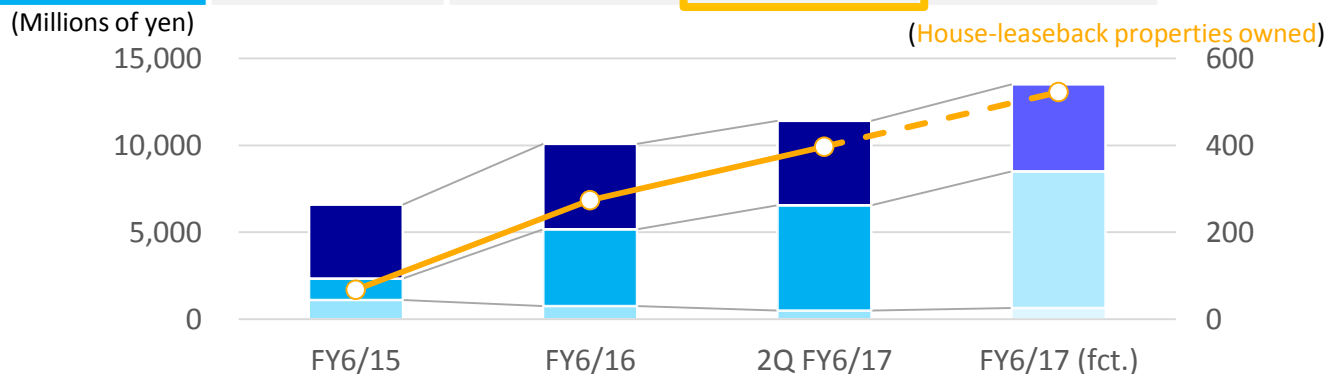
Short-term loans payable	¥4,725 million
Long-term loans payable	¥5,572 million
Total	¥10,297 million

- Shareholders' equity increased because of higher retained earnings resulting from first half profit.

Inventories and Non-current Assets



	(Millions of yen)			
	FY6/15	FY6/16	2Q FY6/17	FY6/17 (fct.)
Inventories	4,265	4,916	4,855	5,000
Non-current assets (Buildings, land)	2,329	5,174	6,547	8,500
Assets for House-Leaseback Business	1,227	4,427	6,044	7,861
Assets for rent income, etc.	1,102	746	503	639
Total no. of house-leaseback properties owned	68	274	397	522



- Real estate for sale is inventories in the Real Estate Buying and Selling Business.

Property acquisitions continue while using synergies with directly operated store brokerage operations to assess risk accurately. Inventory turnover is the key performance indicator.

- Non-current assets increased because of properties owned in the House-Leaseback Business.

House-leaseback purchases and the number of properties owned increased due to investments in people and advertising and promotion activities.

- Dedicated to increasing corporate value through sustainable growth of business operations and improving profitability
- Plan to pay dividends with a payout ratio of at least 20%

	FY6/16	FY6/17 Forecast
Dividend per share (Yen)	16	17
Total dividends (Millions of yen)	135	144
Earnings per share (Yen)	88.31	84.45
Dividend payout ratio (%)	18.1	20%+

Shareholder Benefits



■ More shareholder benefit points

Shareholder benefits are a means of thanking shareholders for their support, making HOUSE DO stock even more appealing, and increasing the number of medium- and long-term shareholders.

■ Summary

(1) Eligible shareholders

Shareholders who are listed in the shareholder register as of June 30 and own at least one trading unit (100 shares) are eligible to receive these benefits.

(2) Benefits and distribution

Shareholders receive points based on the number of shares held that can be used at the HOUSE DO shareholder benefit website. Shareholders can exchange points for food products, electronics, gift items, Quo Cards, and original HOUSE DO items. Points can also be used to make donations to charities.

Shareholder benefit points

(One point is about ¥1)

Shares owned	Current		After revision	
	One year	Two years or more (Note)	One year	Two years or more (Note)
100-299 shares	1,500 pt	1,650 pt	1,500 pt	1,650 pt
300-499 shares	3,000 pt	3,300 pt	3,000 pt	3,300 pt
500-699 shares	5,000 pt	5,500 pt	5,000 pt	5,500 pt
700-999 shares	7,000 pt	7,700 pt	7,000 pt	7,700 pt
1,000-1,999 shares	9,000 pt	9,900 pt	9,000 pt	9,900 pt
2,000-2,999 shares			11,000 pt	12,100 pt
3,000 shares or more			13,000 pt	14,300 pt

Note: Two years or more is defined as being listed in the shareholder register as of June 30 for at least two consecutive years with the same shareholder number.

FY6/17 Second Quarter Investor Relations/Public Relations Announcements



Date	Subject
Oct. 4	Start of real estate secured loans for foreigners
Oct. 5	Franchisee information meeting for the HOUSE DO National Franchisee Conference
Oct. 13	Upgraded housing idea service targeting Japan's 8 million households with dogs
Oct. 31	Distribution of real estate assessment smartphone app using real estate technology
Nov. 1	HOUSE DO store franchise contracts surpass 400
Nov. 7	Third Hawaii Real Estate Tour held to explain consumer protection measures
Nov. 17	Announcement of auction sale of HOUSE DO stock
Nov. 17	Approval of Tokyo Stock Exchange first section listing
Nov. 30	Measures to strengthen nationwide store network ties within individual regions
Dec. 5	Start of after hours sale of HOUSE DO stock
Dec. 6	Completion of after hours sale of HOUSE DO stock
Dec. 8	Announcement of change in listing to Tokyo Stock Exchange first section
Dec. 12	Start of service to increase the safety and convenience of real estate transactions
Dec. 27	Announcement of selection of HOUSE DO stock for margin trading

More information about these releases (in Japanese language) is available on the HOUSE DO website (<http://www.housedo.co.jp/>).

Supplementary Material-1

July 2016 to June 2019

Medium-term Plan and Goals



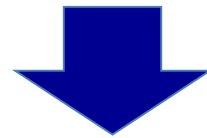
(Announced on August 22, 2016)

Growth Strategy

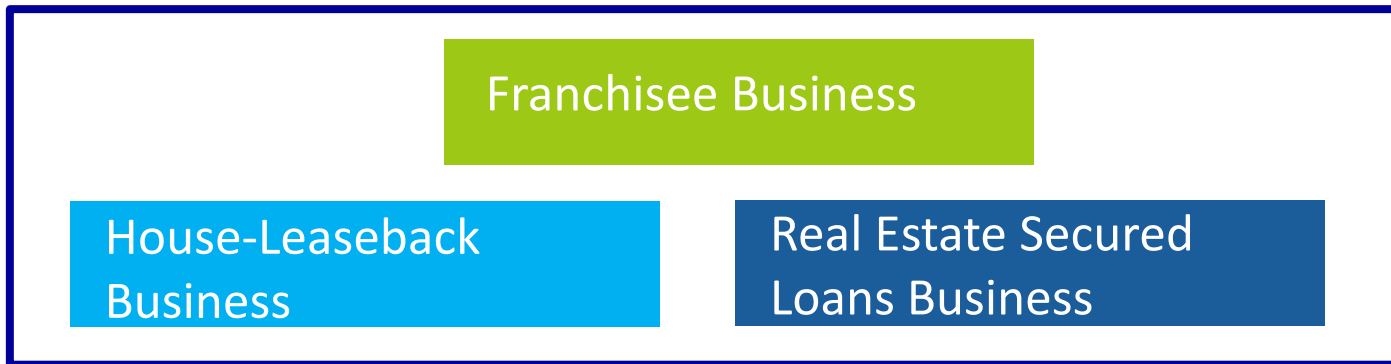
– Invest in Steady-income Businesses



Labor-intensive income



Steady income



Goals for FY6/17

- Shift weighting of the business portfolio
- More investments in steady-income businesses



Focus investments on the Franchisee, House-Leaseback and Real Estate Secured Loans Businesses

Medium-term Plan (toward FY6/19)



(Millions of yen)

	FY6/16	FY6/17 plan	FY6/18 plan	FY6/19 plan
Net sales	17,275	16,322	15,087	16,215
Gross profit	6,153	6,683	7,127	7,936
SG&A expenses	4,875	5,435	5,603	6,026
Operating income	1,277	1,247	1,524	1,909
Operating margin (%)	7.4%	7.6%	10.1%	11.8%
Ordinary income	1,182	1,100	1,400	1,700
Ordinary income ratio (%)	6.8%	6.7%	9.3%	10.5%
YoY change in ordinary income	+130.4%	-6.9%	+27.2%	+21.4%

FY6/17 Forecasts by Business Segment



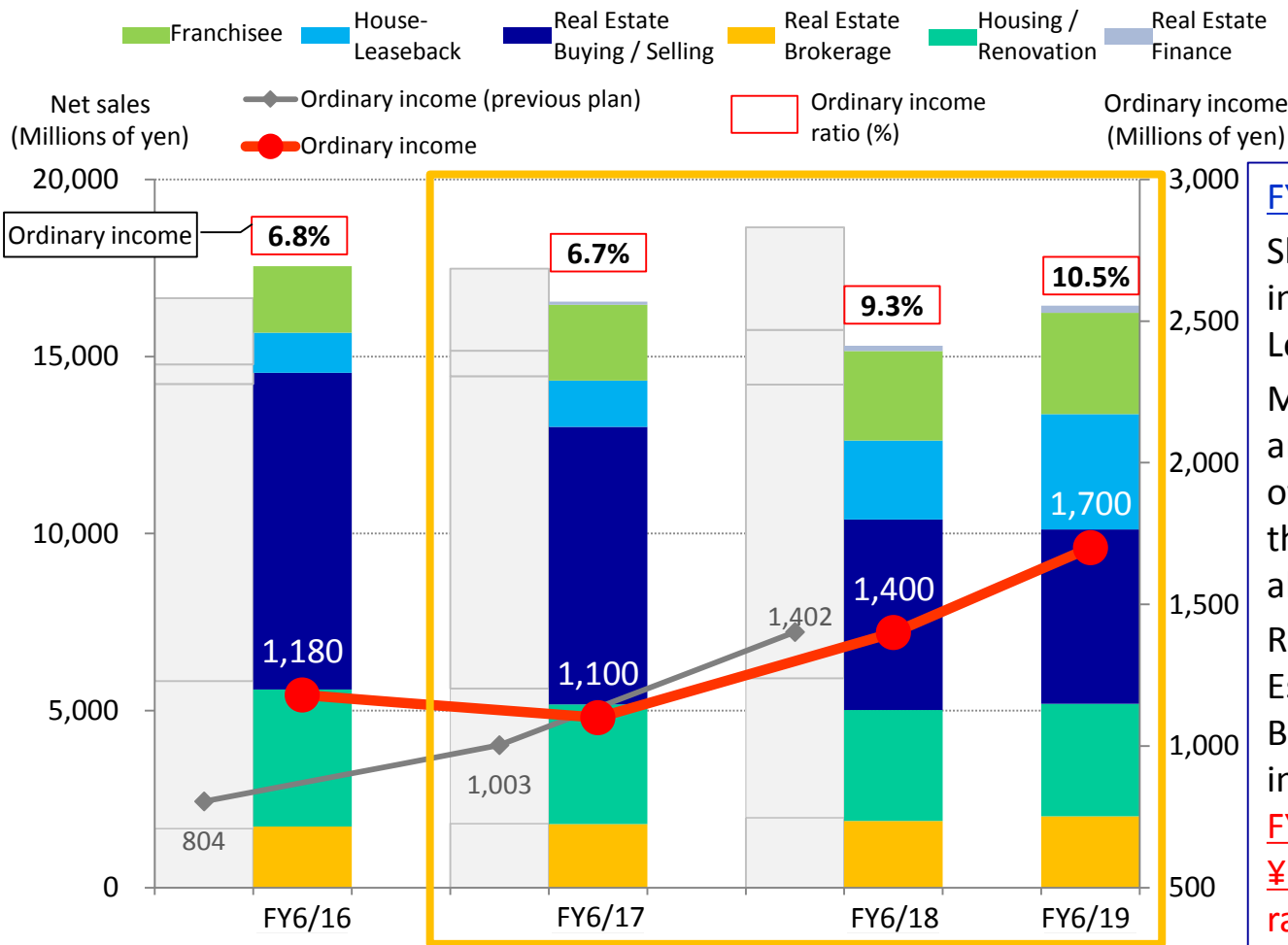
(Millions of yen)

	Franchisee	Real Estate Buying and Selling	House-Leaseback	Real Estate Brokerage	Housing and Renovation	Real Estate Finance	Other	Adjustment	Total
Net sales	2,144	7,842	1,306	1,797	3,374	88	14	-245	16,322
Gross profit	1,929	1,254	650	1,797	1,094	81	14	-140	6,683
SG&A expenses	659	579	518	1,588	890	64	10	1,124	5,435
Operating income	1,270	675	131	209	204	17	4	-1,265	1,247

Medium-term Plan (toward FY6/19)



Net Sales / Ordinary Income Plan for Next Three Years



FY6/17

Shift weighting to the steady-income Franchisee and House-Leaseback Businesses

Make advertising and promotion and human resource investments of about ¥100 million each in these two businesses, a total of about ¥200 million

Reduce weighting of the Real Estate Buying and Selling Business, using growth of steady-income businesses to achieve the FY6/19 ordinary income target of ¥1,700 million (ordinary income ratio of 10.5%)

Net sales YoY change	+18.5%	-5.5%	-7.6%	+7.5%
Ordinary income YoY change	+130.4%	-6.9%	+27.2%	+21.4%

Composition of Segment Sales



FY6/16 Results

Share of steady-income businesses: 17.4%

- Franchisee
- House-Leaseback
- Real Estate Secured Loans

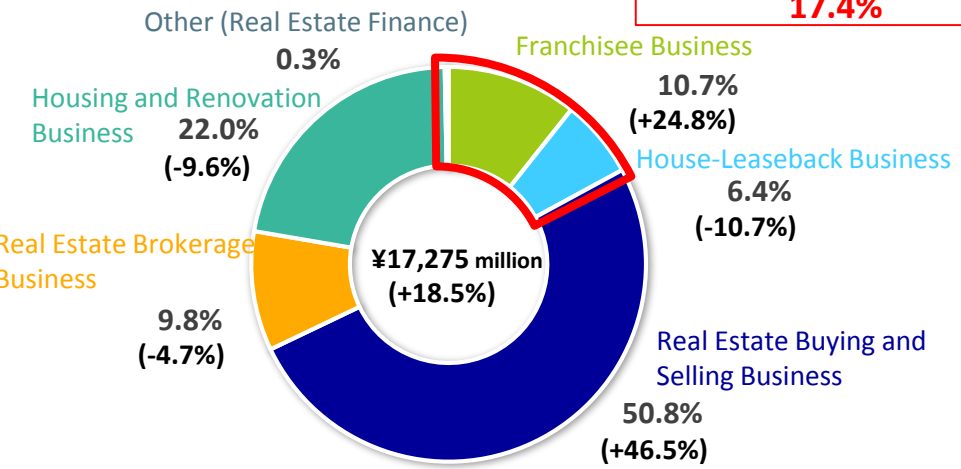
Shift weighting to the steady-income businesses

Share of steady-income business sales

17.4% in FY6/16

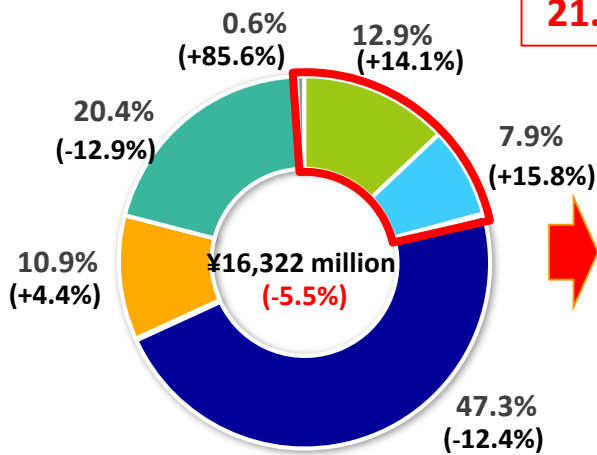
↓

38.5% in FY6/19



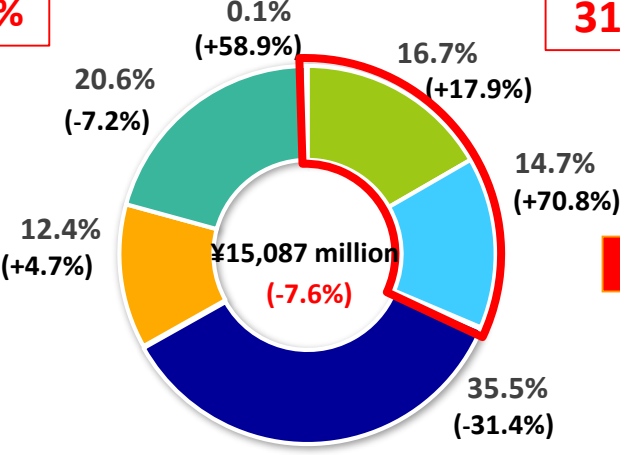
FY6/17 Plan

21.4%



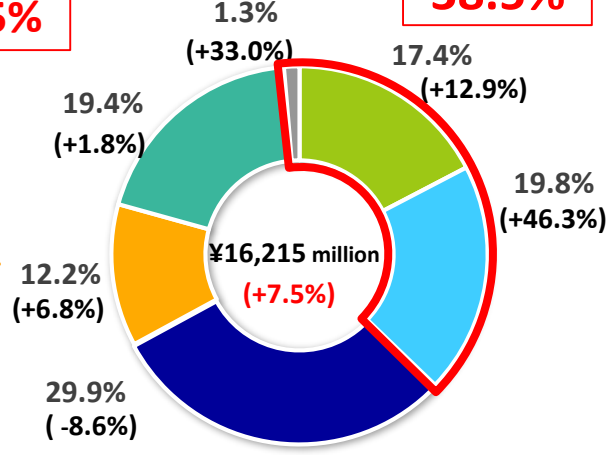
FY6/18 Plan

31.5%



FY6/19 Plan

38.5%



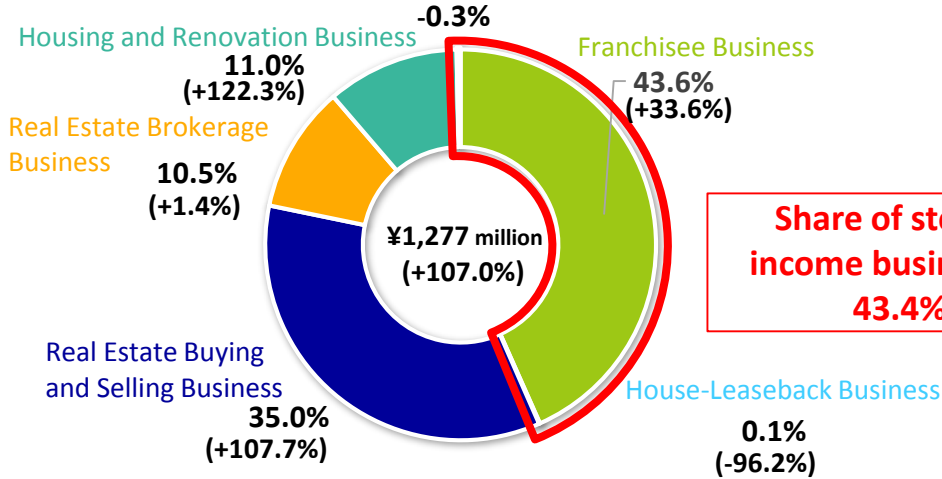
(): Year-on-year changes

Composition of Segment Operating Income



FY6/16 Results

Other (Real Estate Finance)



- Franchisee
 - House-Leaseback
 - Real Estate Secured Loans
- Shift weighting to the steady-income businesses

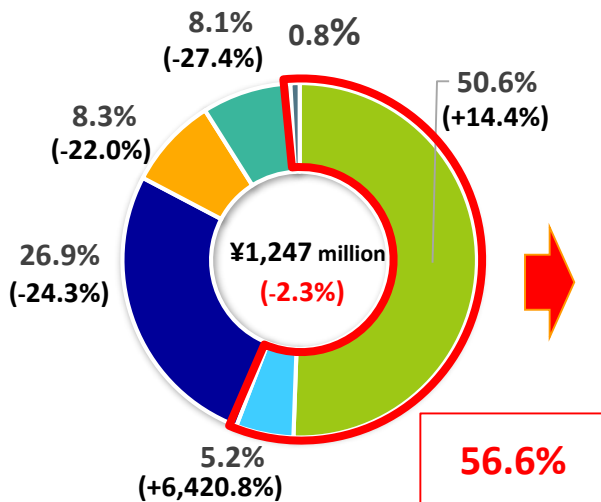
Share of steady-income business operating income

43.4% in FY6/16

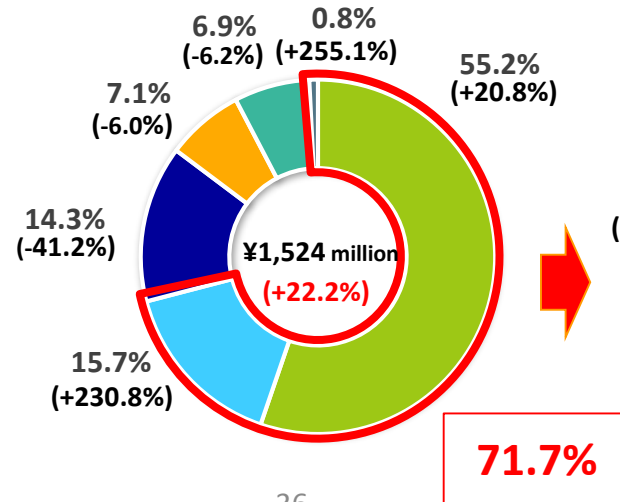


78.0% in FY6/19

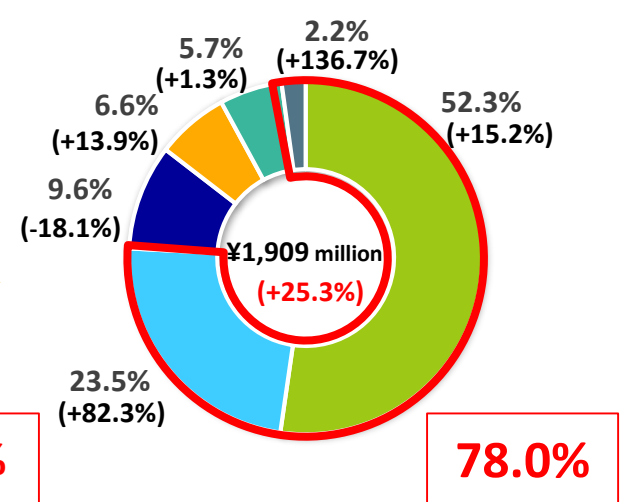
FY6/17 Plan



FY6/18 Plan



FY6/19 Plan



Franchisee Business –Medium-term Plan Goals

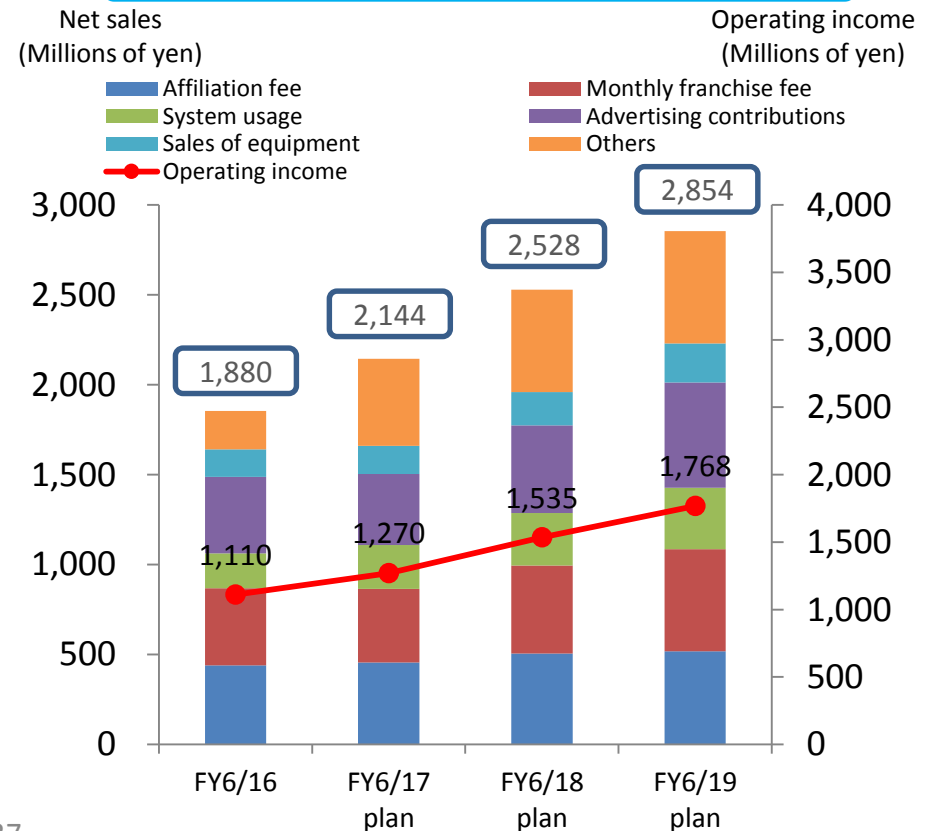
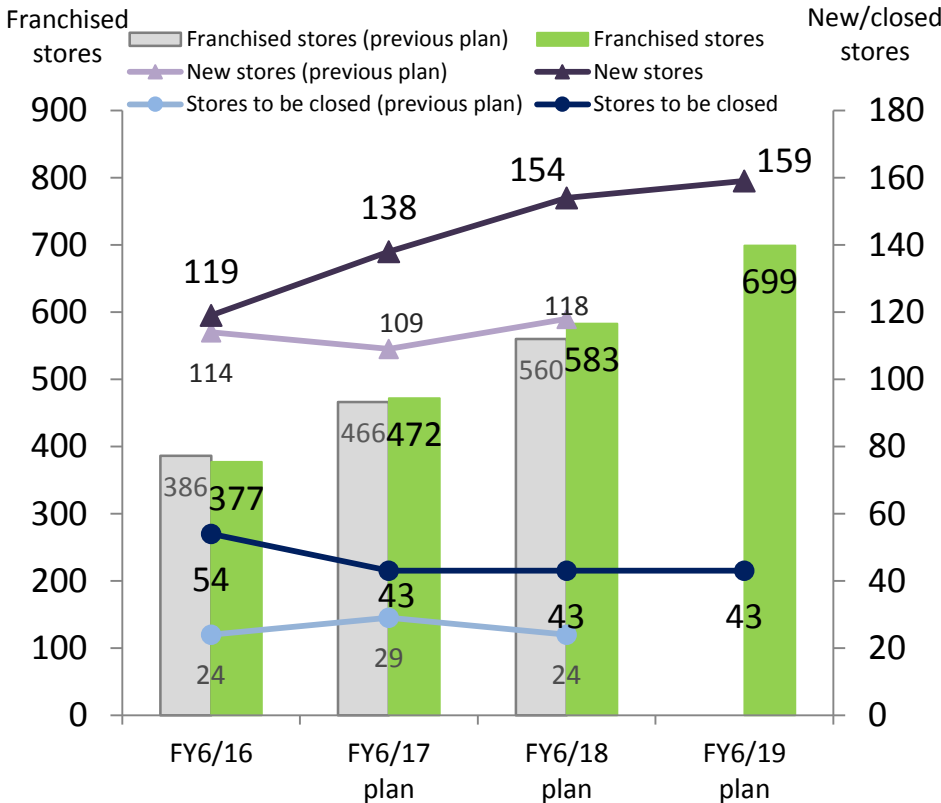


Total number of franchised stores: 472 in FY6/17; 583 in FY6/18; 699 in FY6/19

New stores	(100 to 108 to 108)	} Total (138 to 154 to 159)
Increase	(18 to 24 to 28)	
Dual stores	(20 to 22 to 23)	
Stores opened	(388 to 469 to 556)	

Planned Growth in Franchised Stores

Planned Growth in Franchisee Business Sales



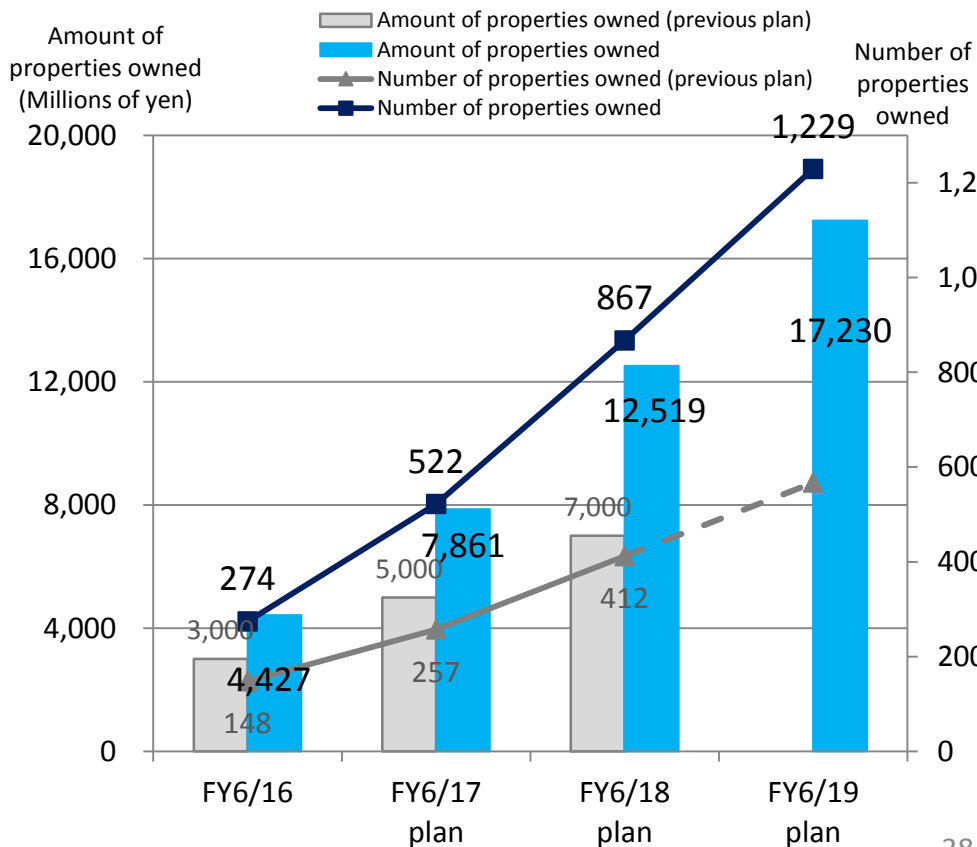
House-Leaseback Business 1–Medium-term Plan Goals



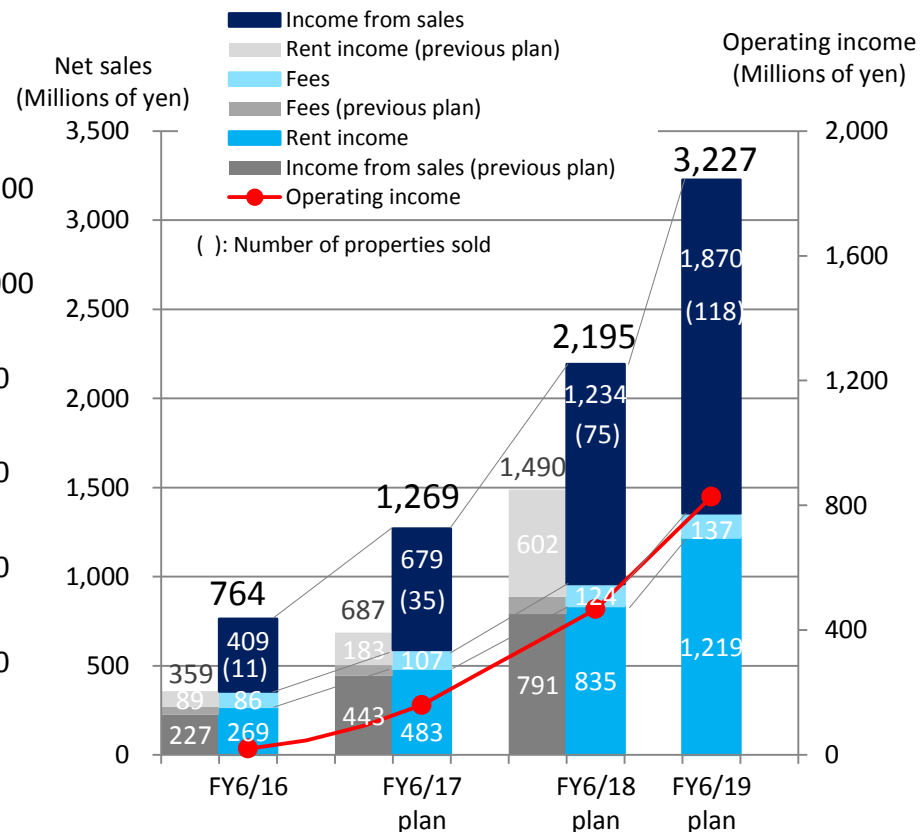
Properties owned: 522 in FY6/17; 867 in FY6/18; 1,229 in FY6/19
 Amount of properties owned: ¥7.8 billion to ¥12.5 billion to ¥17.2 billion
 Properties purchased: 288 to 420 to 480
 Properties sold: 35 to 75 to 118

Note: Excludes leasing revenue business

Number/Amount of House-Leaseback Properties Owned



House-Leaseback Business Sales



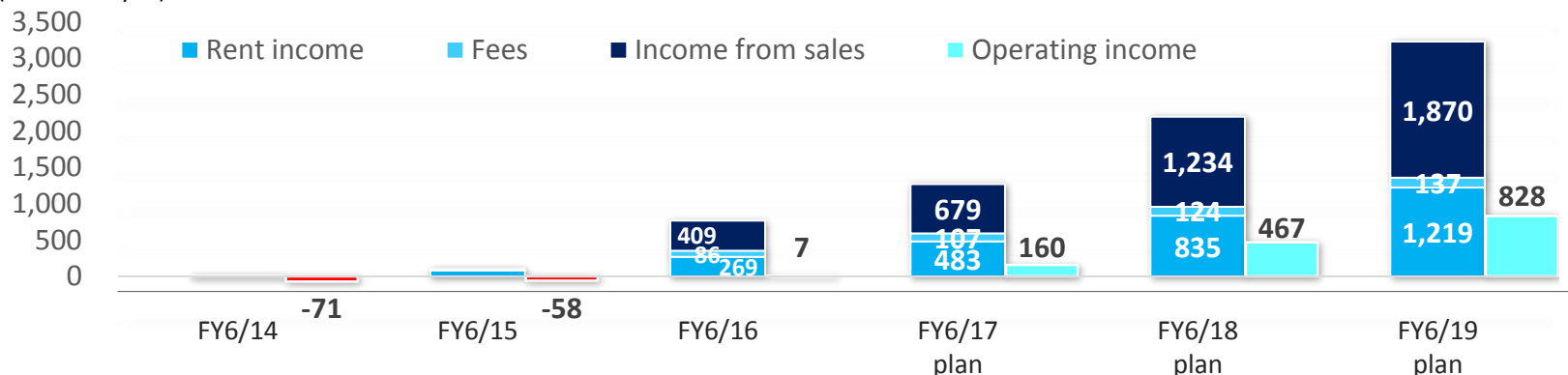


House-Leaseback Business 2



Net Sales and Operating Income of House-Leaseback Business (excluding leasing revenue)

(Millions of yen)



(Millions of yen)

	FY6/14	FY6/15	FY6/16	FY6/17 plan	FY6/18 Plan	FY6/19 Plan
Rent income	7	83	269	483	835	1,219
Fees	4	20	86	107	124	137
Income from sales	0	0	409	679	1,234	1,870
			Gross margin: 27.2%			
			Gross profit 111			
SG&A expenses	79	145	346	460	511	565
Operating income	-71	-58	6	160	467	828
Properties purchased (single year)	16	56	222	288	420	480
Total no. of properties owned	16	68	274	522	867	1,229
Properties sold (single year)	0	0	11	35	75	118

Note: Figures for FY6/14 and FY6/15 includes SG&A expenses and are provided solely for reference.

Real Estate Buying and Selling Business

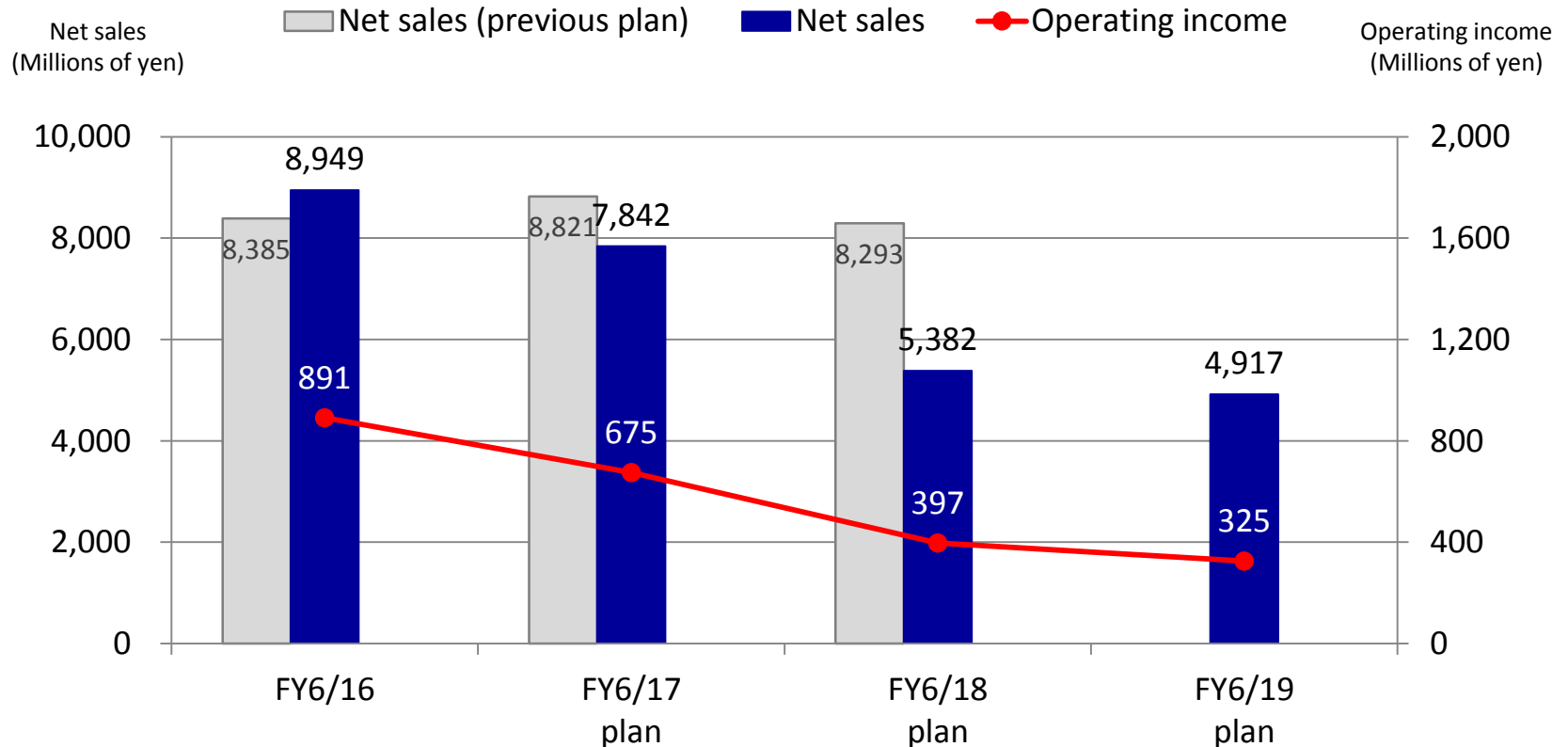
–Medium-term Plan Goals



The Real Estate Buying and Selling Business will carefully select properties in the range of sales of ¥5,000 million to ¥8,000 million

This business continues to use collaboration with brokerage operations to steadily purchase properties in areas served by directly operated stores

Planned Growth in Real Estate Buying and Selling Business Sales



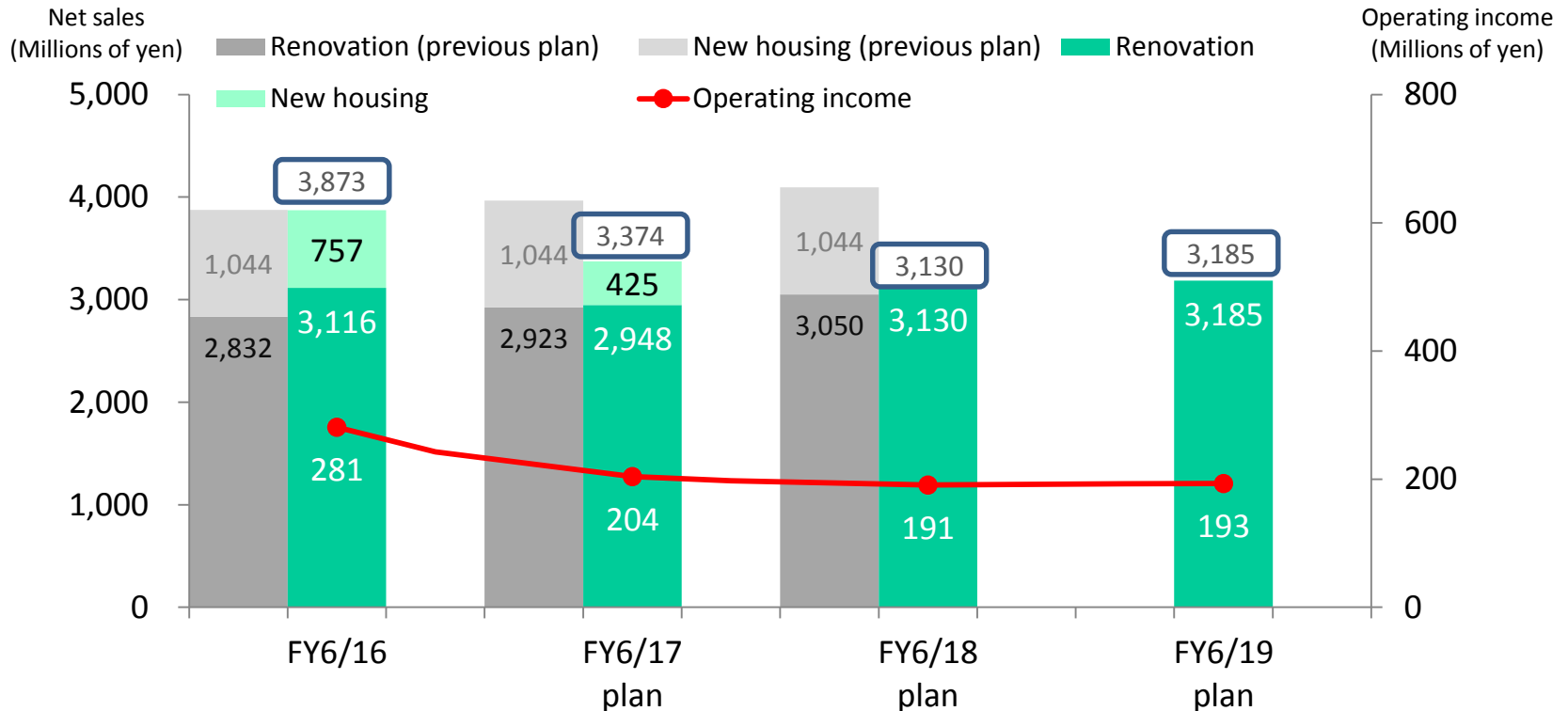
Housing and Renovation Business



–Medium-term Plan Goals

- Focusing on packaging existing housing sales and renovations to offer ideas for remodeling while concentrating on renovation work using natural materials
- Strengthening home inspection and earthquake reinforcement services
(Collaboration with real estate brokerage and House-Leaseback operations)

Planned Growth in Housing and Renovation Business Sales



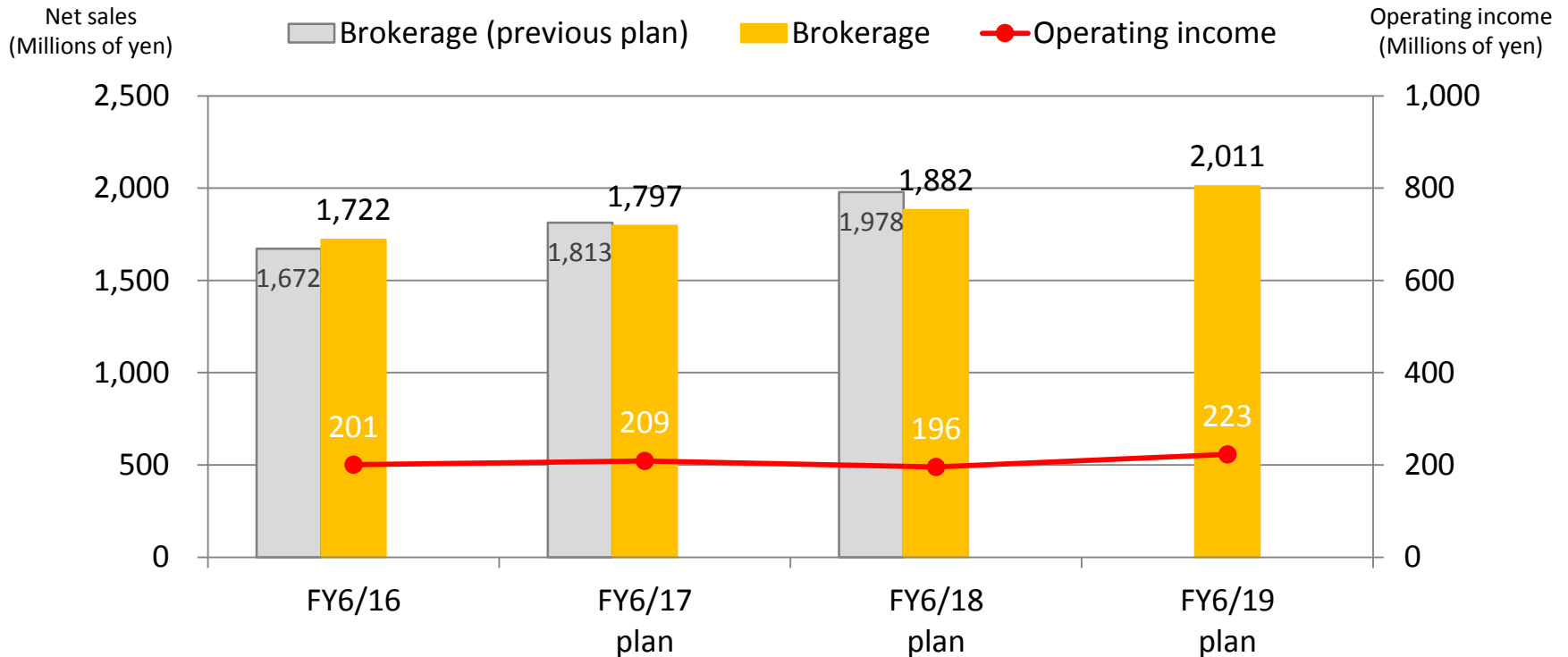
Real Estate Brokerage Business

–Medium-term Plan Goals



- Use government policies for increasing existing housing transaction volume to support growth of real estate brokerage/renovation packages
- Use brokerage contracts as an opportunity to sell renovation, housing loan, fire insurance and other associated HOUSE DO Group services

Planned Growth in Real Estate Brokerage Business Sales



Real Estate Finance Business

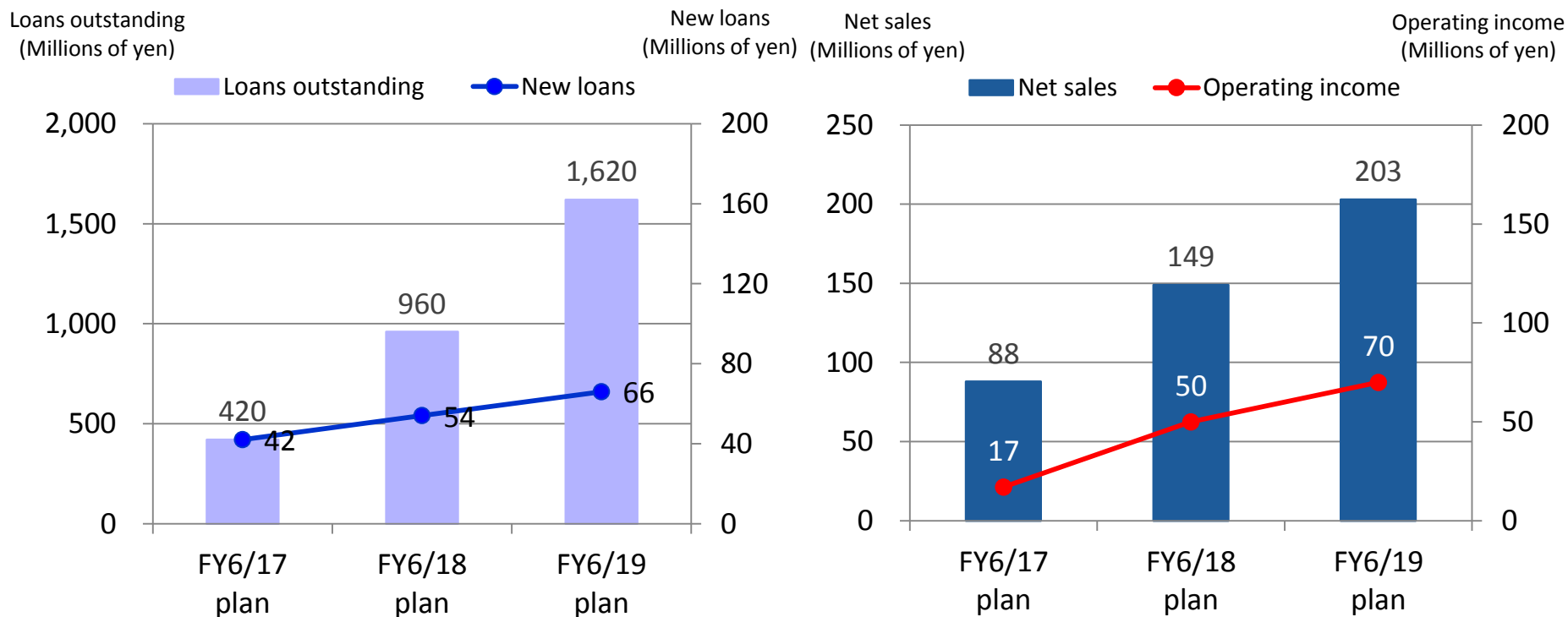
–Medium-term Plan Goals



- A supplementary business for the House-Leaseback Business (Financial Do Co., Ltd.)

Loans outstanding: ¥420 million in 2017; ¥960 million in 2018; ¥1,620 million in 2019

Number of loans: 42 in 2017; 54 in 2018; 66 in 2019



Consolidated Balance Sheet (Assets section)



(Millions of yen)

	FY6/16	FY6/17 plan	FY6/18 plan	FY6/19 plan
Current assets	7,393	8,881	7,783	8,803
Cash and deposits	2,001	3,011	2,553	2,893
Inventories	4,916	5,000	3,800	3,800
Short-term loans receivable	43	420	960	1,620
Other	432	450	470	490
Non-current assets	5,501	8,785	13,559	18,233
Property, plant and equipment	5,207	8,534	13,301	17,967
Intangible assets	72	74	77	79
Investments and other assets	220	175	180	186
Total assets	12,895	17,666	21,343	27,036
Current ratio	123.2%	135.8%	145.4%	168.5%

Consolidated Balance Sheet (Liabilities and net assets section)



(Millions of yen)

	FY6/16	FY6/17 plan	FY6/18 plan	FY6/19 plan
Liabilities	10,725	14,917	17,826	22,596
Current liabilities	6,003	6,538	5,352	5,223
Non-current liabilities	4,722	8,378	12,473	17,372
Net assets	2,169	2,749	3,516	4,439
Shareholders' equity	2,168	2,748	3,516	4,439
Accumulated other comprehensive income	0	0	0	0
Total liabilities and net assets	12,895	17,666	21,343	27,036
Shareholders' equity ratio	16.8%	15.6%	16.5%	16.4%

Shareholder Distributions



	FY6/17 plan	FY6/18 plan	FY6/19 plan
Ordinary income (Millions of yen)	1,100	1,400	1,700
Profit (Millions of yen)	715	910	1,105
Dividend payout ratio (%)	20%+	25%+	30%+



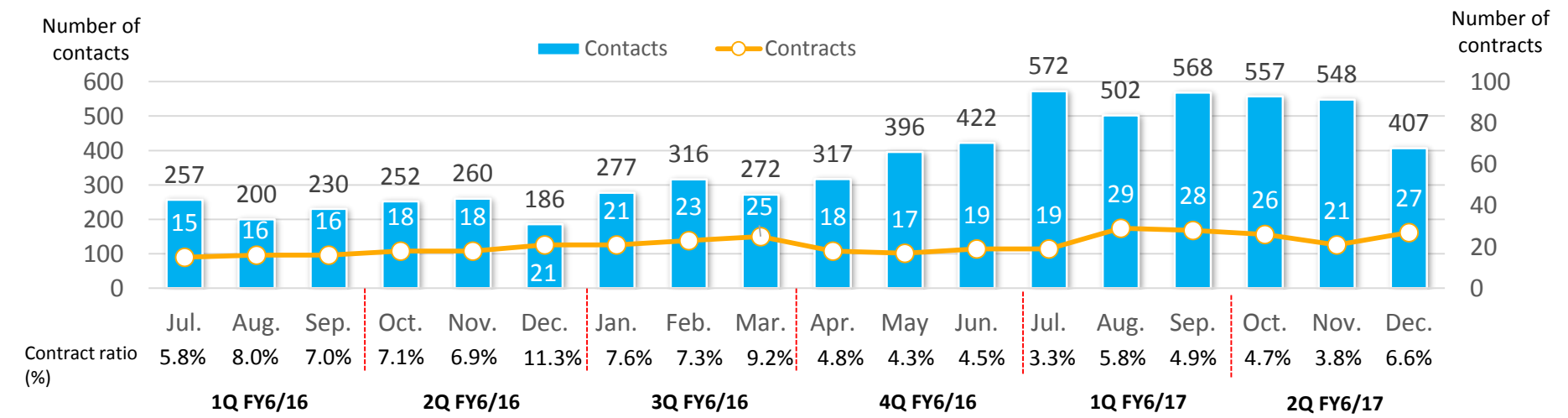
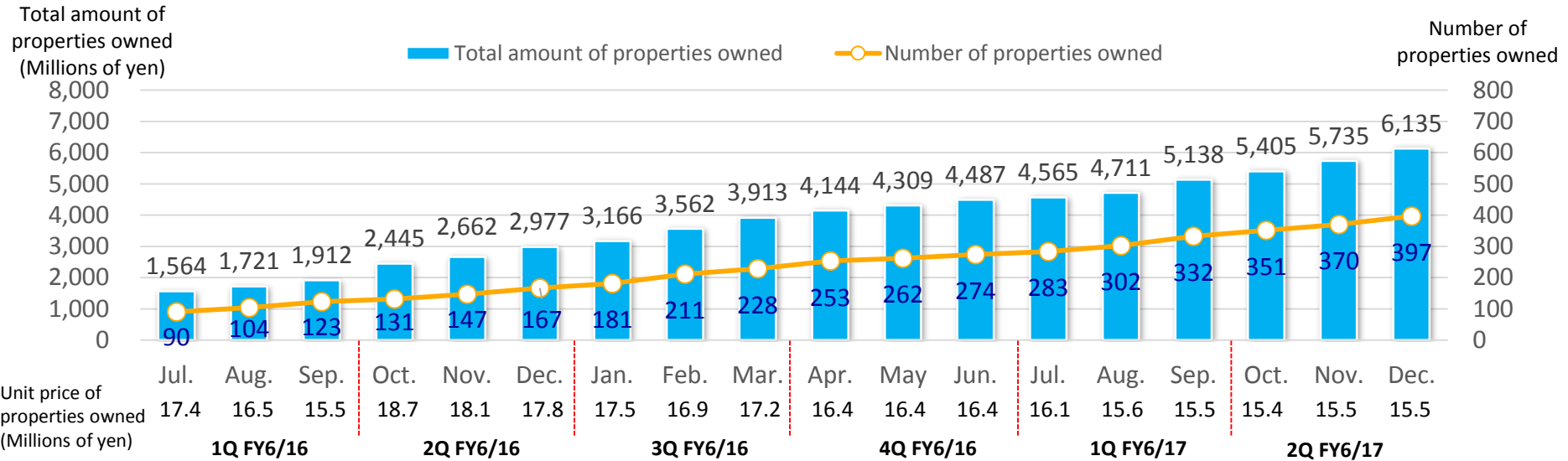
Supplementary Material-2

Analysis of the House-Leaseback Business

(July 1, 2015 – December 31, 2016)

Analysis 1

Contacts and Contracts/Value and No. of Properties Owned

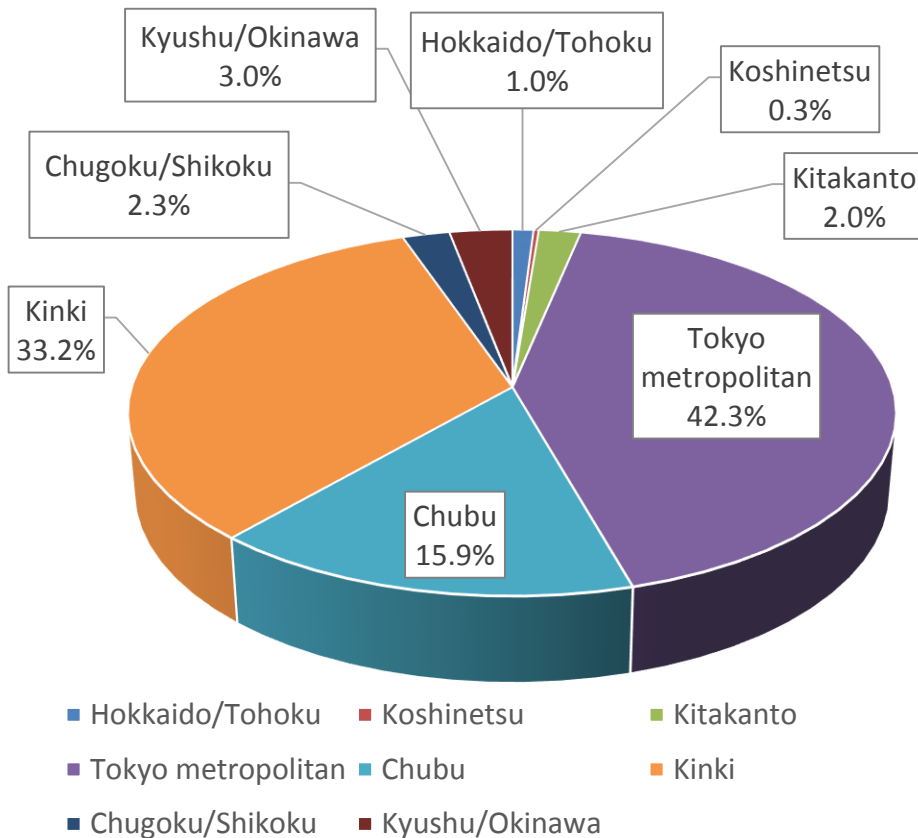


5% to 10% of contacts lead to contracts; demand for real estate secured loans and other funding is very strong

Analysis 2

Regional Distribution of Properties Owned (at the end of 2016)

Regional Distribution of Properties Owned

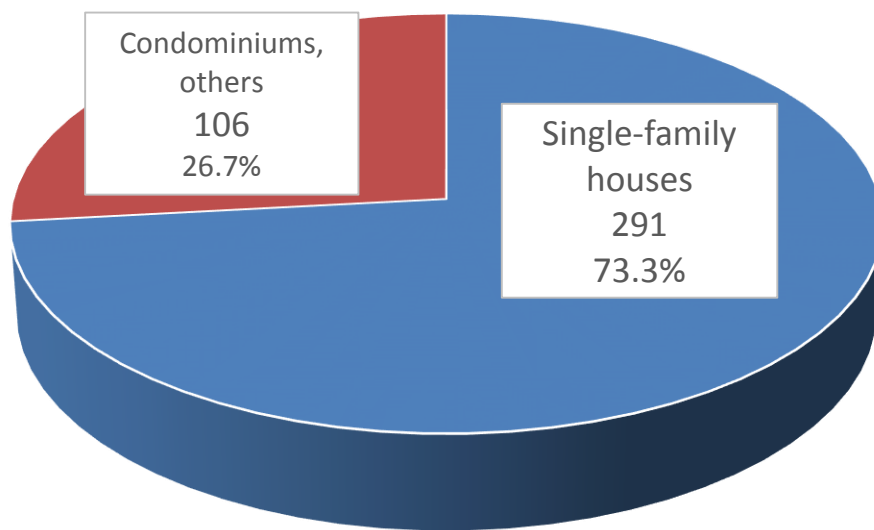


Area	No. of properties	Total value (Millions of yen)	Unit price (Millions of yen)
Hokkaido/Tohoku	4	45.0	11.2
Koshinetsu	1	4.3	4.3
Kitakanto	8	71.0	8.9
Tokyo metropolitan	168	3,096.9	18.4
Chubu	63	763.1	12.1
Kinki	132	1,960.3	14.9
Chugoku/Shikoku	9	60.5	6.7
Kyushu/Okinawa	12	133.8	11.2
Total	397	6,134.9	15.5

42.3% in the Tokyo area – 91.4% in Japan’s big three metro areas of Tokyo, Nagoya (Chubu) and Osaka (Kinki)

Analysis 3

House/Condominium Ratio (Properties owned at the end of 2016)



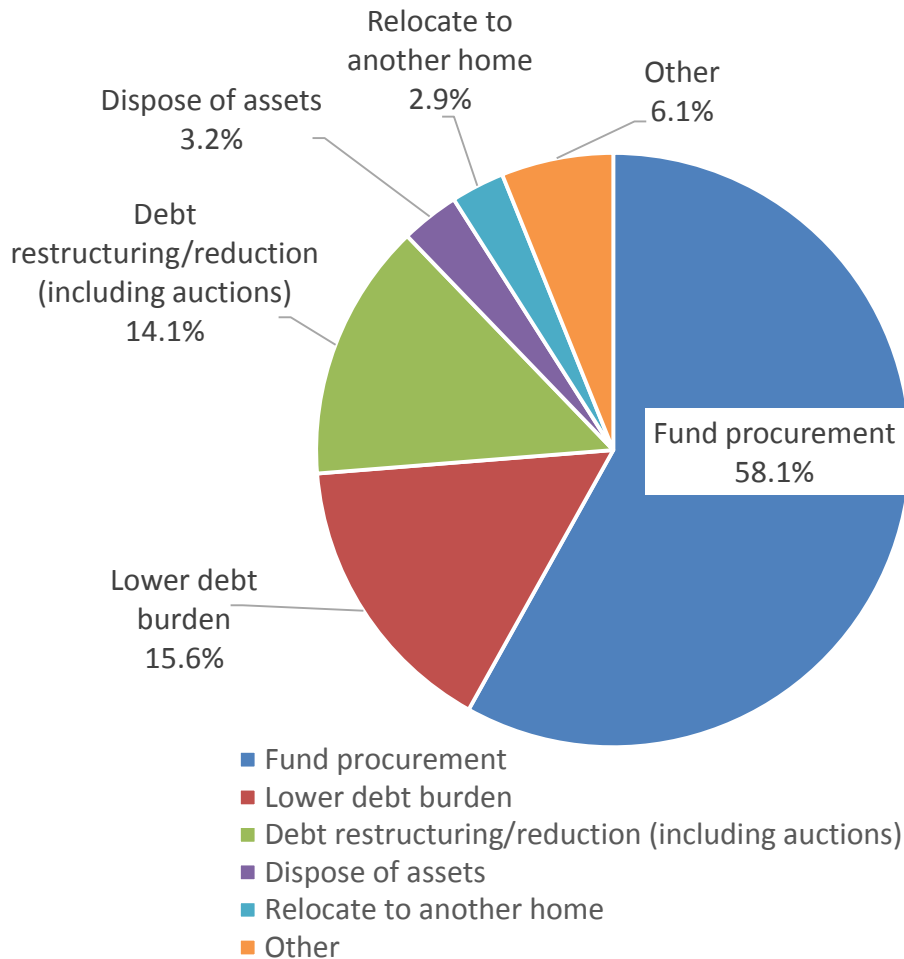
	Properties	Ratio
Single-family houses	291	73.3%
Condominiums, others	106	26.7%

- Single-family houses
- Condominiums, others

73.3% of properties are single-family houses and 26.7% are condominiums

Analysis 4 –Reasons for Using House-Leaseback

(July 2015 to December 2016 contracts)

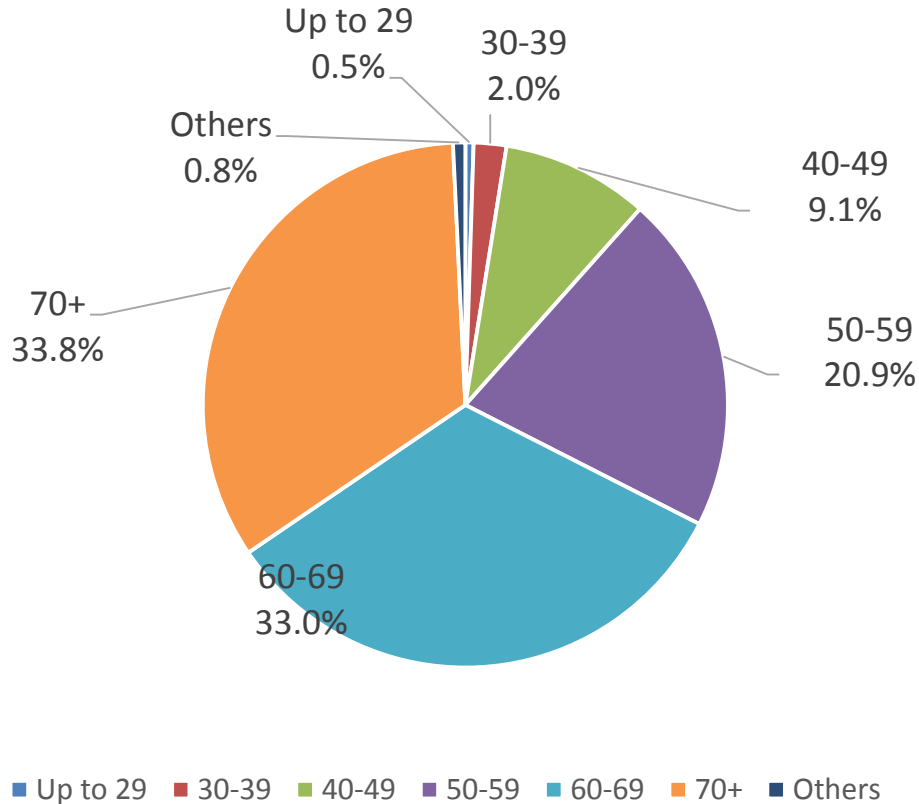


Reason	Contracts	Ratio
Fund procurement	219	58.1%
Lower debt burden	59	15.6%
Debt restructuring/reduction (including auctions)	53	14.1%
Dispose of assets	12	3.2%
Relocate to another home	11	2.9%
Other	23	6.1%

Fund procurement is 58.1%, lower debt burden is 15.6%, debt restructuring/reduction is 14.1% and asset disposal is 3.2%

Analysis 5 – Customer Age Segment Composition

(for properties owned at the end of 2016)



Age	Properties	Ratio
Up to 29	2	0.5%
30-39	8	2.0%
40-49	36	9.1%
50-59	83	20.9%
60-69	131	33.0%
70+	134	33.8%
Companies, others	3	0.8%

Most sellers are in older age segments: 66.8% of customers are at least 60 years old and 87.7% are at least 50

Innovate the Industry

Making real estate an industry that benefits customers



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