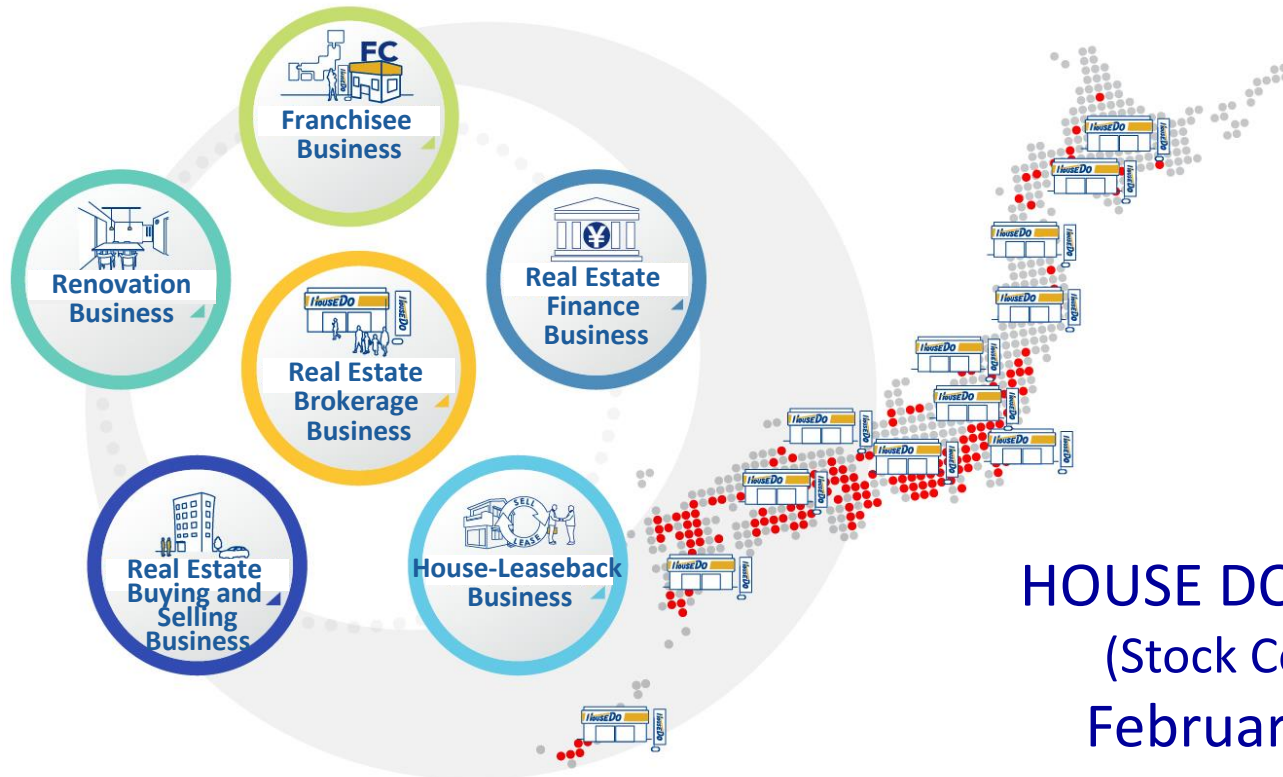




Earnings Results for the First Half of the Fiscal Year Ending June 2018



HOUSE DO Co., Ltd.
(Stock Code: 3457)
February 5, 2018

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**The First Half of FY2018
Consolidated Results Summary**

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FY2018 Fiscal Year Plan and
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<p>Business Progress in FY2018 1H (Jul. to Dec.)</p>	<ul style="list-style-type: none"> ■ Record First Half Sales and Profits <table border="0"> <tr> <td>Net sales</td> <td>¥9,532 million, up 11.1% YoY</td> </tr> <tr> <td>Operating profit</td> <td>¥888 million, up 38.7% YoY</td> </tr> <tr> <td>Ordinary profit</td> <td>¥778 million, up 40.9% YoY</td> </tr> </table> <ul style="list-style-type: none"> ■ Franchisee Business: Total no. of franchised stores at 501, 415 franchised stores opened in total ■ House-Leaseback Business: Total no. of properties owned 626, total value of properties owned ¥8.9 billion ■ Real Estate Finance Business: Total of 88 loans secured by real estate and reverse mortgage guarantees, amount outstanding is ¥3.2 billion 	Net sales	¥9,532 million, up 11.1% YoY	Operating profit	¥888 million, up 38.7% YoY	Ordinary profit	¥778 million, up 40.9% YoY
Net sales	¥9,532 million, up 11.1% YoY						
Operating profit	¥888 million, up 38.7% YoY						
Ordinary profit	¥778 million, up 40.9% YoY						
<p>Topics</p>	<ul style="list-style-type: none"> ■ Real Estate Buying and Selling Business: Steady growth due to changes from safety-critical operation to normal operation ■ Real Estate Finance Business: Started the new reverse mortgage guarantee service ■ Strong earnings growth due to constant investments in the steady-income businesses (Franchisee Business, House-Leaseback Business and Real Estate Finance Business) ■ Increased financial soundness by selling ¥3 billion of preferred stock 						
<p>Dividend</p>	<ul style="list-style-type: none"> ■ Improvement in corporate value due to sustainable business expansion and profitability enhancement ■ Payout ratio: at least 25% 						

The First Half of FY2018

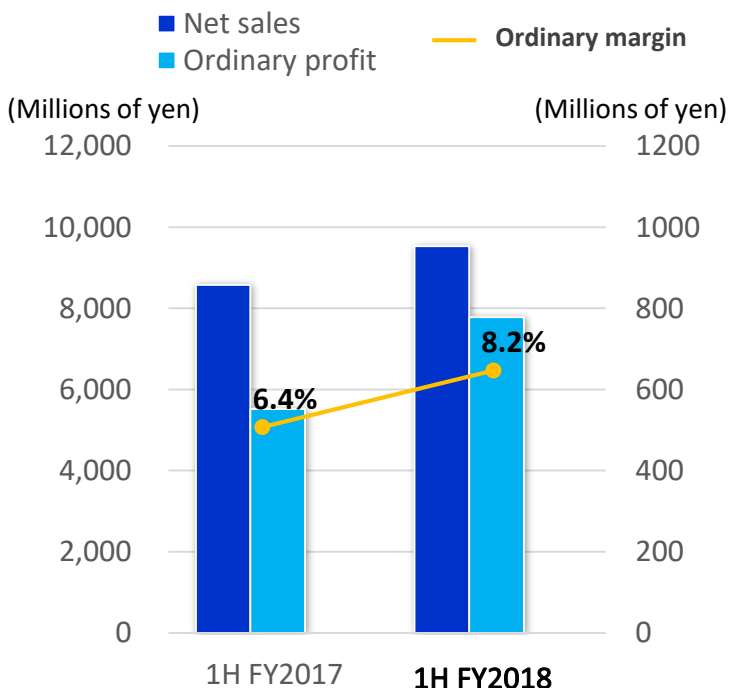
Summary of Consolidated Statement of Income



(Millions of yen)

(Year-on-year comparison)

	1H FY2017		1H FY2018		YoY change (%)
		% to sales		% to sales	
Net sales	8,579	100.0%	9,532	100.0%	+11.1%
Gross profit	3,248	37.9%	3,915	41.1%	+20.5%
SG&A expenses	2,607	30.4%	3,026	31.8%	+16.1%
Operating profit	640	7.5%	888	9.3%	+38.7%
Non-operating income	30	0.4%	32	0.3%	+6.3%
Non-operating expenses	118	1.4%	142	1.5%	+20.4%
Ordinary profit	552	6.4%	778	8.2%	+40.9%
Profit	357	4.2%	501	5.3%	+40.3%

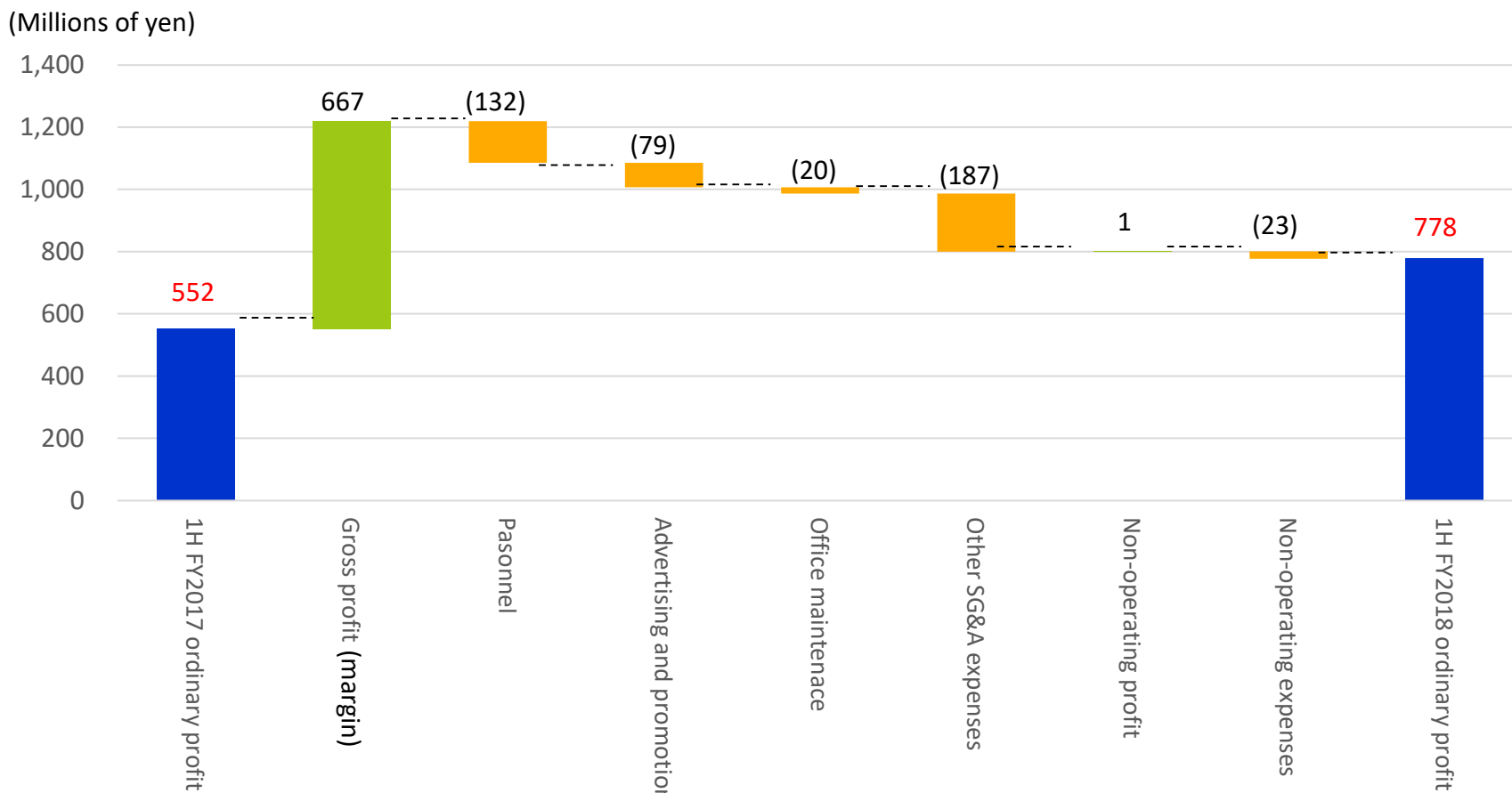


- **Gross profit:+20.5% YoY** : All segments have a profitable structure
- **Operating margin: 9.3% (+1.8P) Ordinary margin: 8.2% (+1.8P)**
- Non-operating expenses and SG&A expenses include costs for the issuance of preferred stock of **¥44.59 million**

Breakdown of Increased Ordinary Profit



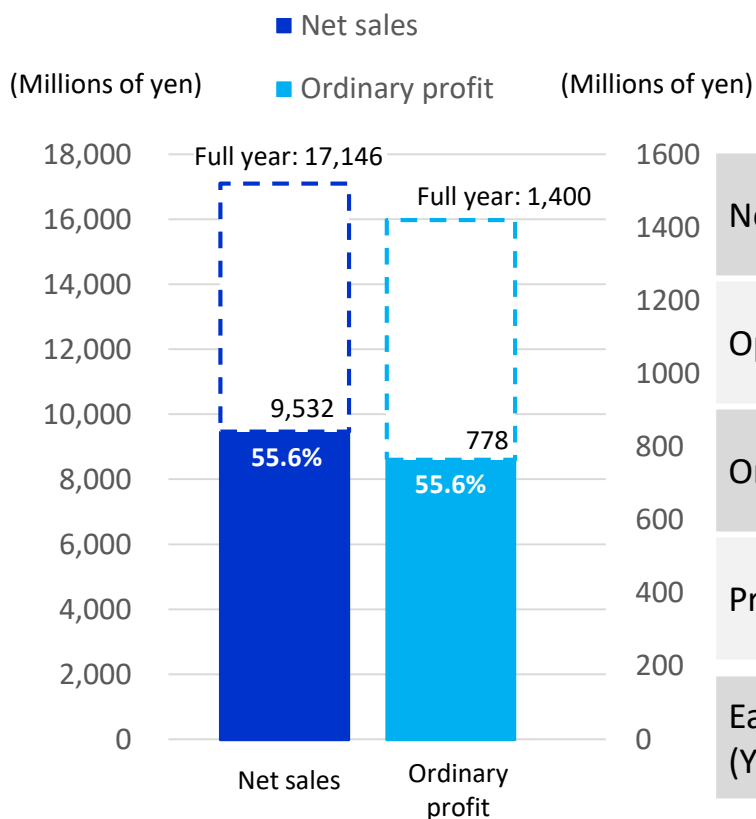
- **Gross profit increased** because all steady-income business (Franchisee Business, House-Leaseback Business, Real Estate Financial Business) performed well and the Real Estate Buying and Selling Business and Real Estate Brokerage Business also posted a strong performance backed by favorable market conditions because of the low rate monetary easing policies
- Investing in personnel and advertising and promotion in order to focus on steady-income business. Other SG&A expenses include system maintenance expenses.



The First Half of FY2018 Progress toward FY Targets



(Millions of yen)



	FY2018 1H Results	FY2018 1H (fct.)	Progress ratio for 1H	FY2018 (fct.)	Progress ratio for FY
Net sales	9,532	8,583	111.1%	17,146	55.6%
Operating profit	888	707	125.5%	1,603	55.4%
Ordinary profit	778	577	134.9%	1,400	55.6%
Profit	501	377	133.0%	920	54.5%
Earning per share (Yen)	53.13	44.36	-	108.29	-

■ Net sales ¥9,530 million (111.1% vs plan) ⇒ Progress ratio of 55.6% toward FY targets.

■ Ordinary profit ¥770 million (134.9% vs plan) ⇒ Progress ratio of 55.6% toward FY targets.

■ Planning on gradual earning growth quarter to quarter due to expansion of the steady-income businesses

The First Half of FY2018 Sales by Business Segment



Sales by Business Segment

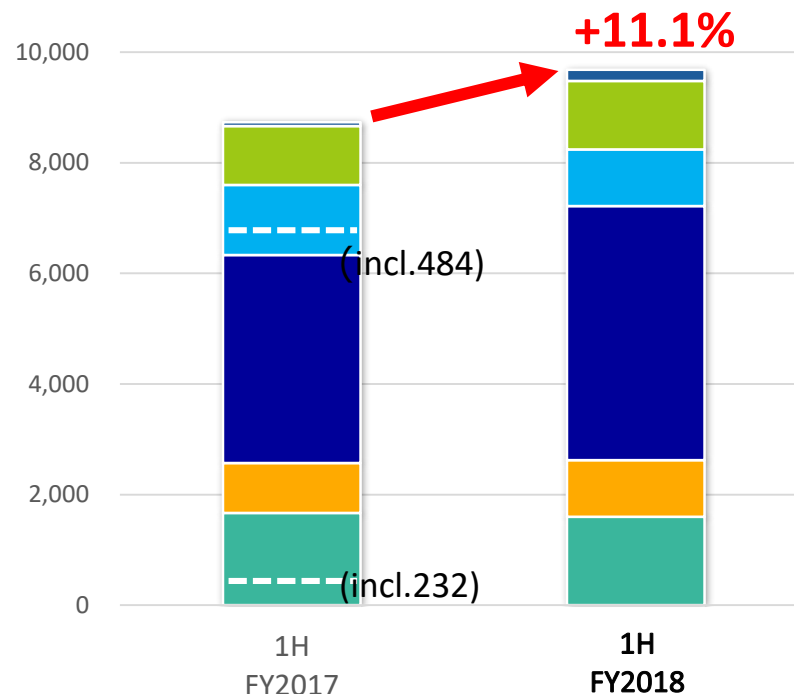
(Year-on-year comparison)

(Millions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY change
Franchisee Business	1,064	1,237	+16.3%
House-Leaseback Business	1,265	1,026	(18.9)%
Real Estate Finance Business	74	205	+174.5%
Real Estate Buying and Selling Business	3,759	4,589	+22.1%
Real Estate Brokerage Business	907	1,026	+13.2%
Renovation Business	1,666	1,600	(3.9)%
Other	4	-	-
Adjustment	(162)	(153)	-
Total	8,579	9,532	+11.1%

Changes in Sales by Business Segment

(Millions of yen)



- Franchisee Business: Focused on increasing the number of franchised stores.
- House-Leaseback Business: Sales decreased because FY2017 includes sales of income property (¥307 million) and sales of high-price HLB properties (¥177 million).
- Real Estate Buying and Selling Business: Steady growth due to changes from safety-critical operation to normal operation.
- Renovation Business : Sales decreased because FY2017 includes new housing sales of ¥232 million (due to decision not to receive orders for new custom-built houses in 1H FY2018).

The First Half of FY2018

Operating Profit by Business Segment



Operating Profit by Business Segment

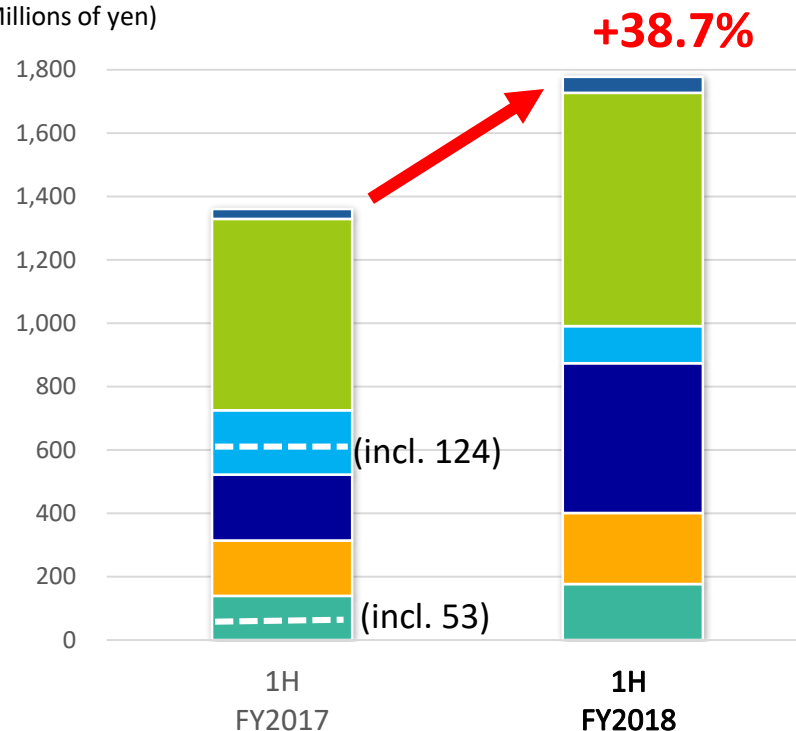
(Year-on-year comparison)

(Millions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY change
Franchisee Business	604	736	+21.9%
House-Leaseback Business	203	117	(42.1)%
Real Estate Finance Business	31	50	+61.0%
Real Estate Buying and Selling Business	208	473	+127.3%
Real Estate Brokerage Business	175	224	+28.0%
Renovation Business	139	177	+27.0%
Other	(6)	-	-
Adjustment	(715)	(891)	-
Total	640	888	+38.7%

Changes in Operating Profit by Business Segment

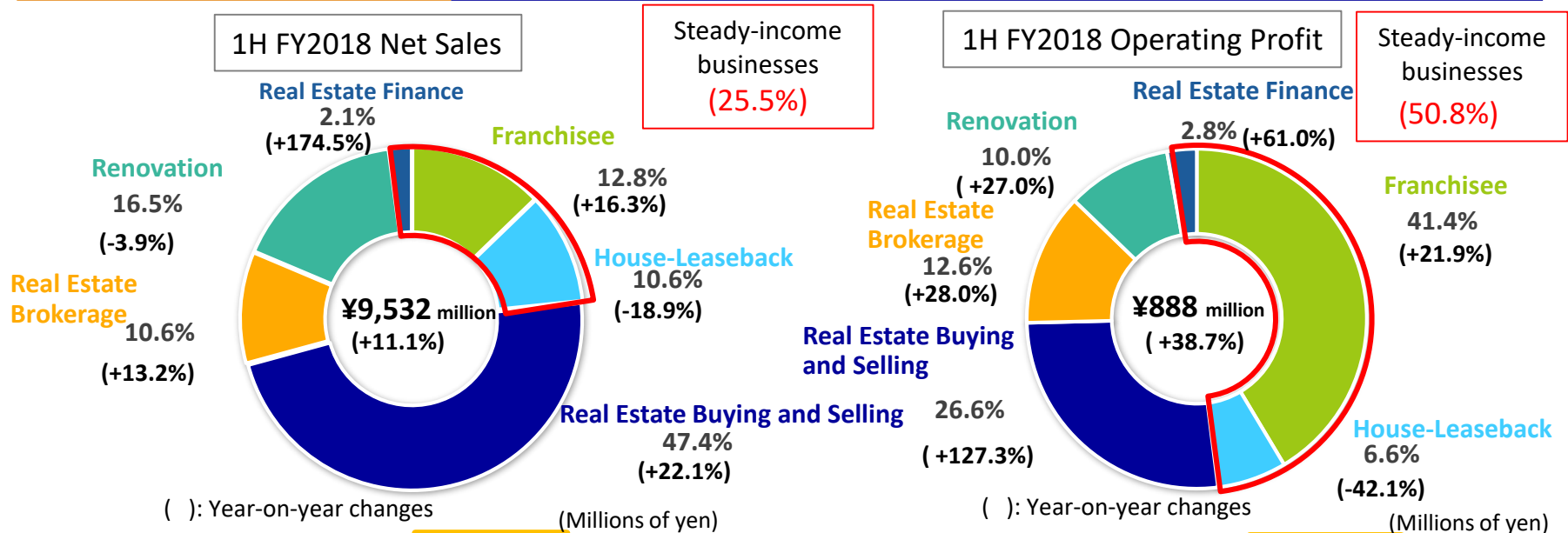
(Millions of yen)



- Franchisee Business : Consistent growth in earnings because of the increasing number of franchised stores.
- House-Leaseback Business: Operating profit decreased because 1H FY2017 includes gain on sales of income property (¥90 million) and of high-price HLB properties (¥34 million).
- Real Estate Buying and Selling Business and Real Estate Brokerage Business : The low rate monetary easing policies helped strong earnings.
- Renovation Business : Earnings affected by gain of ¥53 million from new housing for 1H FY2017.

The First Half of FY2018

Composition of Segment Sales and Operating Profit



	1H FY2017 Results	1H FY2018 Results	YoY change
Franchisee	1,064	1,237	+16.3%
House-Leaseback	1,265	1,026	(18.9)%
Real Estate Finance	74	205	+174.5%
Real Estate Buying and Selling	3,759	4,589	+22.1%
Real Estate Brokerage	907	1,026	+13.2%
Renovation	1,666	1,600	(3.9)%
Other	4	-	-
Adjustment	(162)	(153)	-
Total	8,579	9,532	+11.1%

	1H FY2017 Results	1H FY2018 Results	YoY change
Franchisee	604	736	+21.9%
House-Leaseback	203	117	(42.1)%
Real Estate Finance	31	50	+61.0%
Real Estate Buying and Selling	208	473	+127.3%
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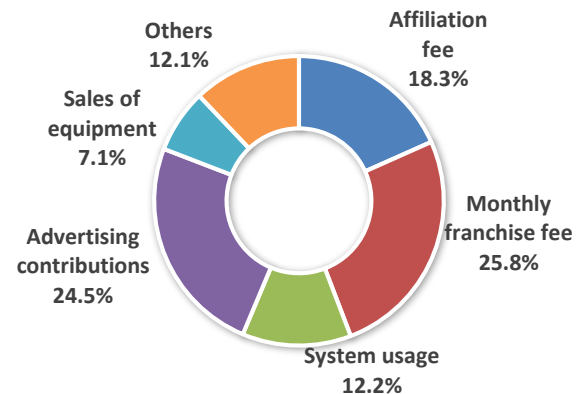
Franchisee Business



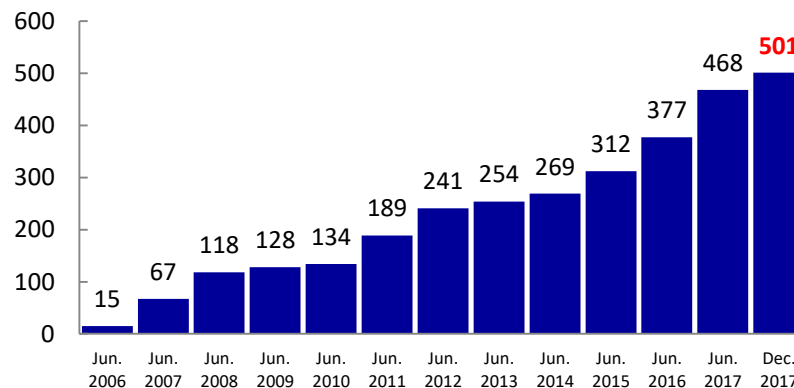
Changes in Net Sales / Operating Profit

	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	1,064	1,237	2,556	48.4%
Operating profit (Millions of yen)	604	736	1,558	47.3%
Operating margin (%)	56.8%	59.5%	60.9%	-
Total no. of franchised stores (incl. stores preparing to open)	421	501	573	-
Total no. of franchised stores opened	352	415	457	-

Franchisee Business Sales Composition



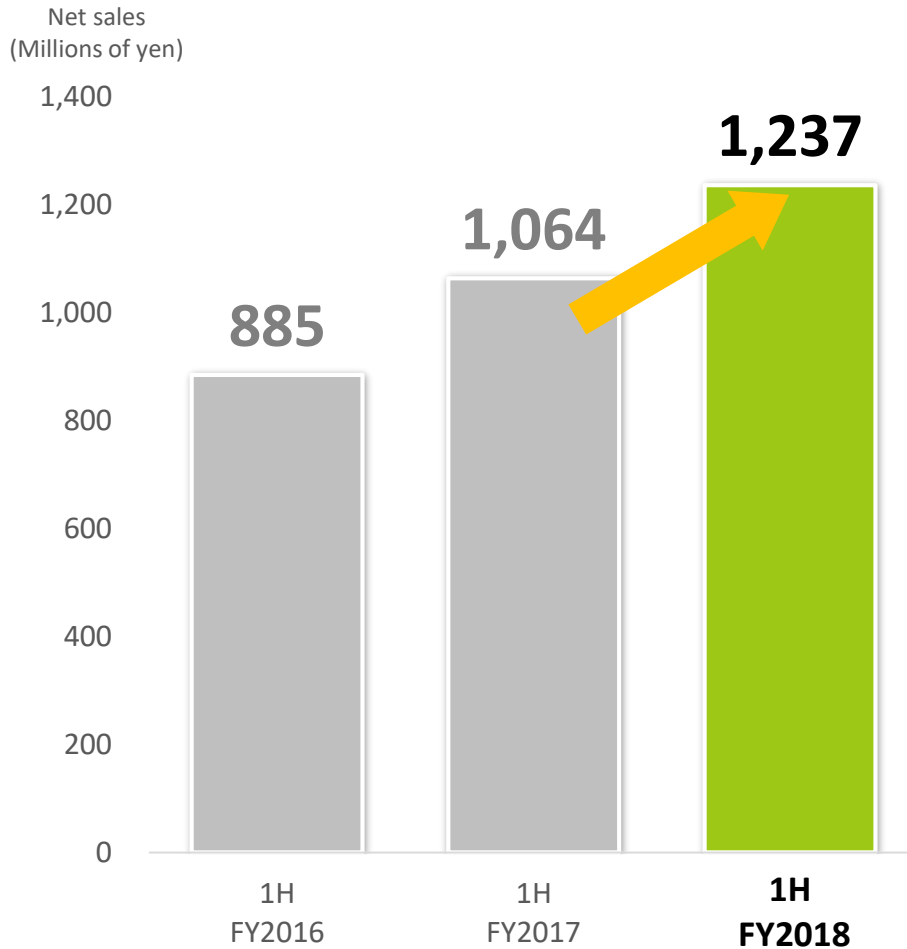
Growth in Number of Franchised Stores



- Steady growth – 63 new franchisee contracts and 65 franchised stores opened during the first half.
- Advertising investments and adding more salespeople helped attract more franchisees.
- To expand business domains, the RENT Do! Brand was launched in order to start a rental business.



Changes in Net Sales



**Net sales
+16.3%**

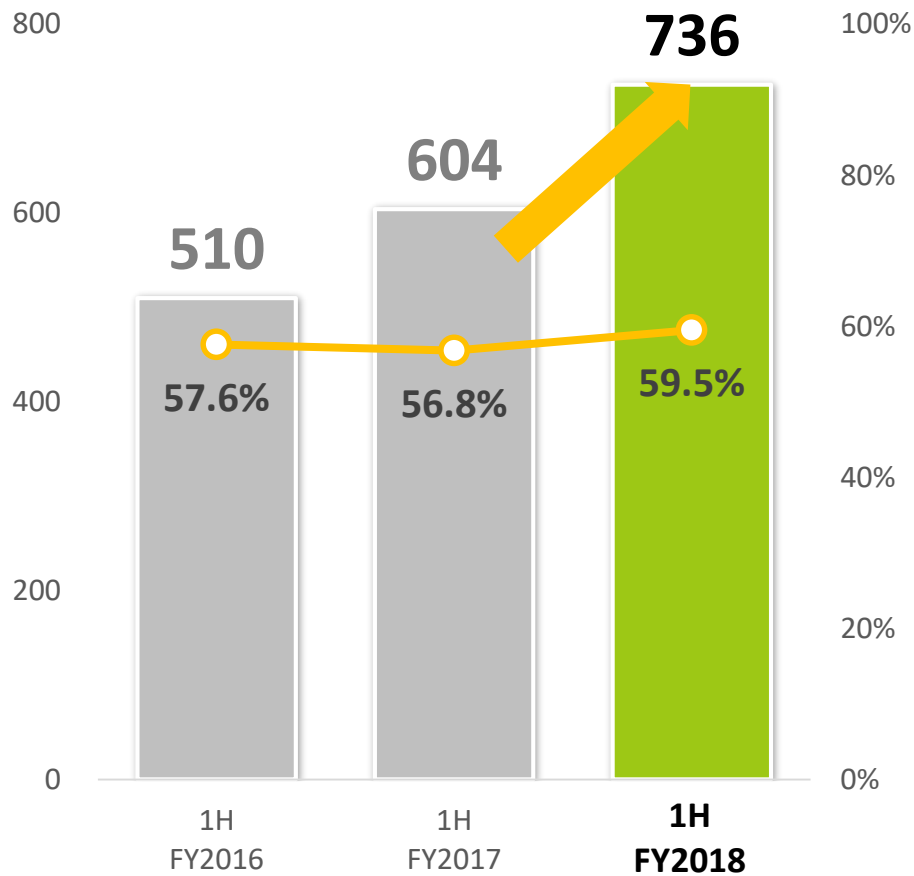


**Progress ratio
48.4%**



Changes in Operating Profit

Operating profit
(Millions of yen)



**Operating profit
+ 21.9%**



**Progress ratio
47.3%**

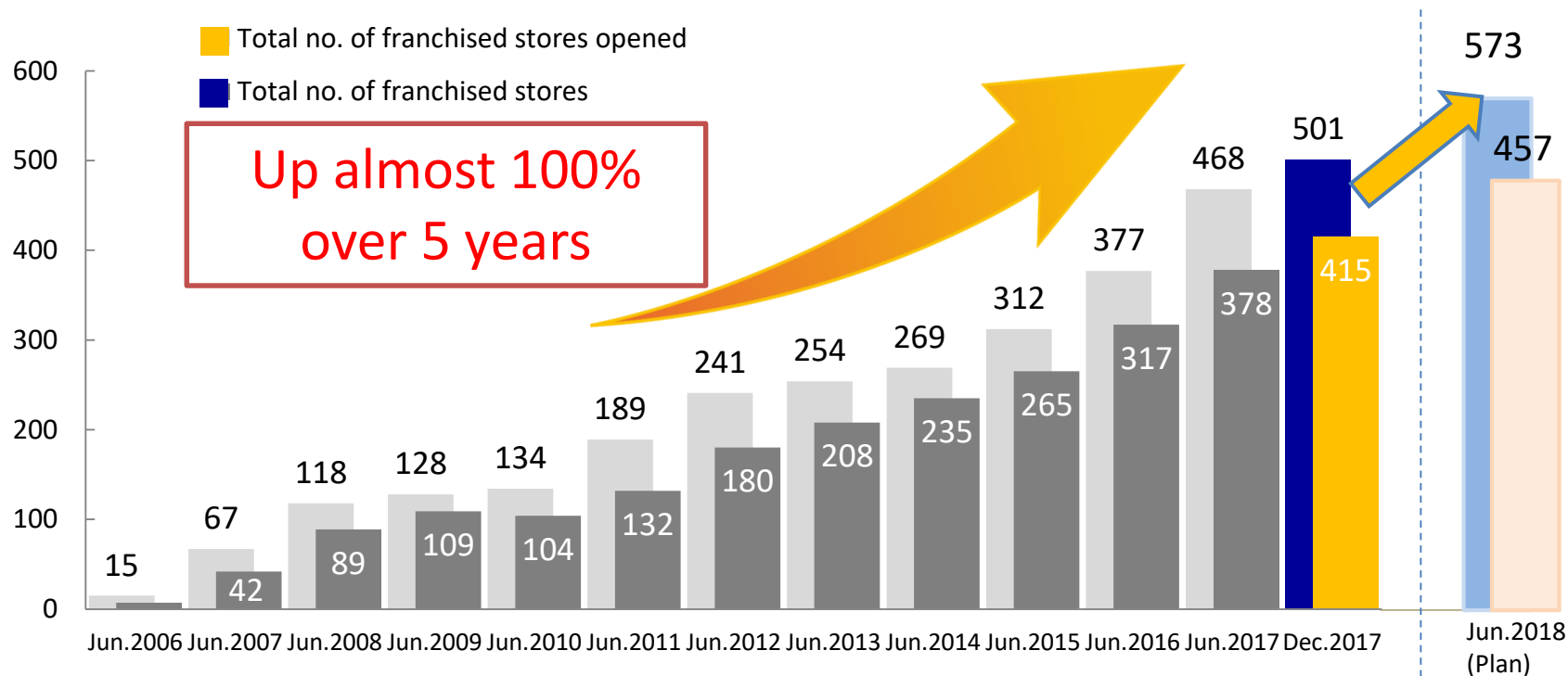


Growth in Number of Franchised Stores



At the end of December 2017, there was a total of 501 franchised stores

Note: Including 86 stores preparing to open



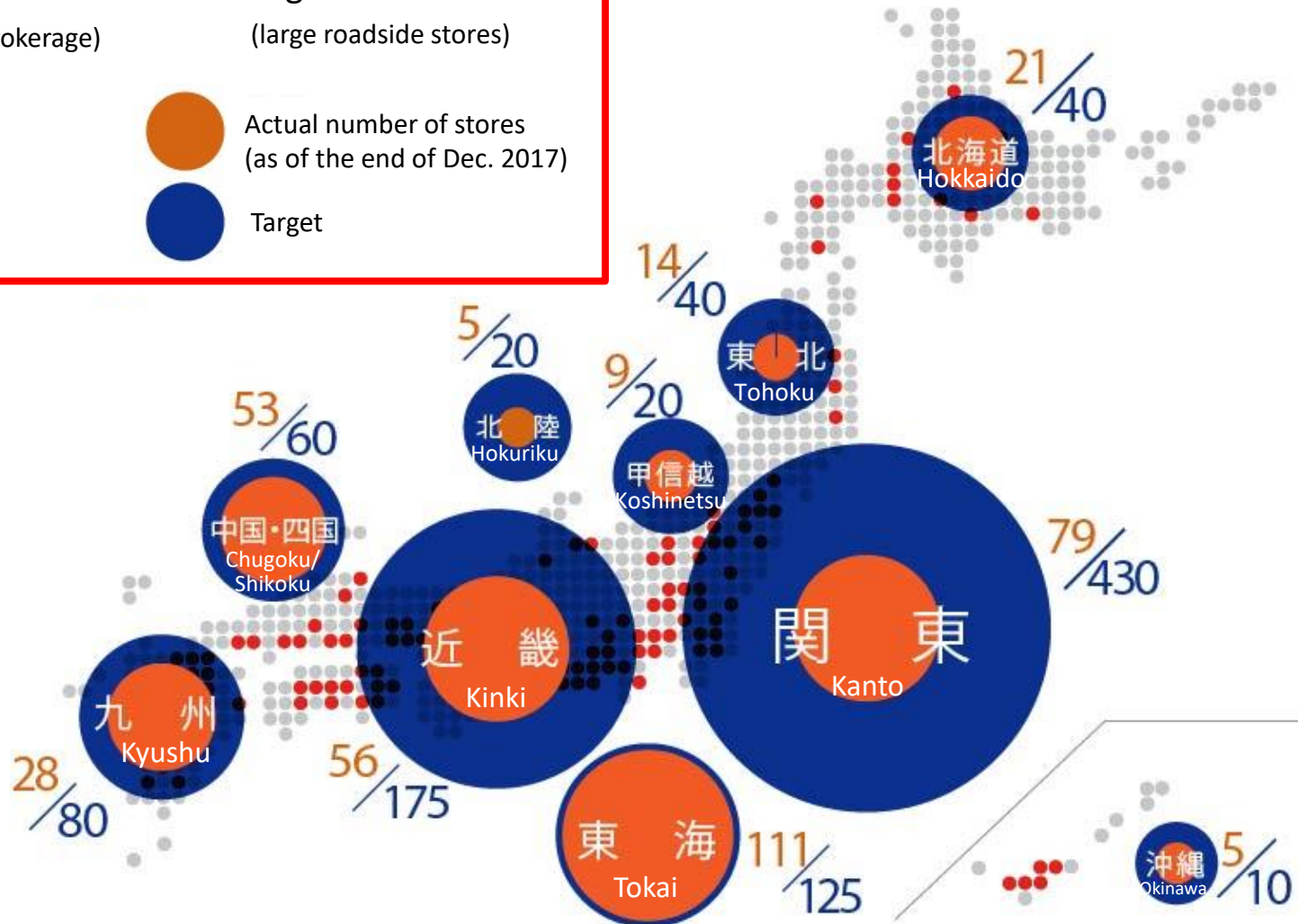
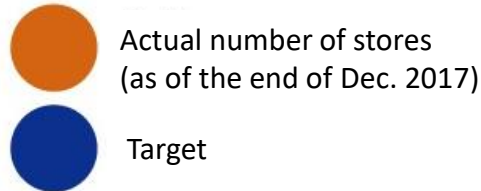
	Satellite stores	Stores specializing in buying houses and other real estate	Housing information malls	Total
Stores franchised to third parties	369	115	0	484
Stores franchised to group companies	7	5	5	17
Total	376	120	5	501

A Nationwide Network of Franchised Stores

Satellite stores + Housing information malls

(only brokerage)

(large roadside stores)



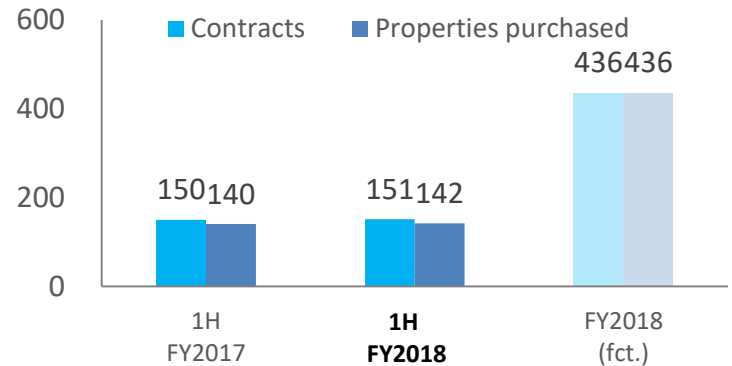


House-Leaseback Business

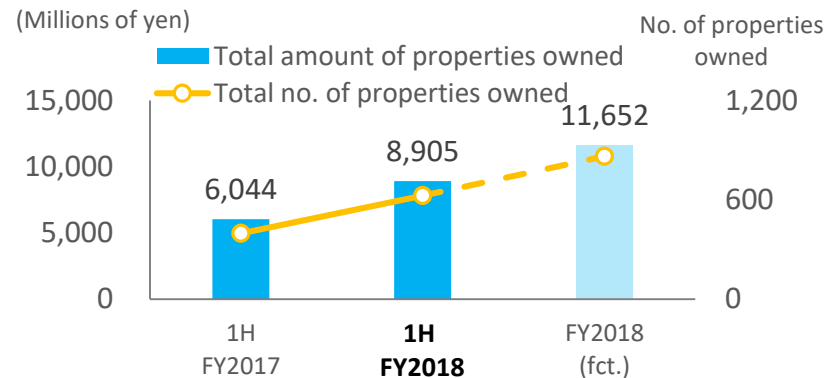


	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	1,265	1,026	2,166	47.4%
Operating profit (Millions of yen)	203	117	331	35.6%
Operating margin (%)	16.1%	11.5%	15.3%	-
No. of house-Leaseback contracts	150	151	436	34.6%
No. of properties purchased	140	142	436	32.6%
Total no. of properties owned	397	626	863	-
Total amount of properties owned (Millions of yen)	6,044	8,905	11,652	-

Changes in Number of Contracts and Properties Purchased



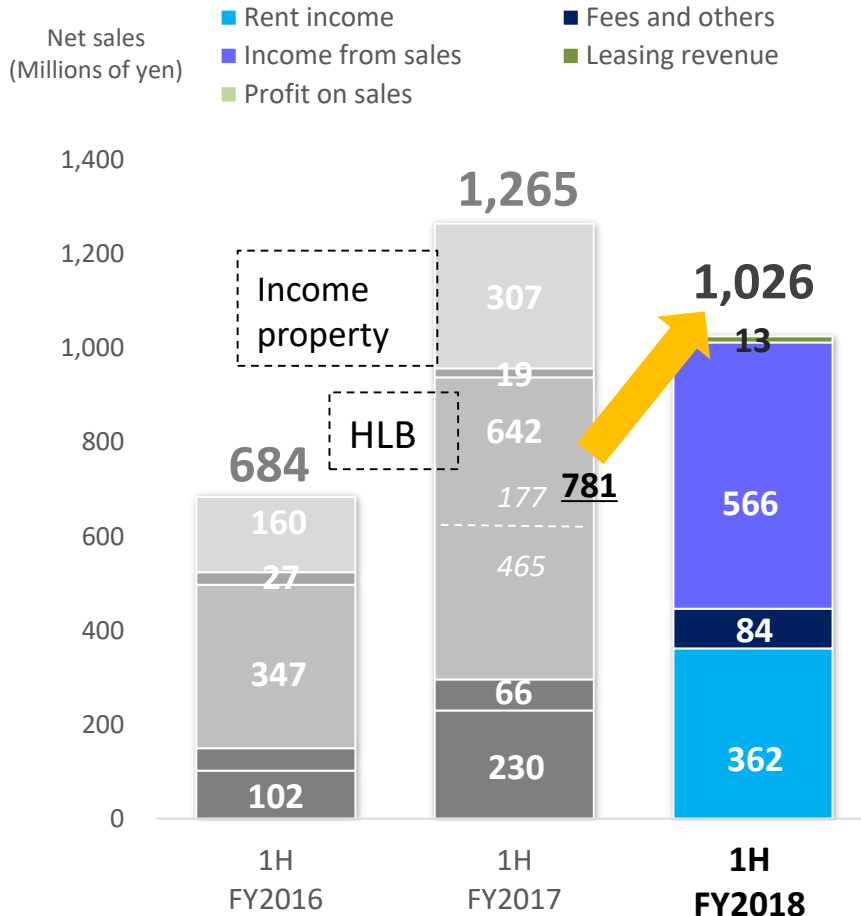
Changes in Total Number and Amount of Properties Owned



- Contracts: 142 ■ House-Leaseback properties sold: 24 in the 1H, ¥566 million
- FY2017 included ¥307 million sales of income property (gross profit of ¥90 million) and ¥177 million sales of high-price HLB properties (gross profit of ¥34 million)
- Properties owned: 626; total amount: ¥8,900 million; **continue consistent activities to increase owned properties**



Changes in Net Sales



Net sales

-18.9%

(Millions of yen)

Irregular facts

- One income property **307**
 - One high-price HLB properties **177**
- 484**

1H FY2017 HLB net sales
(exp. irregular facts)

¥781 million



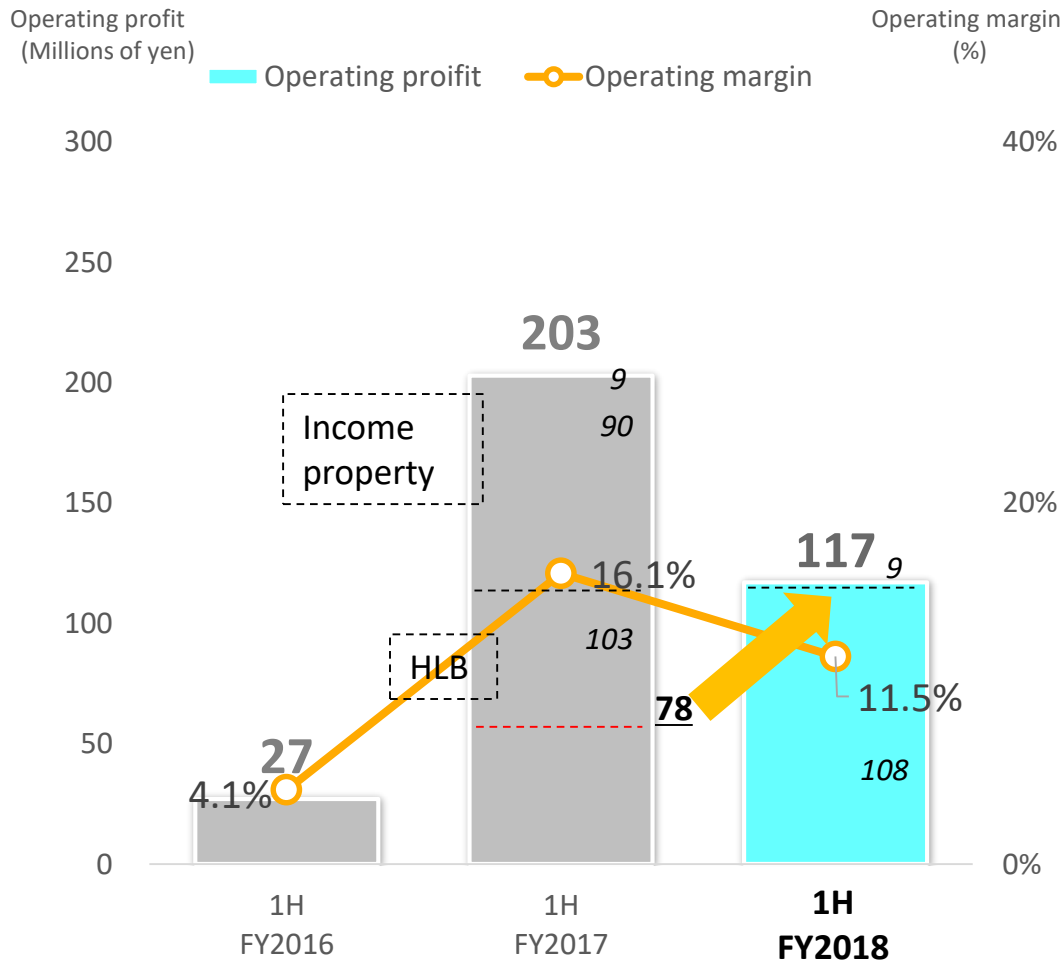
¥1,026 million

1H FY2018 HLB net sales
(exp. irregular facts)

+31.3% YoY



Changes in Operating Profit



Operating profit

-42.1%

1H FY2017 HLB operating profit
(exp. irregular facts)

¥78 million



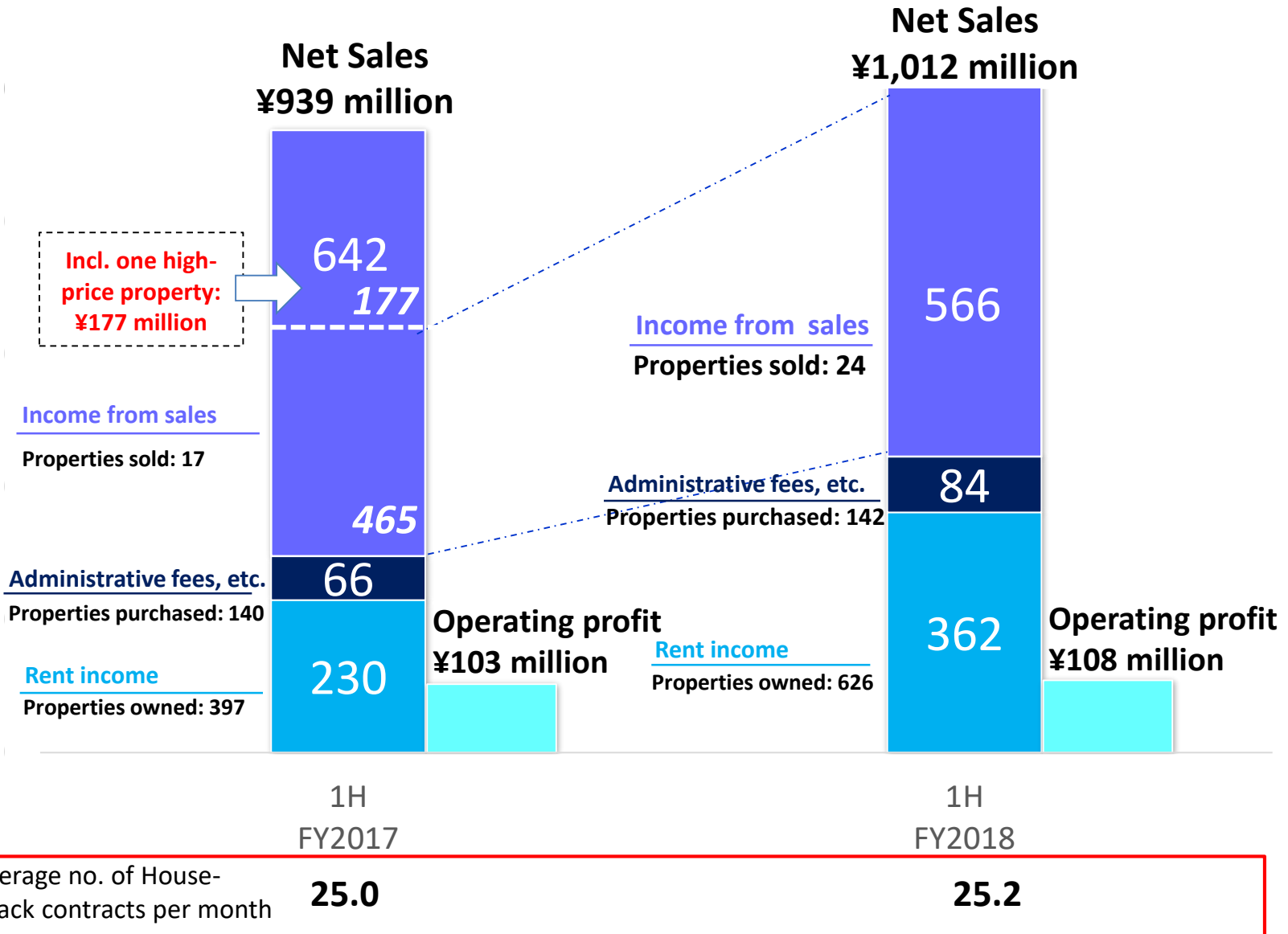
¥117 million

1H FY2018 HLB operating profit
(exp. irregular facts)

+51.0% YoY



House-Leaseback Business (Non-consolidated)





Total Amount and No. of Properties Owned

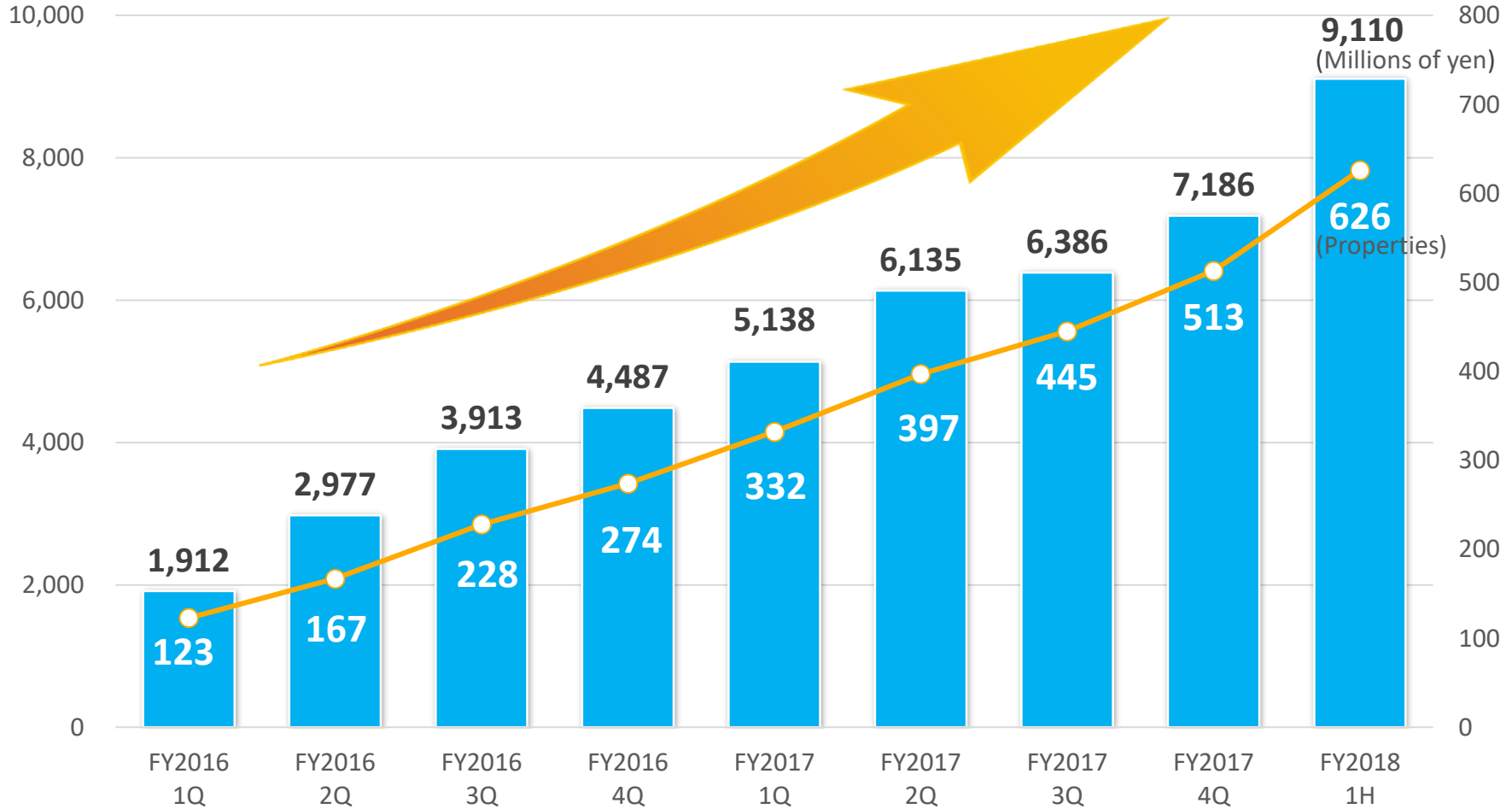


Total amount of properties owned (Millions of yen)

■ Total amount of properties owned ○— No. of properties owned

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

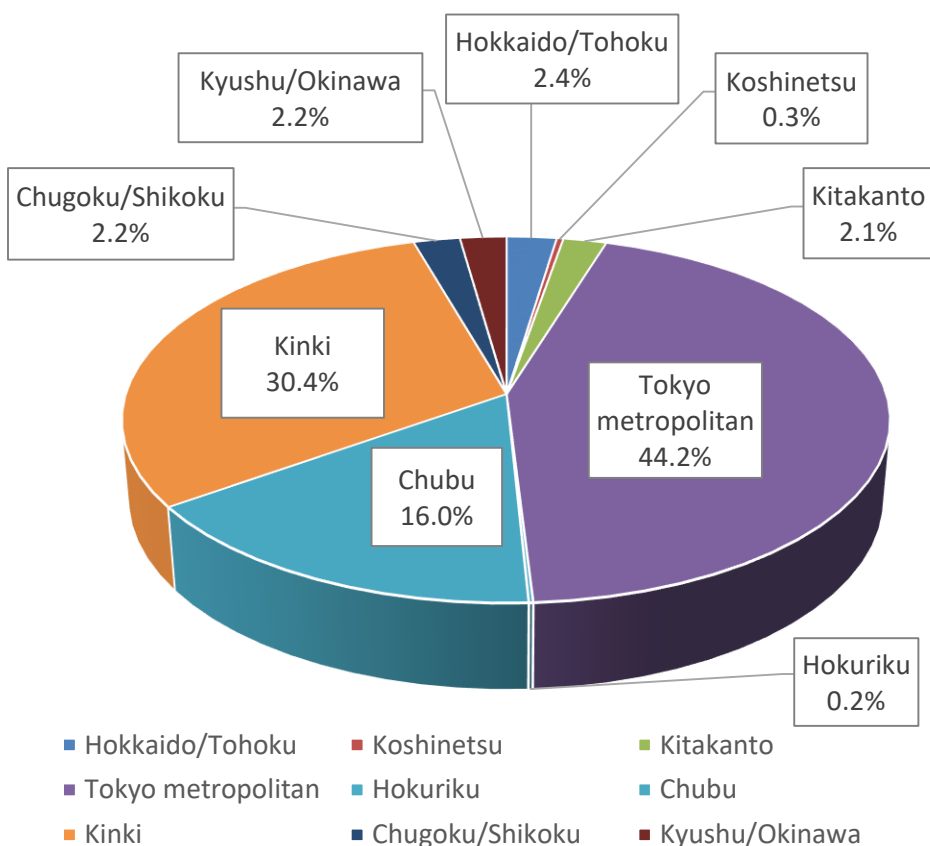
No. of properties owned



Distribution of Properties Owned (at the end of December 2017)



Regional Distribution of Properties Owned



Area	No. of properties	Total amount (Millions of yen)	Unit price (Millions of yen)
Hokkaido/Tohoku	15	169.3	11.3
Koshinetsu	2	12.1	6.0
Kitakanto	13	116.3	8.9
Tokyo metropolitan	277	4,740.7	17.1
Chubu	100	1,146.8	11.5
Hokuriku	1	23.1	23.1
Kinki	190	2,661.3	14.0
Chugoku/Shikoku	14	108.6	7.8
Kyushu/Okinawa	14	131.3	9.4
Total	626	9,109.6	14.6

44.2% in the Tokyo metropolitan area – 90.6% in Japan's big three metro areas of Tokyo, Nagoya (Chubu) and Osaka (Kinki)

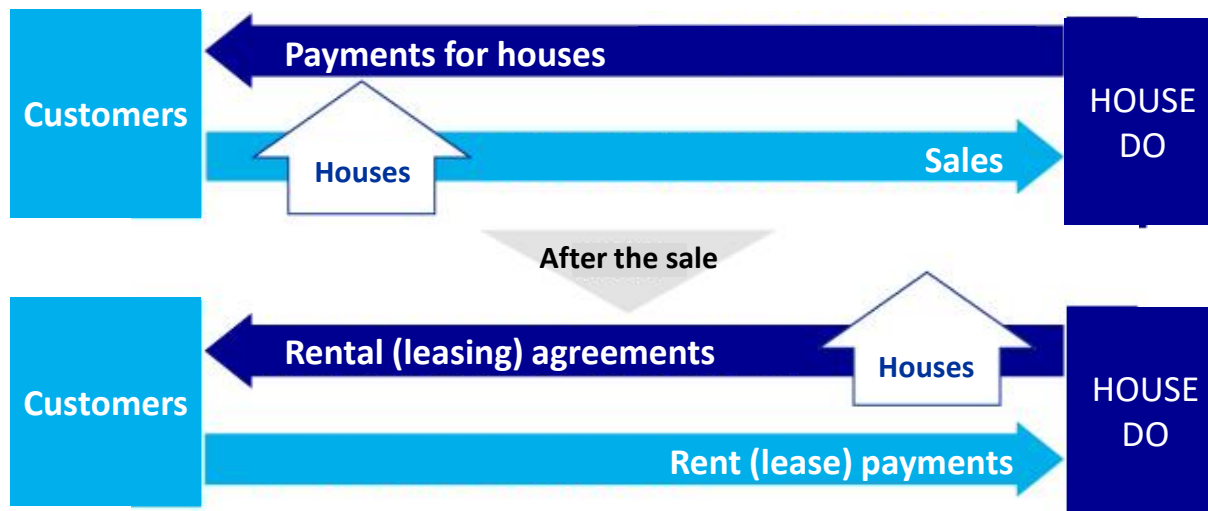
Selling a home while living in it

Stable income



Capital gain

Structure of House-Leaseback



Reasons for the Growth of the House-Leaseback Business

- An immense need for “selling a home while living in it”
- A sharp decrease in the number of moneylenders in Japan
- Exemption from restrictions on total lending limits in the Moneylending Control Act (House-Leaseback does not belong to moneylending business)

→ House-Leaseback is a “blue ocean” strategy business

Periodic visitation and assistance service “Mimamori Do!”

Mimamori Do!

A service to assist age 65+ House-Leaseback customers who are living alone



Acquiring good reputation from customers

For age 65+ people living alone



I live alone but feel safe!



コールサービス Free of charge
(お元気様コール)

“Telephone Reassurance Service”



Good morning!
How are you today?

We will make a phone call every morning.

“Telephone Reassurance Service”

Individuals having the House-Leaseback agreement can request a daily telephone call, including weekends and holidays, to confirm that there are no problems.



House-Leaseback Business

- Meeting the need for “selling a home while living in it”
- Rent (income gain) + Sale (capital gain)
- Effective use of real estate against falling birthrate and depopulation
- Liquidation of real estate
Assets are converted into cash
Cash is then circulated back to the market,
which helps to stimulate the economy
- **Expansion of service areas**
In addition to Japan’s big three metro areas
of Tokyo, Nagoya (Chubu) and Osaka (Kinki),
operation started in Fukuoka



Changes in Net Sales / Operating Profit

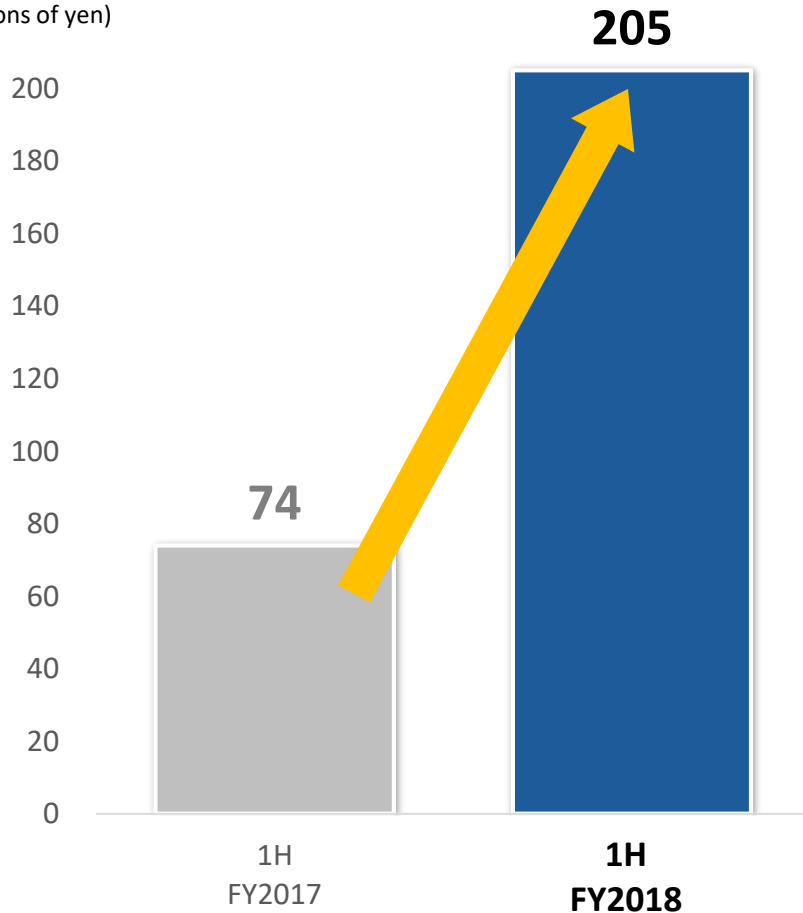
	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	74	205	490	41.8%
Operating profit (Millions of yen)	31	50	160	31.4%
Operating margin (%)	41.8%	24.5%	32.7%	-
No. of real estate secured loans and reverse mortgage guarantees	47	88	207	42.5%

- 88 real estate secured loans and reverse mortgage guarantees
- ¥3.2 billion of real estate secured loans outstanding
- Creating synergies as a supplementary business for the House-Leaseback Business
- The new reverse mortgage guarantee business started in October 2017



Changes in Net Sales

Net sales
(Millions of yen)



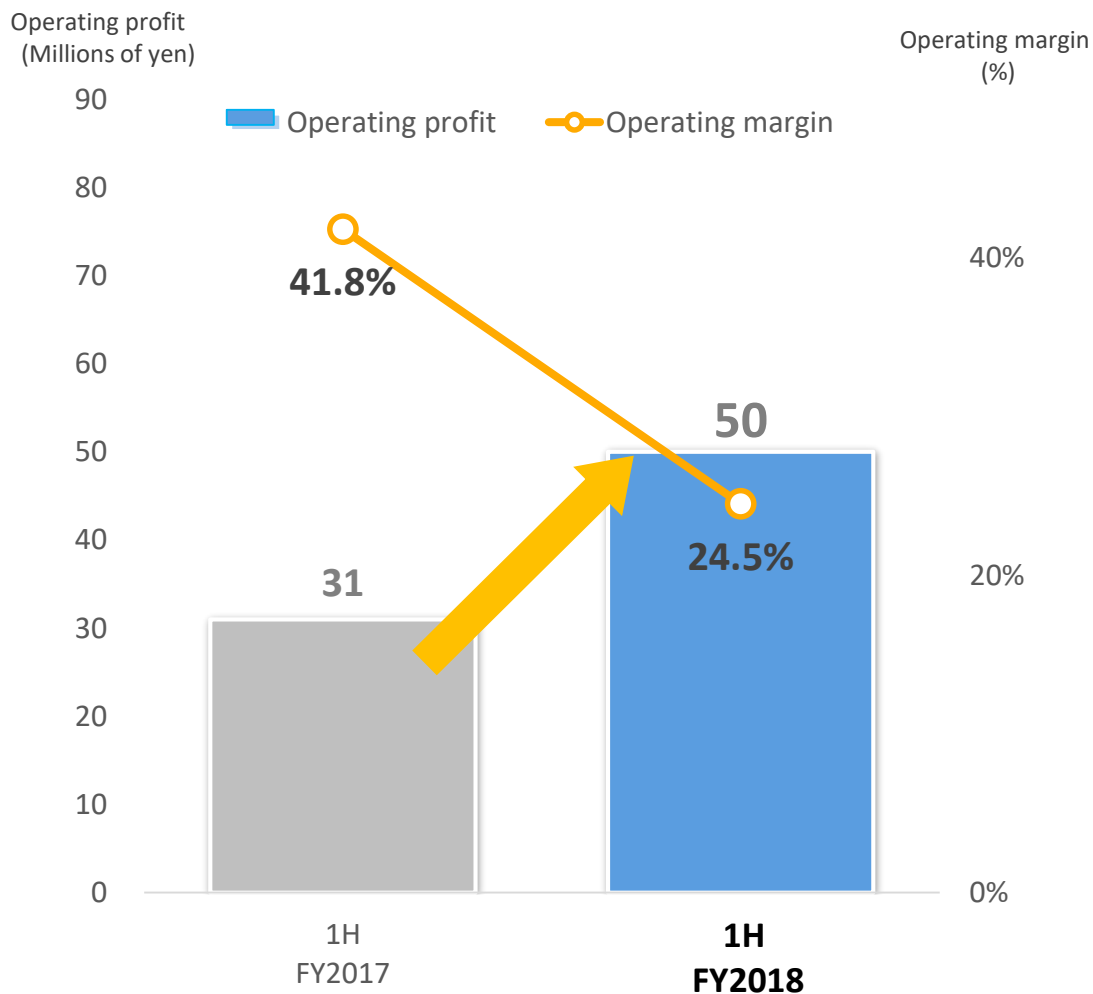
**Net sales
+ 174.5%**



**Progress ratio
41.8%**



Changes in Operating Profit



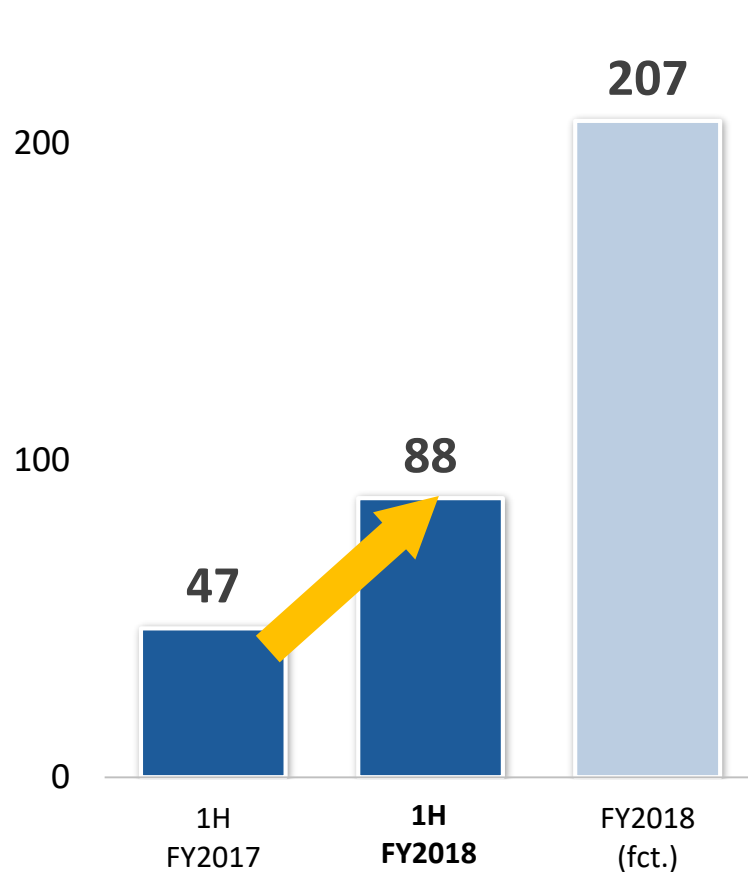
**Operating profit
+61.0%**



**Progress ratio
31.4%**



Changes in Number of Real Estate Secured Loans and Reverse Mortgage Guarantees

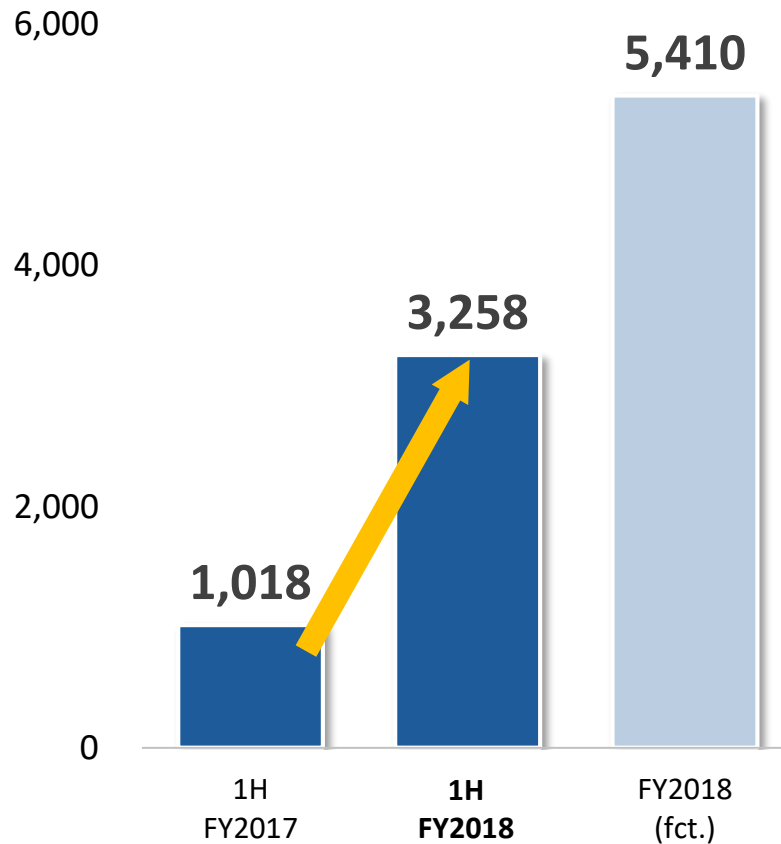


88
real estate
secured loans
and
reverse mortgage
guarantees



Changes in Loans Outstanding

(Millions of yen)



**Real estate secured loan
outstanding
¥3.2 billion**

Start of the reverse mortgage guarantee service





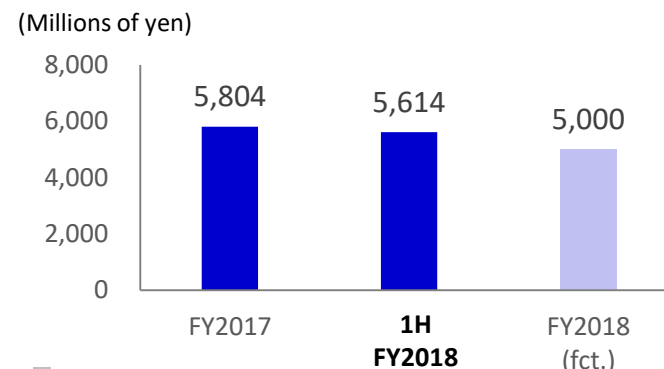
Real Estate Buying and Selling Business



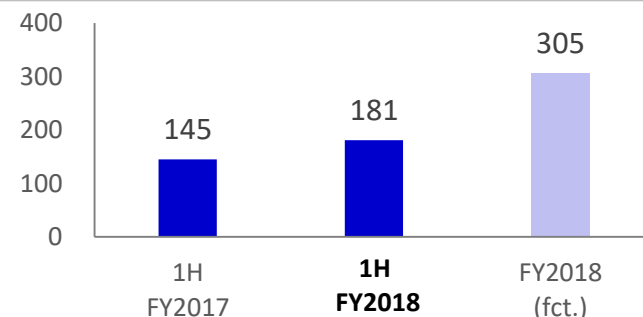
Changes in Net Sales / Operating Profit

	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	3,759	4,589	7,375	62.2%
Operating profit (Millions of yen)	208	473	481	98.3%
Operating margin (%)	5.5%	10.3%	6.5%	-
Number of transactions	145	181	305	59.3%

Changes in Inventories



Changes in Number of Transactions

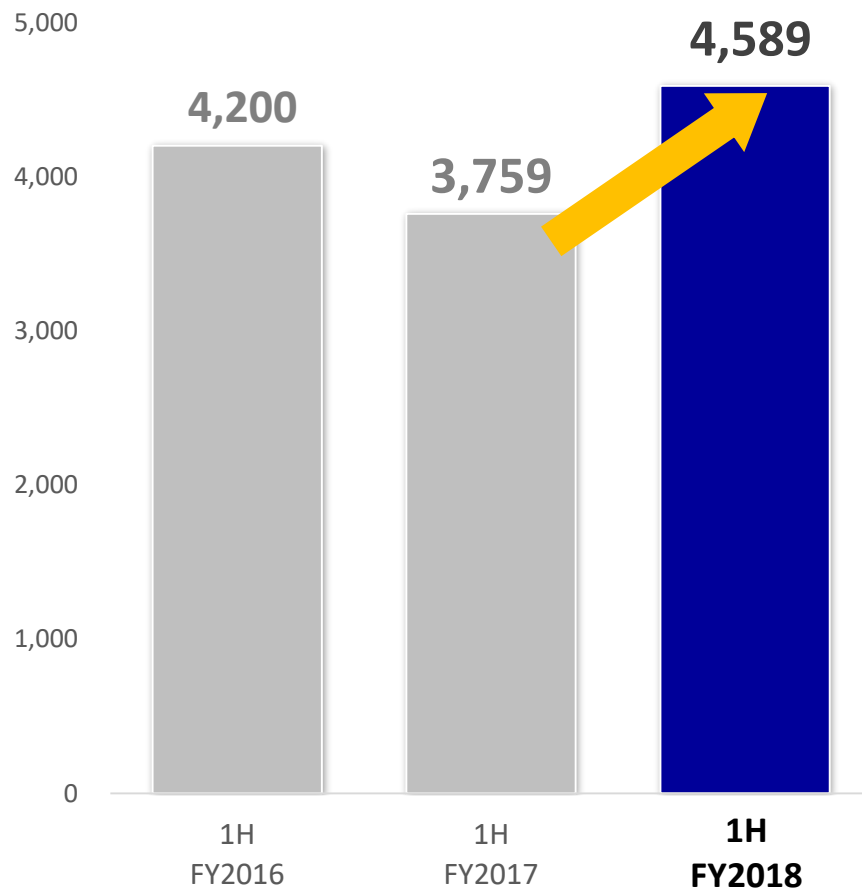


- Steady growth due to changes from safety-critical operation to normal operation.
- Demand for property remains high on the back of the continued low rate monetary easing policies.
- Reinforced purchasing in area where directly managed stores operate using synergies and a cautious stance regarding risk exposure when purchasing high-price properties in urban area.
- The inventory was unchanged at about ¥5 billion due to the decision to place priority on inventory turnover rather than quantity.

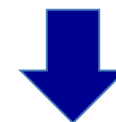


Changes in Net sales

Net sales
(Millions of yen)



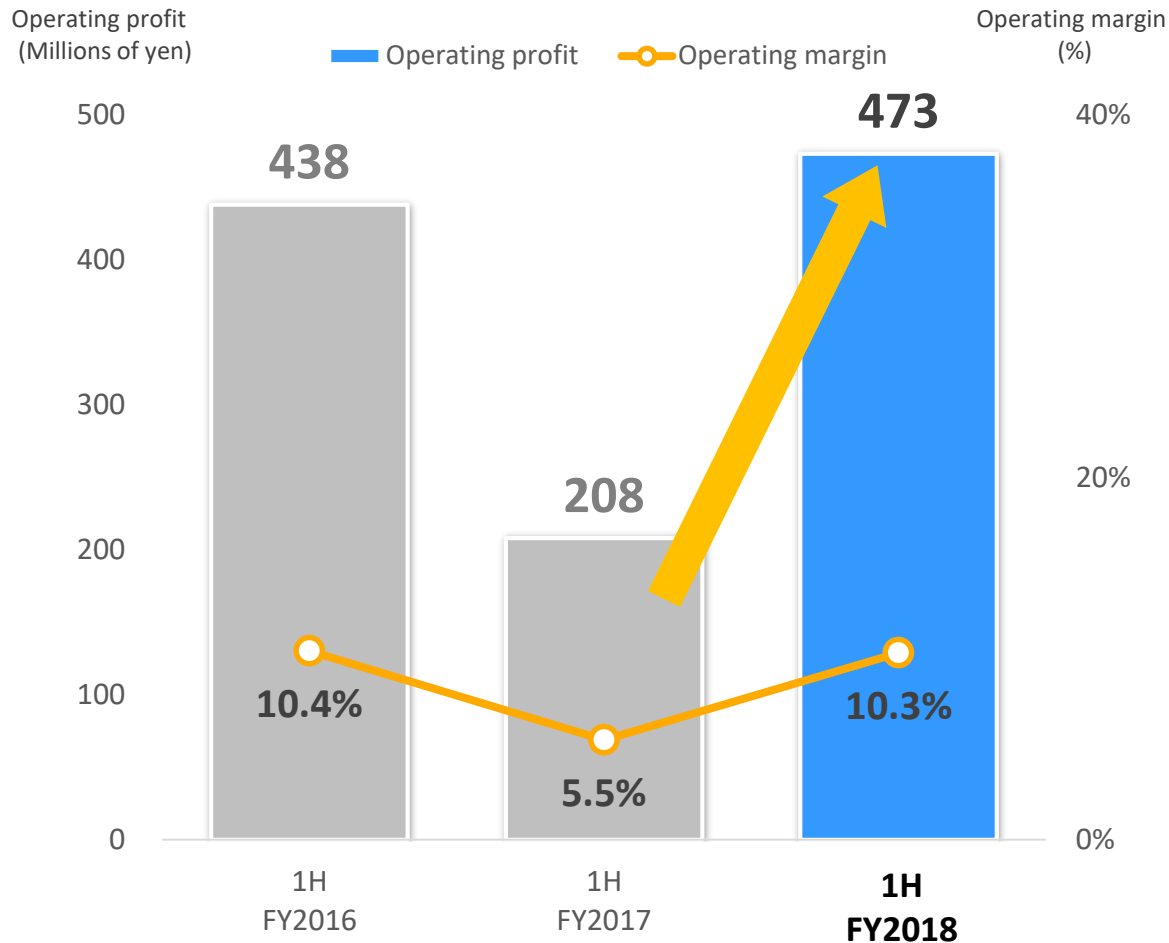
**Net sales
+22.1%**



**Progress ratio
62.2%**



Changes in Operating Profit



Operating profit

+127.3%

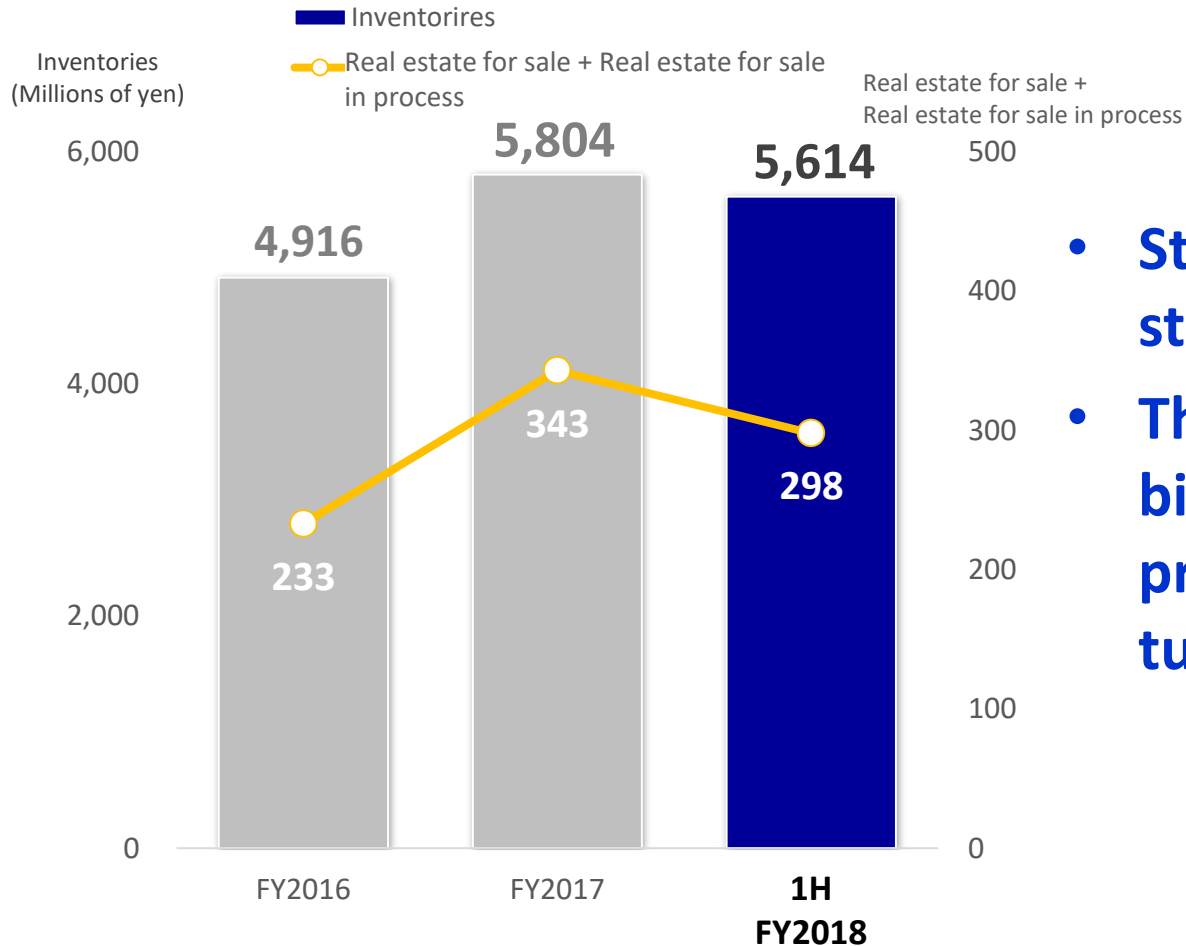


Progress ratio

98.3%



Changes in Inventories



- **Steady growth due to strong purchasing**
- **The inventory about ¥5 billion is unchanged and priority is inventory turnover**



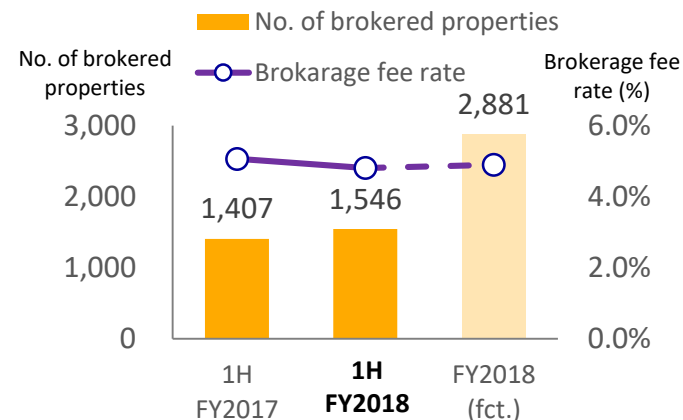
Real Estate Brokerage Business



Changes in Net Sales / Operating Profit

	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	907	1,026	1,901	54.0%
Operating profit (Millions of yen)	175	224	253	88.7%
Operating margin (%)	19.4%	21.9%	13.3%	-
Number of brokered properties	1,407	1,546	2,881	53.7%
Brokerage fee rate	5.07%	4.81%	4.90%	-

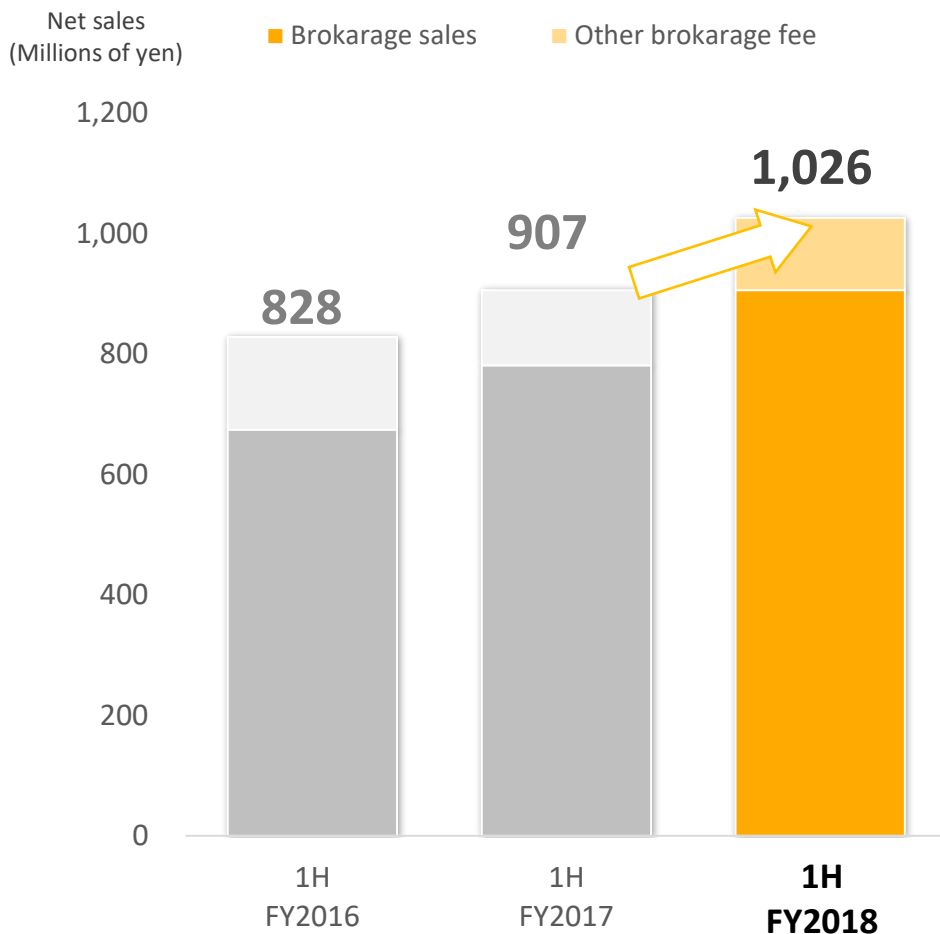
Changes in Number of Brokered Properties and Brokerage Fee Rate



- **Brokered properties increased 139, +9.9% YoY**
- Performance remained strong and the operating margin improved despite the shift of human resources to the steady-income businesses.
- Using synergies originating with the real estate brokerage business for growth of renovation and real estate purchasing operations (A role model for franchised stores).

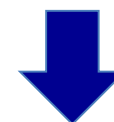


Changes in Net Sales



Net sales

+13.2%



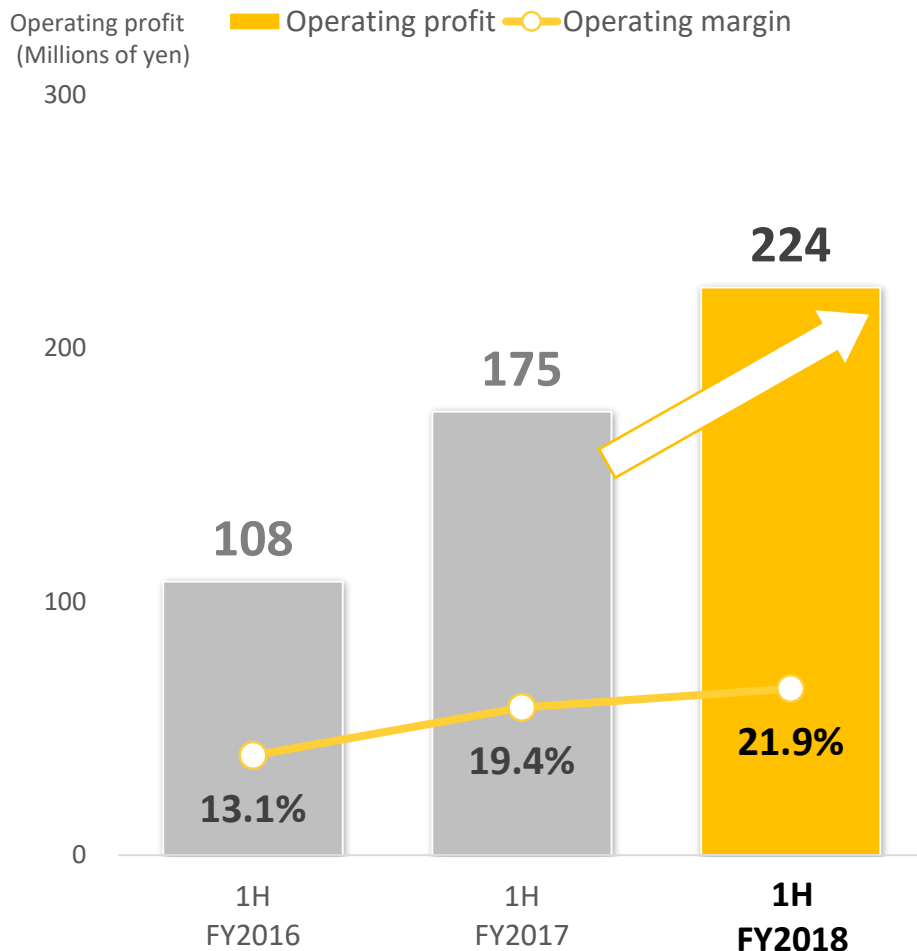
Progress ratio

54.0%

**2 directly operated
stores opened
in Okinawa and Aichi**



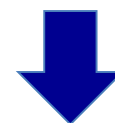
Changes in Operating Profit



Operating profit

+28.0%

- Growth of young staff members



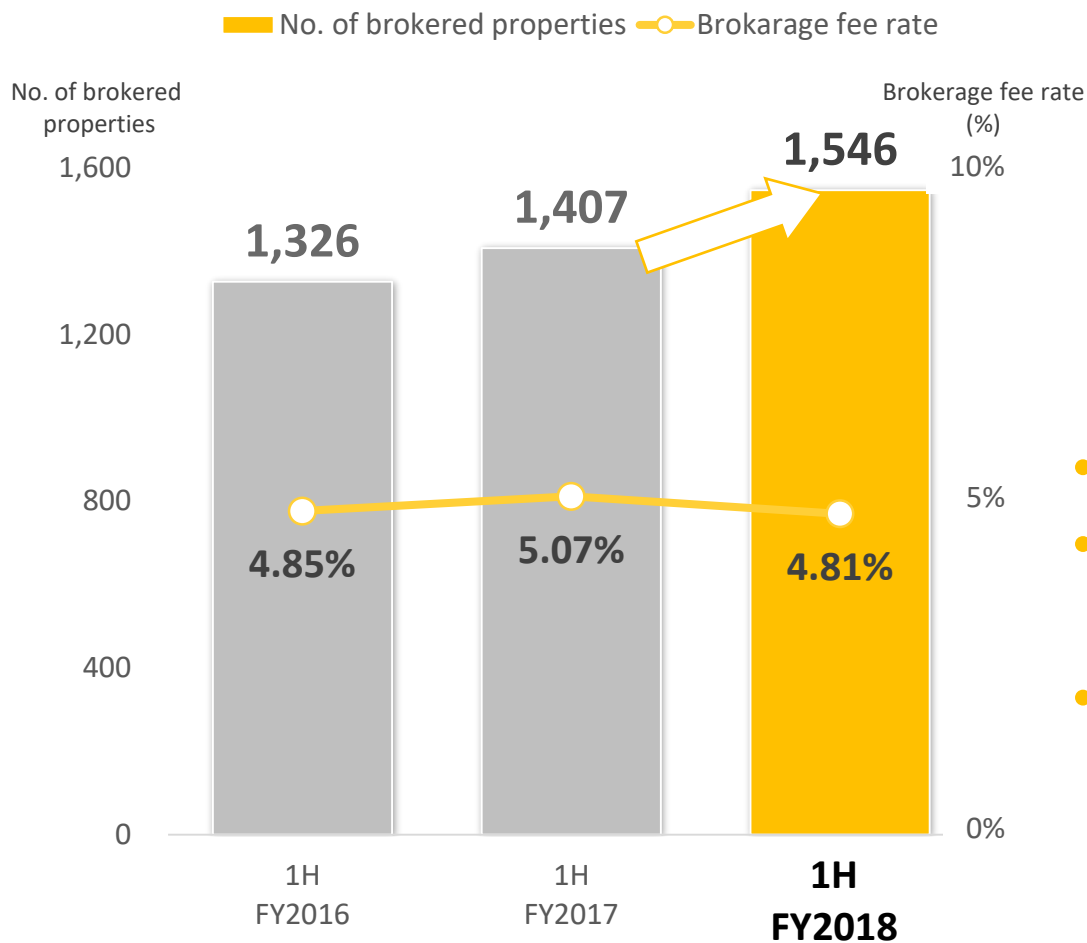
Progress ratio

88.7%

2 directly operated stores opened in Okinawa and Aichi

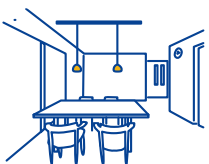


Changes in Number of Brokered Properties and Brokerage Fee Rate



No. of brokered properties +9.9%

- TSE 1st listing
- Higher awareness of HOUSEDO brand
- More franchised stores



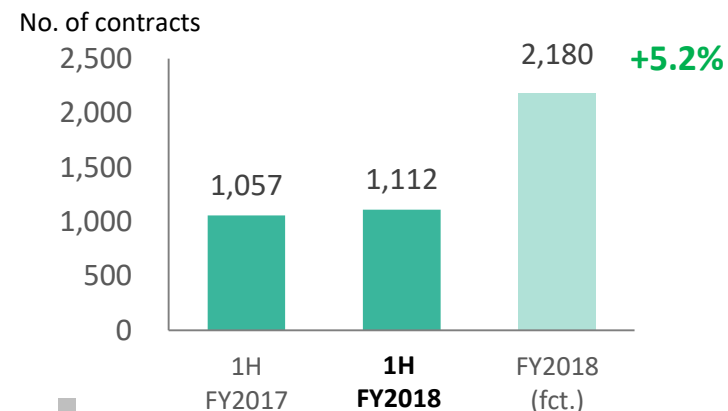
Renovation Business



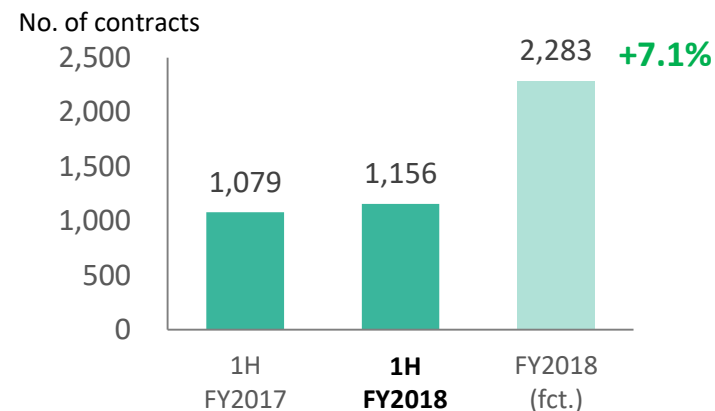
Changes in Net Sales / Operating Profit

	1H FY2017	1H FY2018	FY2018 (fct.)	Progress ratio
Net sales (Millions of yen)	1,666	1,600	2,978	53.8%
Operating profit (Millions of yen)	139	177	201	88.0%
Operating margin (%)	8.4%	11.1%	6.8%	-
Renovation contracts	1,057	1,112	2,180	51.0%
Renovation contracts completed	1,079	1,156	2,283	50.6%

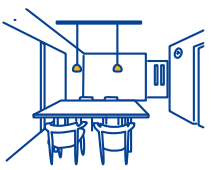
Changes in Renovation Contracts



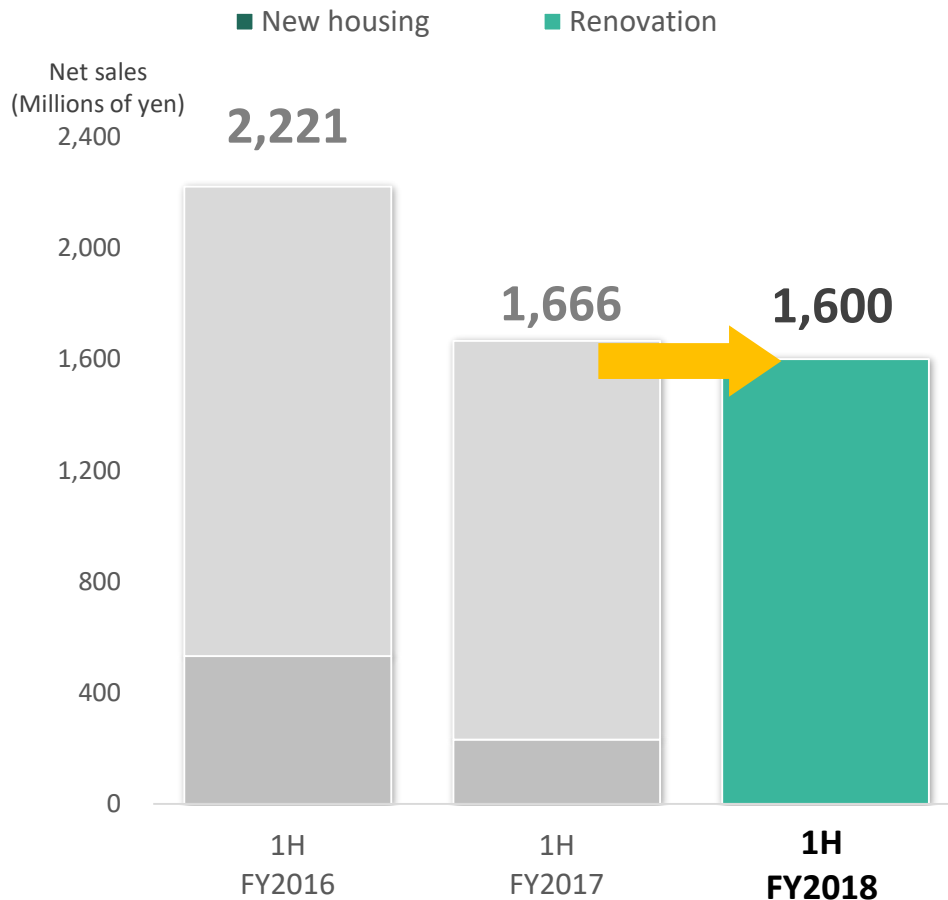
Changes in Renovation Contracts Completed



- FY2017 sales included new housing sales of ¥232 million (gross profit of ¥53 million).
- By targeting opportunities involving existing houses, orders are currently solid for existing housing brokerage/renovation package deals.



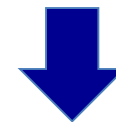
Changes in Net Sales



Net sales

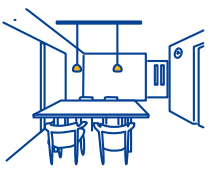
-3.9%

1H FY2017 included new housing
Contract of ¥232 million

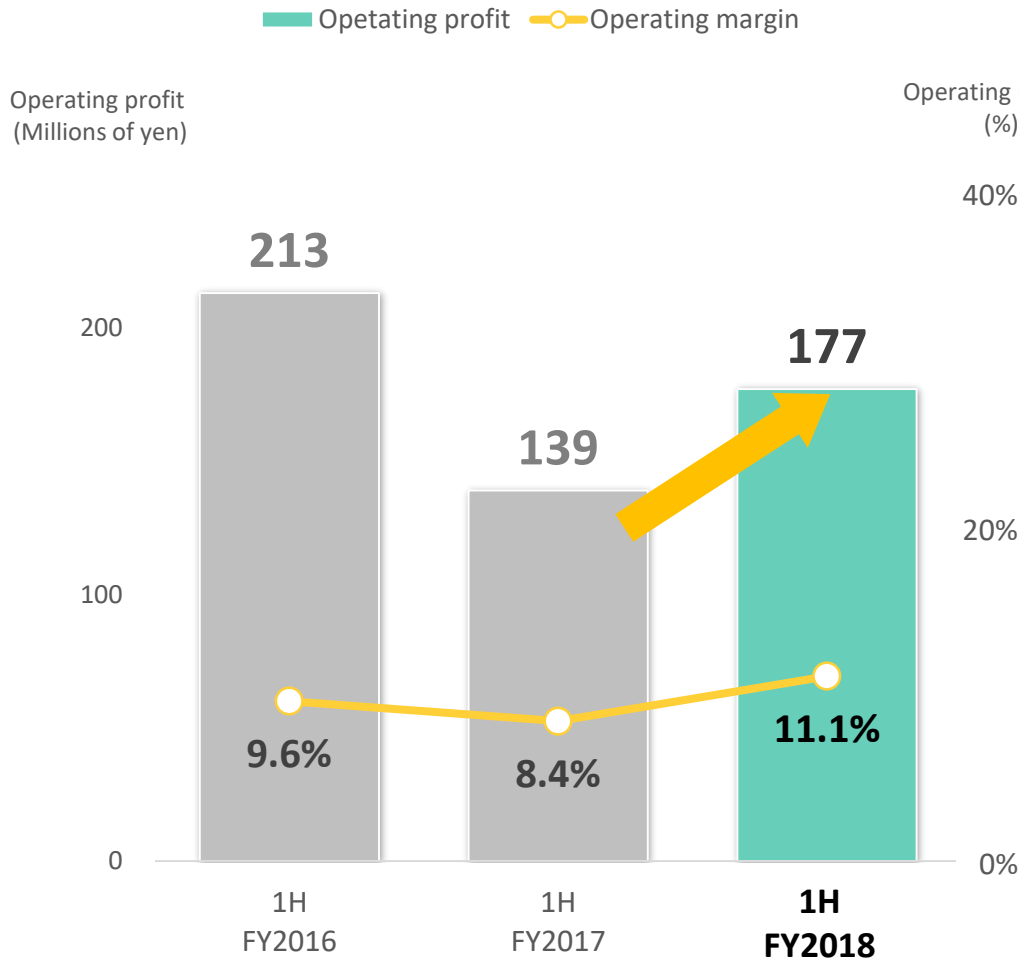


Progress ratio

53.8%



Changes in Operating Profit



Operating profit
+27.0%



Progress ratio
88.0%

Selling, General and Administrative Expenses



SG&A Expenses

(Millions of yen)

	1H FY2017		1H FY2018		YoY change
		% to sales		% to sales	
SG&A expenses	2,607	30.4%	3,026	31.8%	16.1%
Personnel	1,333	15.5%	1,466	15.4%	10.0%
Advertising and promotion	554	6.5%	633	6.6%	14.3%
Office maintenance	105	1.2%	125	1.3%	18.9%
Others	614	7.2%	800	8.4%	30.4%
(Gross profit)	3,248	37.9%	3,915	41.1%	+20.5%

- SG&A expenses increased to 31.8% of sales from 30.4% one year earlier.
 - Shifted existing employees to the steady-income businesses in order to target opportunities for earnings growth.
 - Advertising expenses increased due to additional advertisements reflecting the larger number of stores and investments for the faster growth of the Franchisee Business and House-Leaseback Business.
- Others increased because of higher fees paid in association with sales, evaluations/attorney fees in association with preferred stock issuance, and growth in administrative expenses due mainly to the higher IT system maintenance investments

Consolidated Balance Sheet



(Millions of yen)

	FY2017	1H FY2018	Change
Current assets	12,212	12,630	+417
Cash and deposits	3,129	3,157	+28
Inventories	5,804	5,614	(190)
Other	3,278	3,858	+579
Non-current assets	8,060	10,043	+1,982
Property, plant and equipment	7,729	9,702	+1,972
Intangible assets	56	51	(4)
Investments and other assets	274	288	+14
Total assets	20,273	22,673	+2,400

(Millions of yen)

	FY2017	1H FY2018	Change
Liabilities	17,494	16,558	(935)
Current liabilities	10,071	9,640	(430)
Non-current liabilities	7,422	6,917	(504)
Net assets	2,779	6,114	+3,335
Shareholders' equity	2,776	6,108	+3,331
Accumulated other comprehensive income	0	0	0
Subscription rights to shares	2	6	+4
Total liabilities and net assets	20,273	22,673	+2,400

Shareholder's equity ratio: 13.7% → 26.9%

- Inventories decreased because of a decline in real estate for sale
- Other current assets increased because of operating loans in the Real Estate Finance Business.
- Property, plant and equipment increased because of the larger number of House-Leaseback transactions.

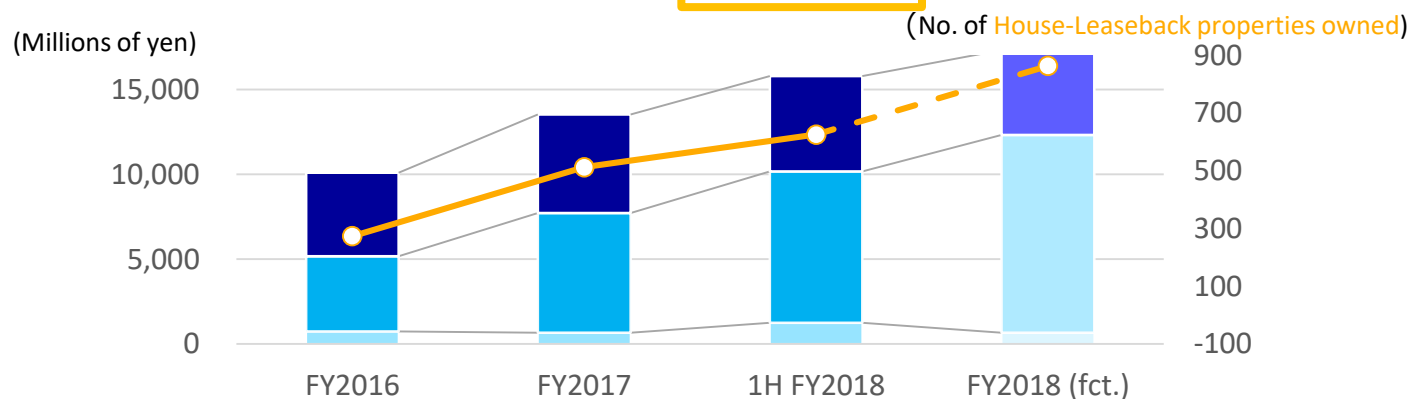
- Current liabilities decreased mainly because of the repayment of short-term loans payable and current portion of long-term loans payable.
- Non-current liabilities decreased because of the repayment of long-term loans payable.
- Shareholders' equity increased, the net result of higher retained earnings resulting from profit and a reduction due to dividend payments.
- **The sale of preferred stock on October 17, 2017 added ¥3.0 billion to shareholders' equity.**

Inventories and Non-current Assets



(Millions of yen)

	FY2016	FY2017	1H FY2018	FY2018 (fct.)
Inventories	4,916	5,804	5,614	5,000
Non-current assets (Buildings and land)	5,174	7,710	10,167	12,319
Assets for House-Leaseback Business	4,427	7,043	8,905	11,652
Assets for rent income, etc.	746	667	1,262	666
Total no. of House-Leaseback properties owned	274	513	626	863



- 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. 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 personnel and advertising/promotion activities.

- Dividend policy: Increase corporate value through sustainable growth of business operations and improving profitability
- Plan to pay dividends with a payout ratio of at least 25%

	FY2017	FY2018 (fct.)
Dividend per share (Yen)	20	27
Total dividends (Millions of yen)	169	229
Earnings per share (Yen)	87.02	108.29
Dividend payout ratio (%)	23.0%	25%+

Shareholder Benefits



■ Purpose of shareholder benefits

Shareholder benefits are a means of thanking shareholders for their support, making HOUSEDO 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 HOUSEDO shareholder benefit website. Shareholders can exchange points for food products, electronics, gift items, Quo Cards, and original HOUSEDO items. Points can also be used to make donations to charities.

(One point is about ¥1)

Shares owned	Shareholder benefit points		Receiving
	One Year	Two years or more (Note)	
100-299 shares	1,500 pt	1,650 pt	End of Sep. in the schedule
300-499 shares	3,000 pt	3,300 pt	
500-699 shares	5,000 pt	5,500 pt	
700-999 shares	7,000 pt	7,700 pt	
1,000-1,999 shares	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.

FY2018 Second Quarter Investor Relations/Public Relations Announcements



Date	Subject
Oct. 2, 2017	First directly managed store in Kyushu opened to continue growth of the House-Leaseback Business
Oct. 2, 2017	Start of a reverse mortgage guarantee service using an alliance with a financial institution
Oct. 10, 2017	Start of a smart matching service for professionals to assist HOUSEDO franchised stores nationwide
Oct. 10, 2017	Relocation of Financial Do head office and establishment of Tokyo branch office
Oct. 16, 2017	Allocation of stock options (subscription rights to shares)
Oct. 17, 2017	Completion of payment for and issuance of preferred stock using a third-party allotment and reductions in capital stock and capital surplus
Oct. 26, 2017	Determination of terms for issuing stock options (subscription rights to shares)
Nov. 7, 2017	Start of free periodic home visit service for monitoring senior House-Leaseback customers living alone
Nov. 13, 2017	Start of distribution of housing loan application evaluation simulation app
Dec. 13, 2017	Corporate alliance intermediary contract signed with Nihon M&A Center
Dec. 15, 2017	Full-scale start of HOUSEDO registered independent agent system for real estate sales
Dec. 18, 2017	Start of real estate rental business and establishment of new brand
<p>More information about these releases (in Japanese) is available on the HOUSEDO website (http://www.housedo.co.jp/).</p>	

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**FY2018 Fiscal Year Plan and
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FY2018 Plan:

Sales and Operating Profit by Business Segment



(Millions of yen)	Net sales	YoY change	Operating profit	YoY change	Ordinary profit
Franchisee Business	2,556	+15.1%	1,558	+19.4%	
House-Leaseback Business	*1 2,166	(22.8)%	331	+0.3%	
Real Estate Finance Business	490	+121.6%	160	+119.9%	
Real Estate Buying and Selling Business	7,375	+3.7%	481	+14.0%	
Real Estate Brokerage Business	1,901	+2.3%	*2 253	(32.2)%	
Renovation Business	2,978	+1.2%	201	(5.1)%	
Other	-	-	-	-	Non-operating income: +36
Adjustment	(323)	-	(1,382)	-	Non-operating expenses: (240)
Total	17,146	+1.8%	1,603	+28.4%	1,400

■ Plan to increase operating profit by 28.4% and ordinary profit by 27.0% (+27.0%)

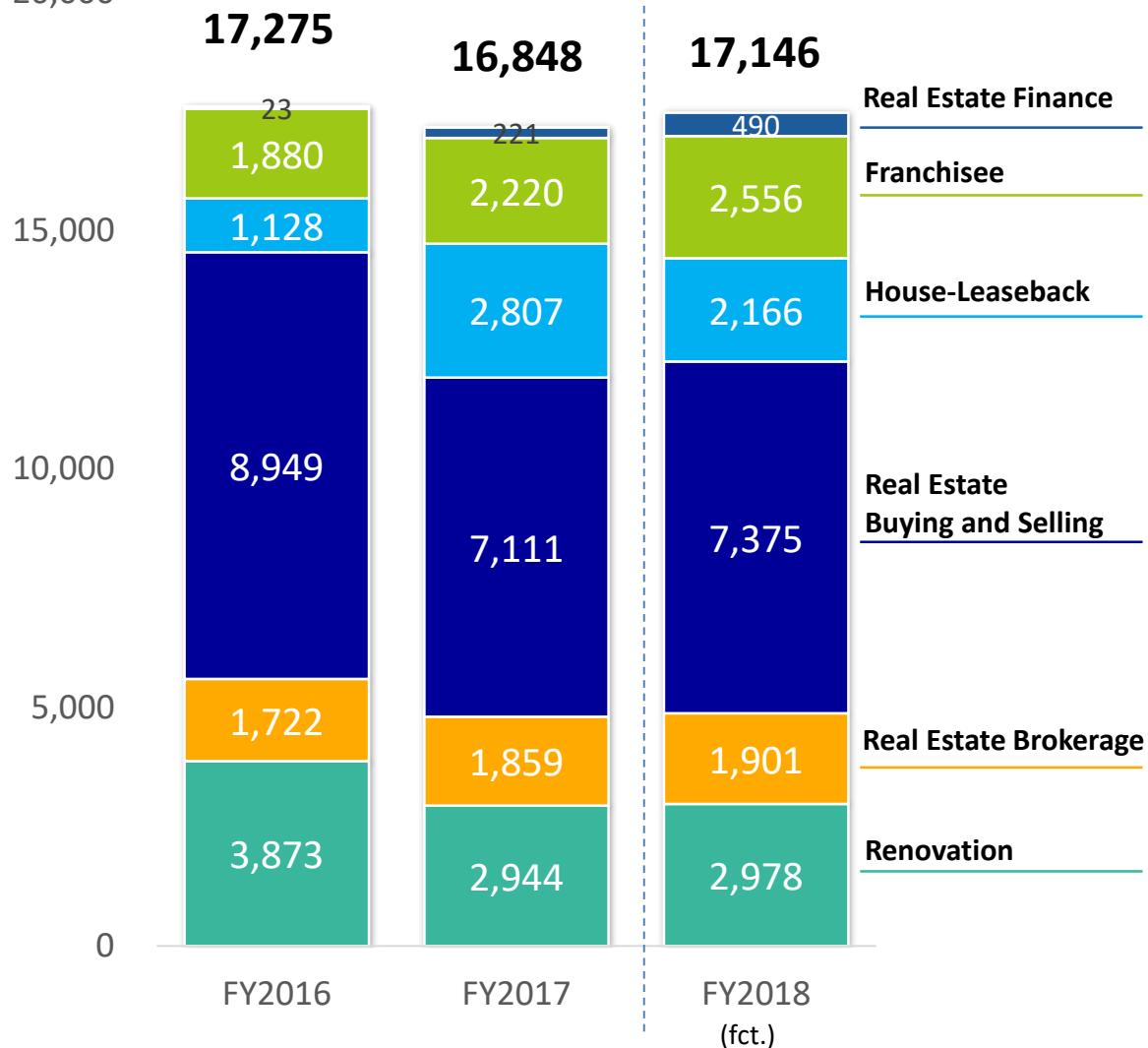
*1 Sales down because of the FY2017 sales in the House-Leaseback Business of five high-price properties resulting in aggregate sales of ¥833 million and a profit of ¥132 million

*2 Profit down because of investments to open two directly operated stores

FY2018 Plan: Sales by Business Segment



Net sales
(Millions of yen)
20,000

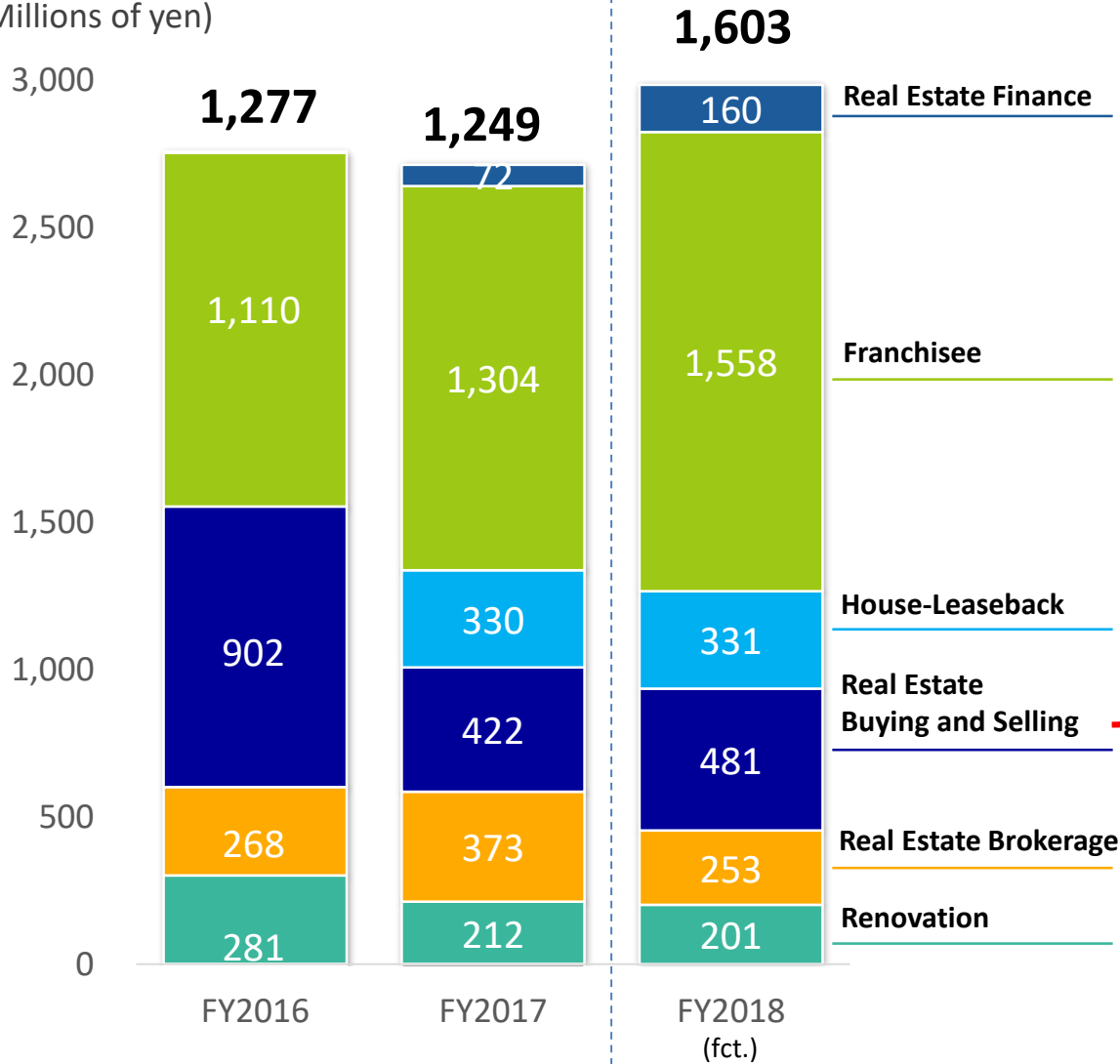


**Steady-income
businesses
29.8%**

FY2018 Plan: Operating Profit by Business Segment



Operating profit
(Millions of yen)



Steady-income businesses 68.6%

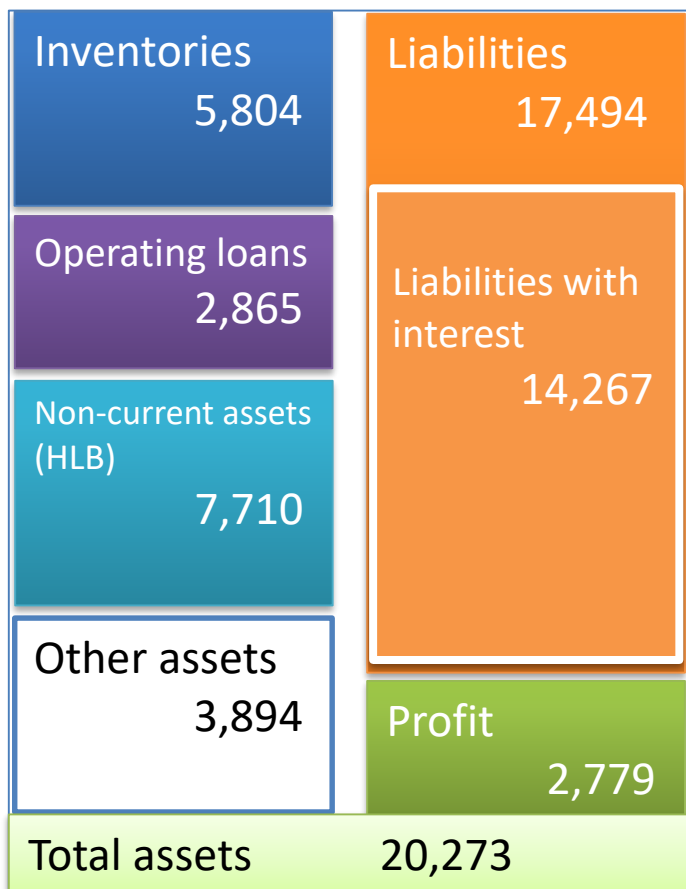
Consistent growth in Steady-income businesses

Change in Balance Sheet

FY2017→End of FY2018 Plan

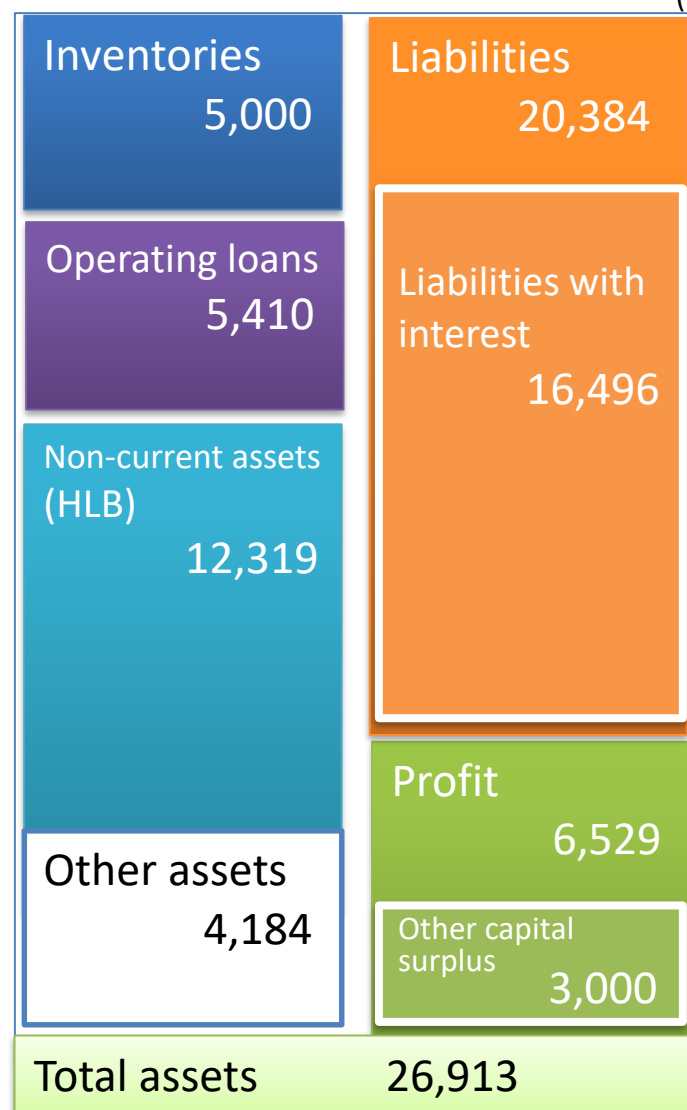
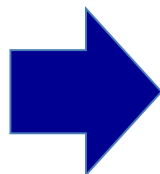


(Millions of yen)



FY2017 Shareholder's equity ratio: 13.7%

The sale of preferred stock on October 17, 2017 added ¥3.0 billion to shareholders' equity.



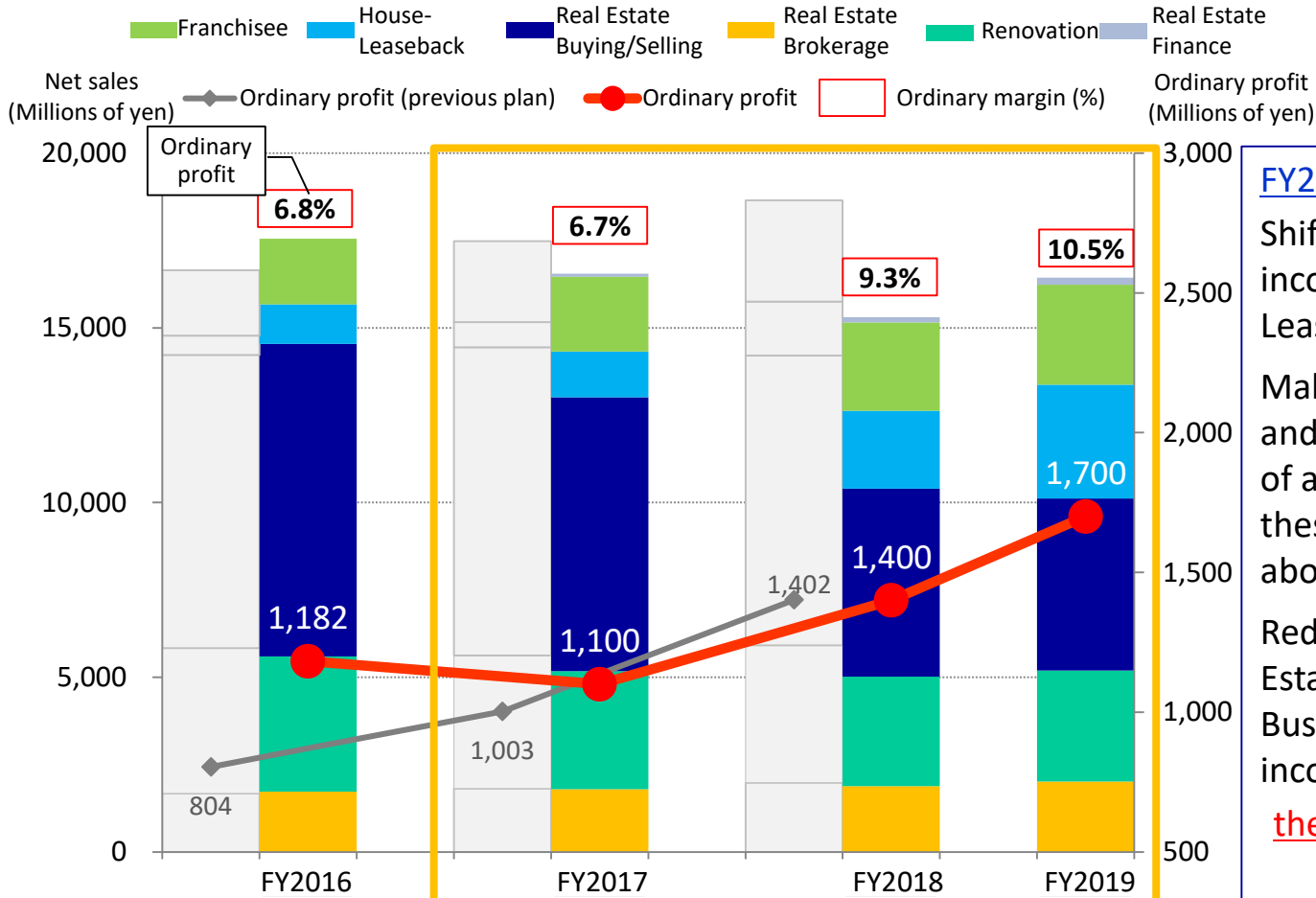
FY2018 Shareholder's equity ratio: 24.2%

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Medium-term Plan Announced in August 2016 (toward FY2019)



Net Sales / Ordinary Profit Plan for Next Three Years



FY2017

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 FY2019 ordinary profit target of ¥1,700 million (ordinary margin of 10.5%)

Net sales YoY change	+18.5%	(5.5)%	(7.6)%	+7.5%
Ordinary profit YoY change	+130.4%	(6.9)%	+27.2%	+21.4%

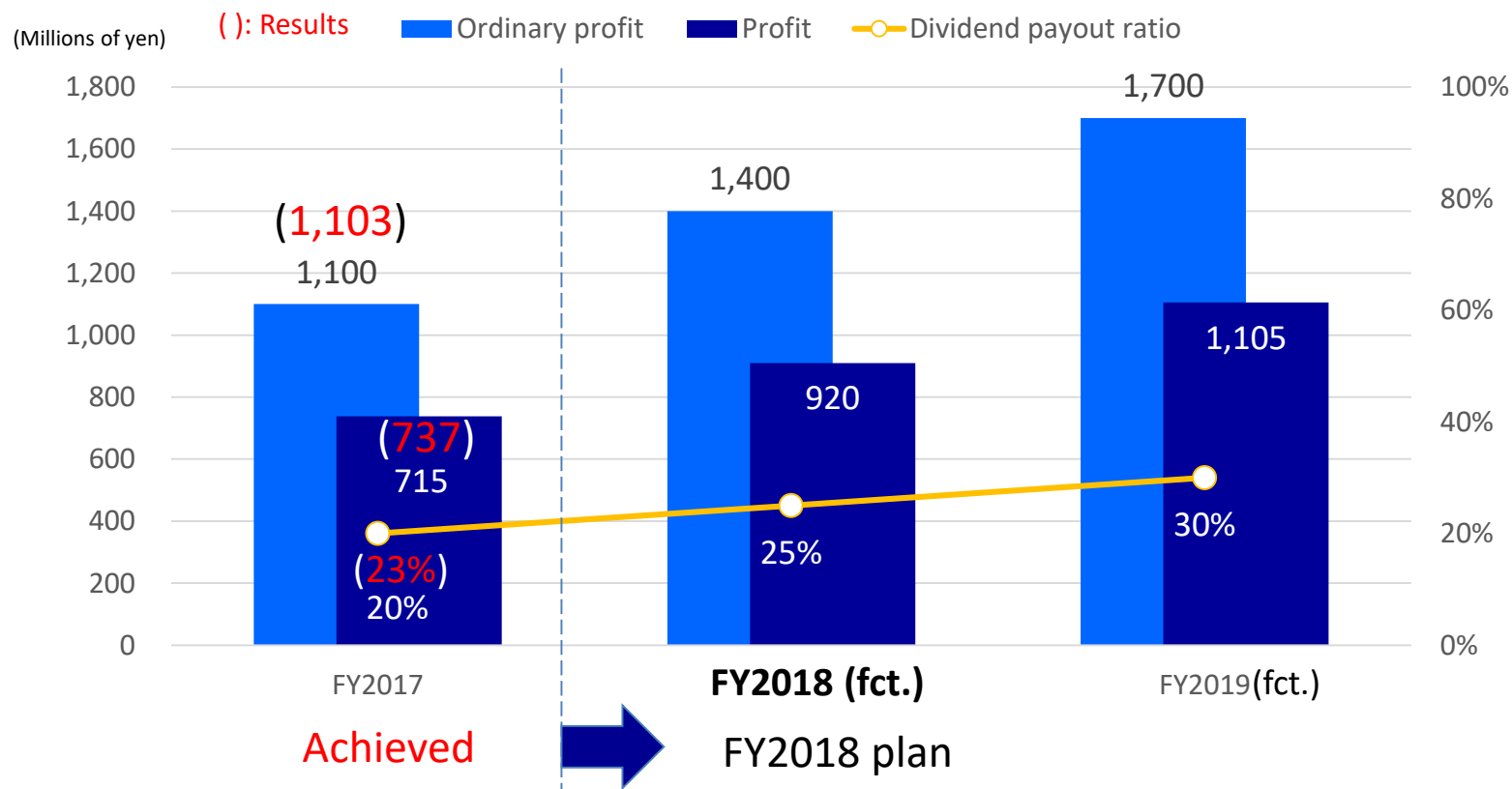
Medium-term Plan Announced in August 2016 (toward FY2019)



(Millions of yen)

	FY2016	FY2017 plan	FY2018 plan	FY2019 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 profit	1,277	1,247	1,524	1,909
Operating margin	7.4%	7.6%	10.1%	11.8%
Ordinary profit	1,182	1,100	1,400	1,700
Ordinary margin	6.8%	6.7%	9.3%	10.5%
YoY change in ordinary profit	+130.4%	(6.9)%	+27.2%	+21.4%

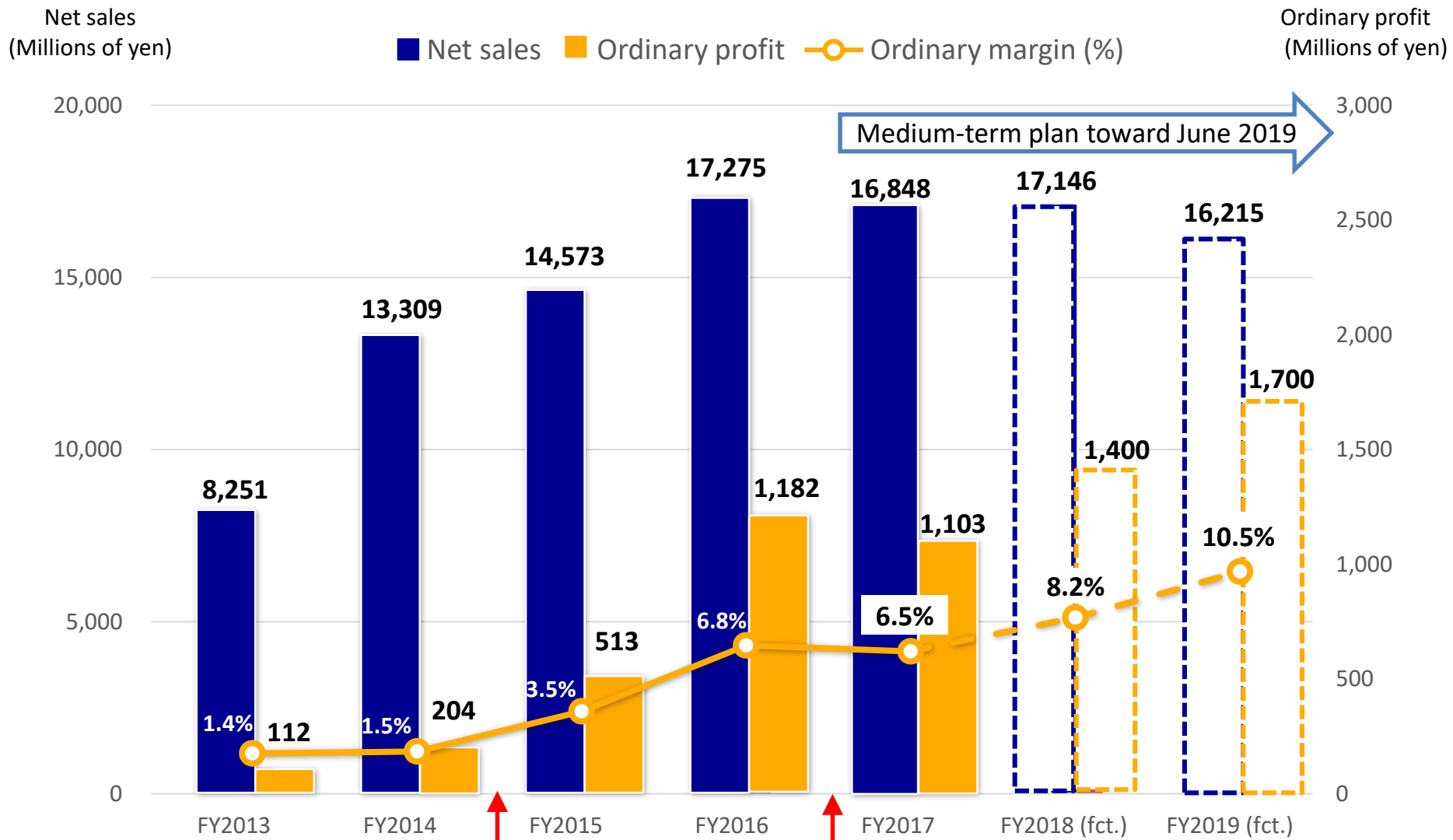
Last Two Years of the Medium-term Plan Announced on August 22, 2016



	FY2017	FY2018	FY2019
Ordinary profit (Millions of yen)	1,100 (1,103)	1,400 (+27.0%)	1,700 (+21.4%)
Profit (Millions of yen)	715 (737)	920 (+24.7%)	1,105 (+20.1%)
Dividend payout ratio (%)	20%+ (23.0%)	25%+	30%+

(): Results

Net Sales / Ordinary Profit (consolidated)



Mar. 2015
Listed on the TSE
Mothers Market

Dec. 2016
Listed on the TSE
1st Section

FY2018 plan

Figures announced in
Aug. 2016

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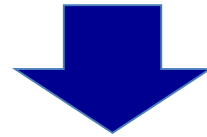
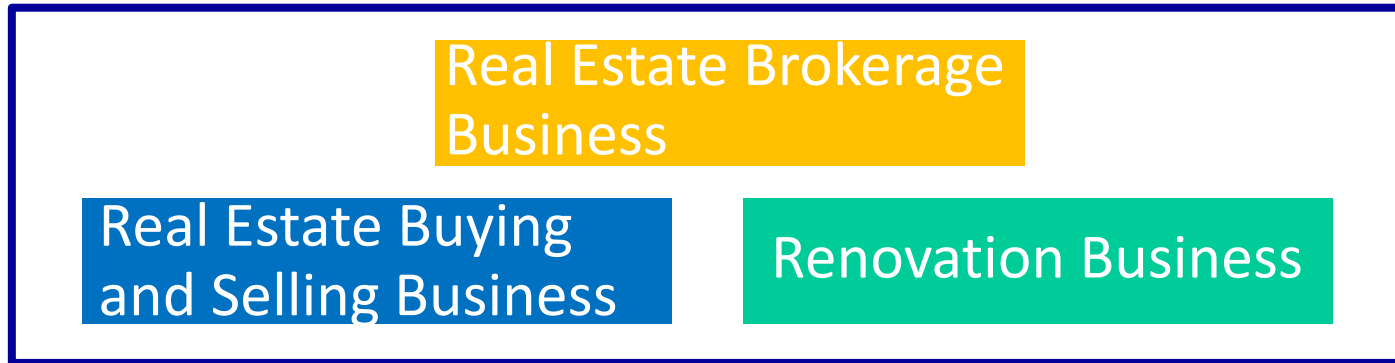
Company Profile

Growth Strategy

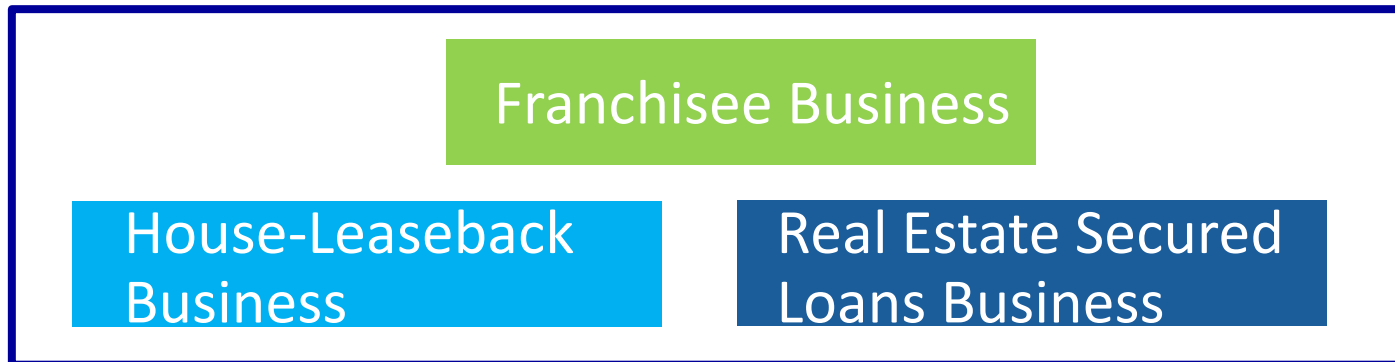
– Invest in Steady-income Businesses



Labor-intensive income



Steady income

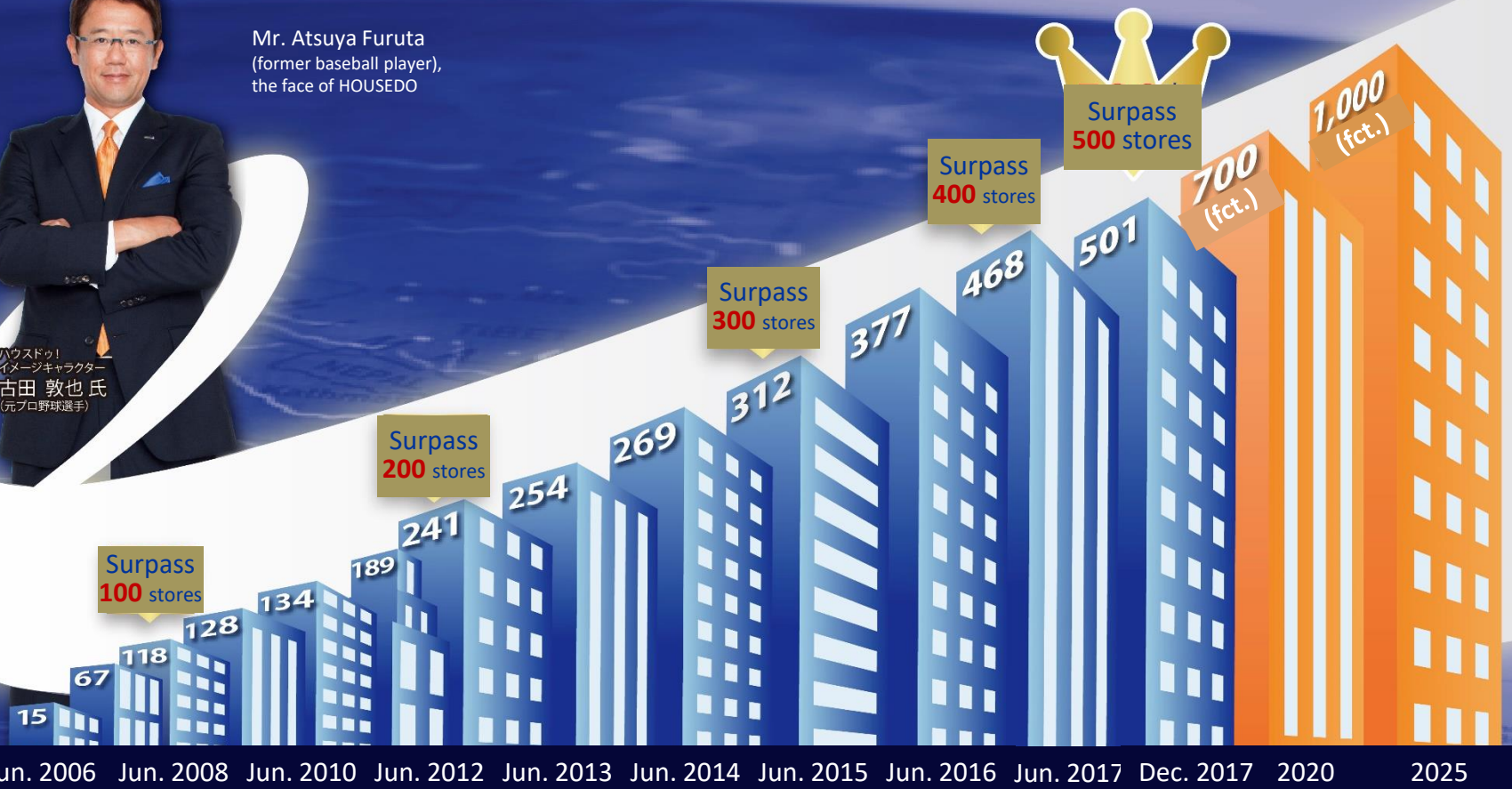


Our Goal: 700 stores by 2020 and 1,000 stores by 2025



Mr. Atsuya Furuta
(former baseball player),
the face of HOUSEDO

ハウズドゥ!
イメージキャラクター
古田 敦也氏
(元プロ野球選手)



■ Growth in Number of Franchised Stores

RENT DO!

Strengthen the real estate rental business

Start a new rental business

There are **many opportunities** for the **HOUSEDO** real estate rental business

Mr. Atsuya Furuta (former baseball player), the face of HOUSEDO



Accepting applications for franchises



Time Room Cloud

Time Room[®] Cloud

**A time share business structured to solve the
problem of unused apartments and houses**



Europe/US Style Real Estate Agent Program

TV commercials are generating a big response!!

Compensation as pct. of sales

48%
Maximum of

90%

Help Wanted!!

We are looking for

Motivated real estate agents!



Mr. Atsuya Furuta
(former baseball player),
the face of HOUSEDO



No gender or age restrictions or rules for working time



The largest real estate brokerage franchised store network in Japan



Powerful support to help agents reach their goals

Fulfill the role of a real estate service producer

Real estate service producer

Real estate technology company

Real estate information

Customer information

Marketing

Promotion

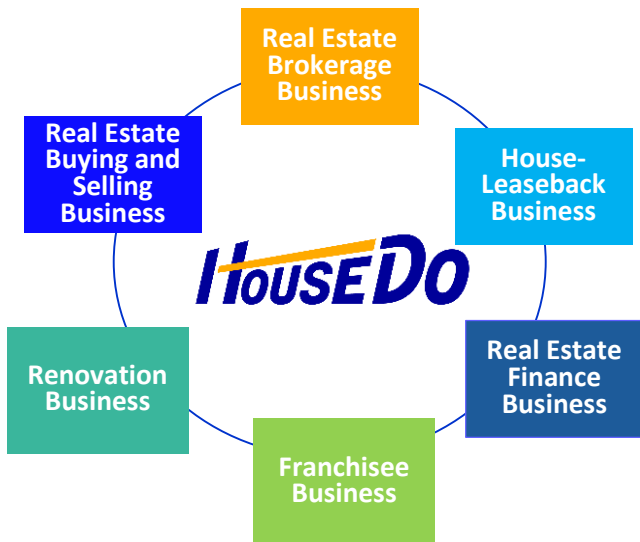
1,000 stores by 2025

The SPA Strategy for the Real Estate Sector

(SPA: Specialty store retailer of private label apparel)



Real Estate Service Producer



Grasp customers' needs and wants

Land

Newly constructed houses

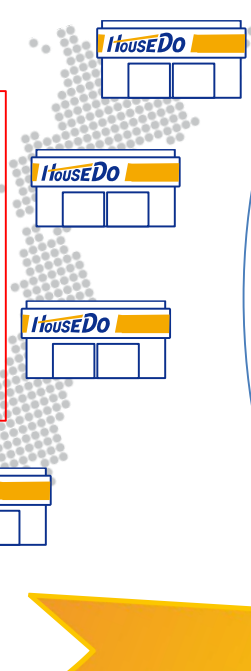
Condominiums

Detached houses

Loan

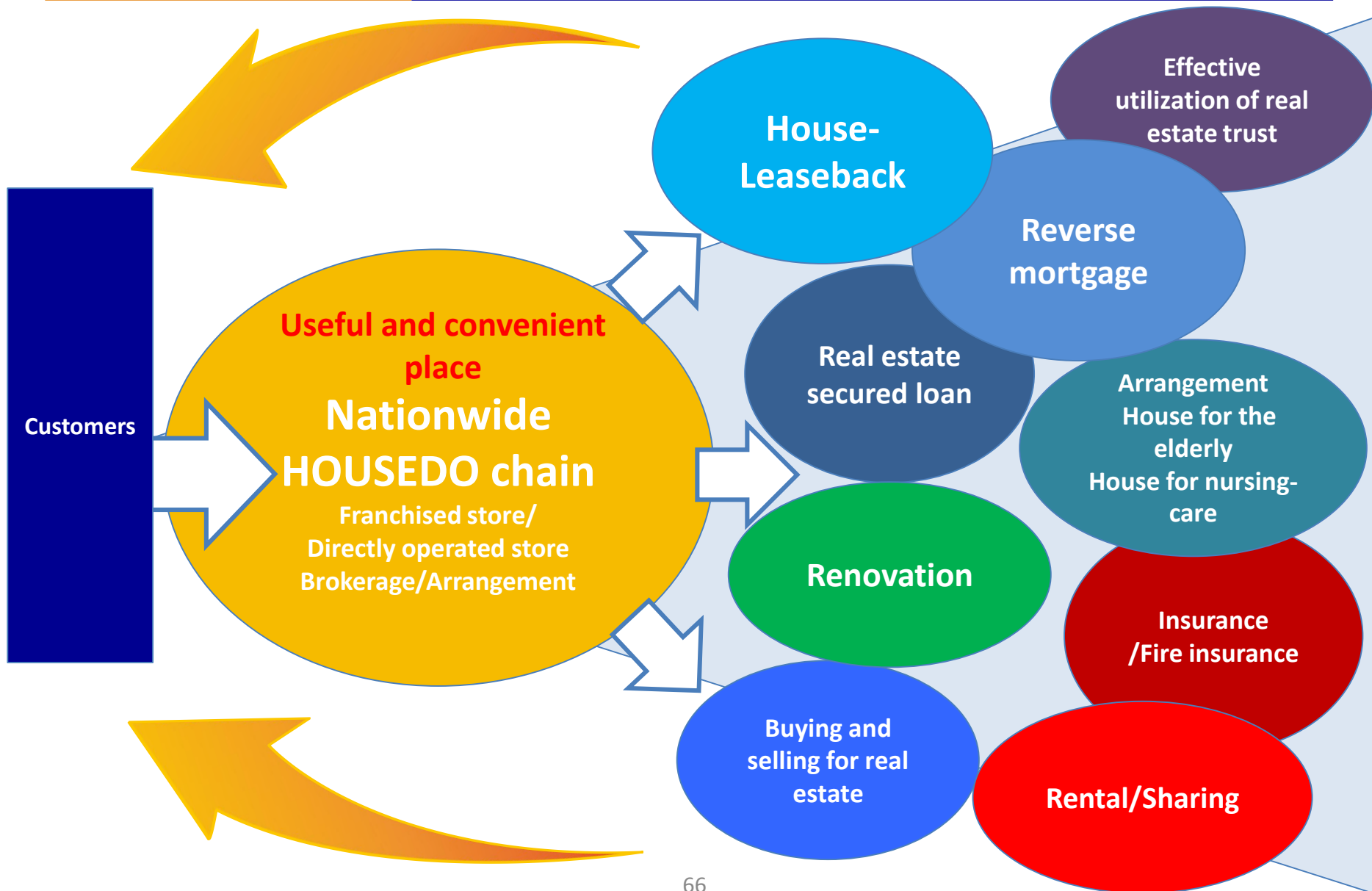
Insurance

• HOUSEDO services
• Other companies' services
Providing access to all information in an open manner



Offer useful and reliable services constantly

HOUSEDO's One-Stop Source of Services



Our Decade Vision



Make the best of HOUSEDO's strength for innovation of the real estate industry!

All based on operations in local markets

- 1** Sales skills >
- 2** Assessment skills >
- 3** Credibility >
- 4** Nationwide coverage >



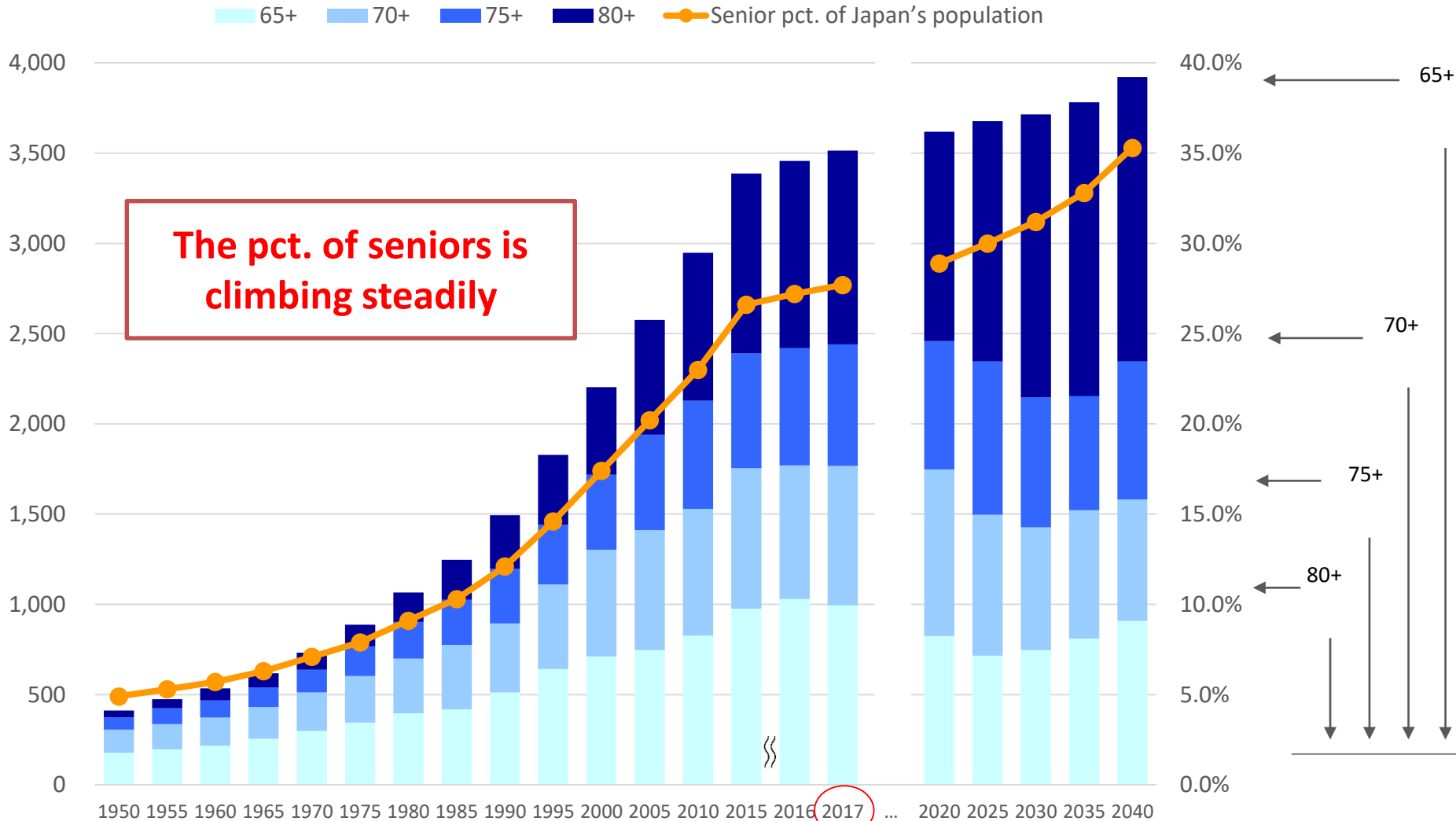
Business plan for rental services

Business plan for the elderly services

Business plan for real estate trust

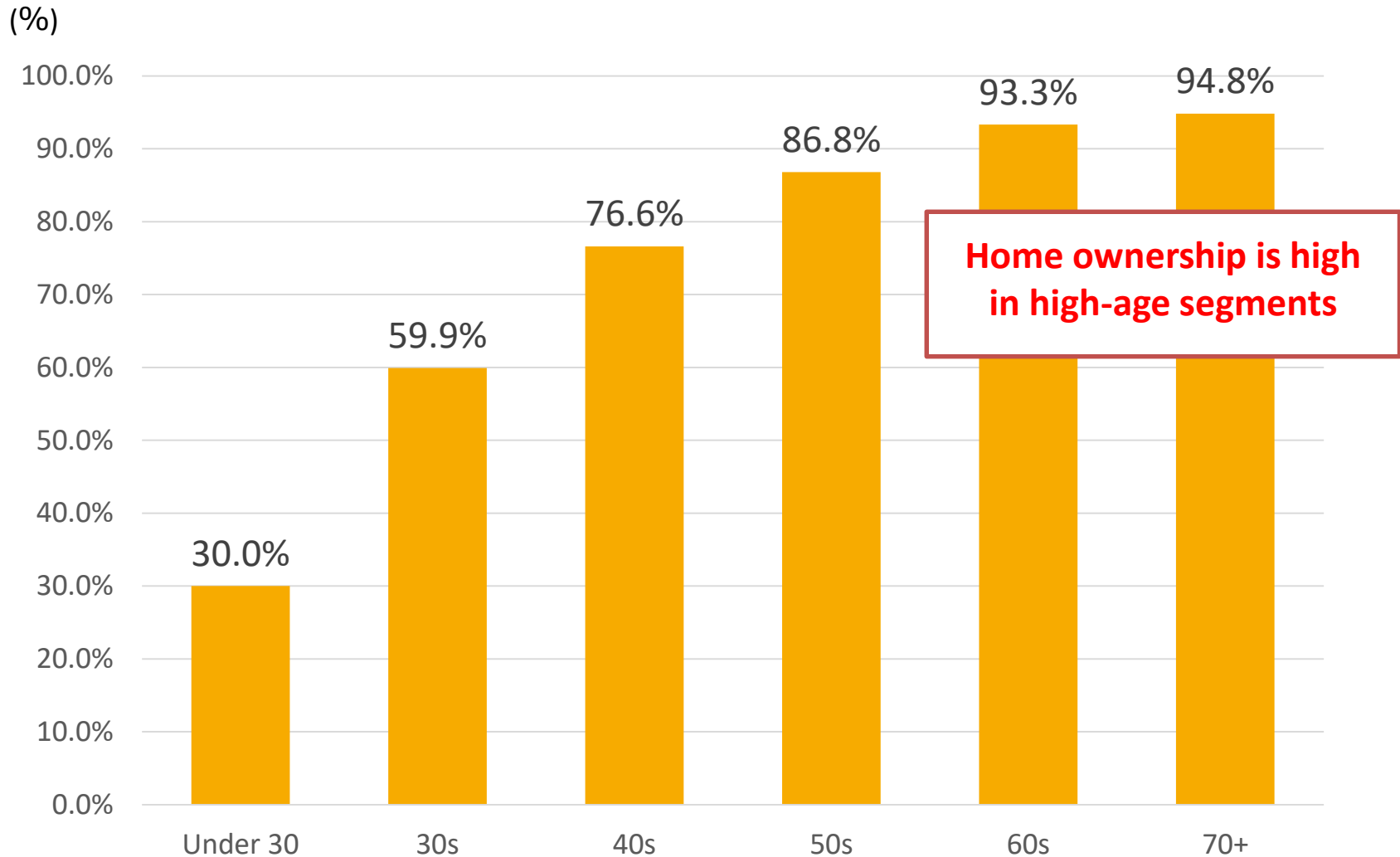
Targeting opportunities for businesses to solve problems involving Japan's aging population

The Growing Number and Pct. of Seniors in Japan (1950 to 2040)



Source: Prepared by HOUSEDO using information in "Statistics about Japan's Senior Population (age 65+)" dated September 17, 2017

Home Ownership by Age of Head of Household

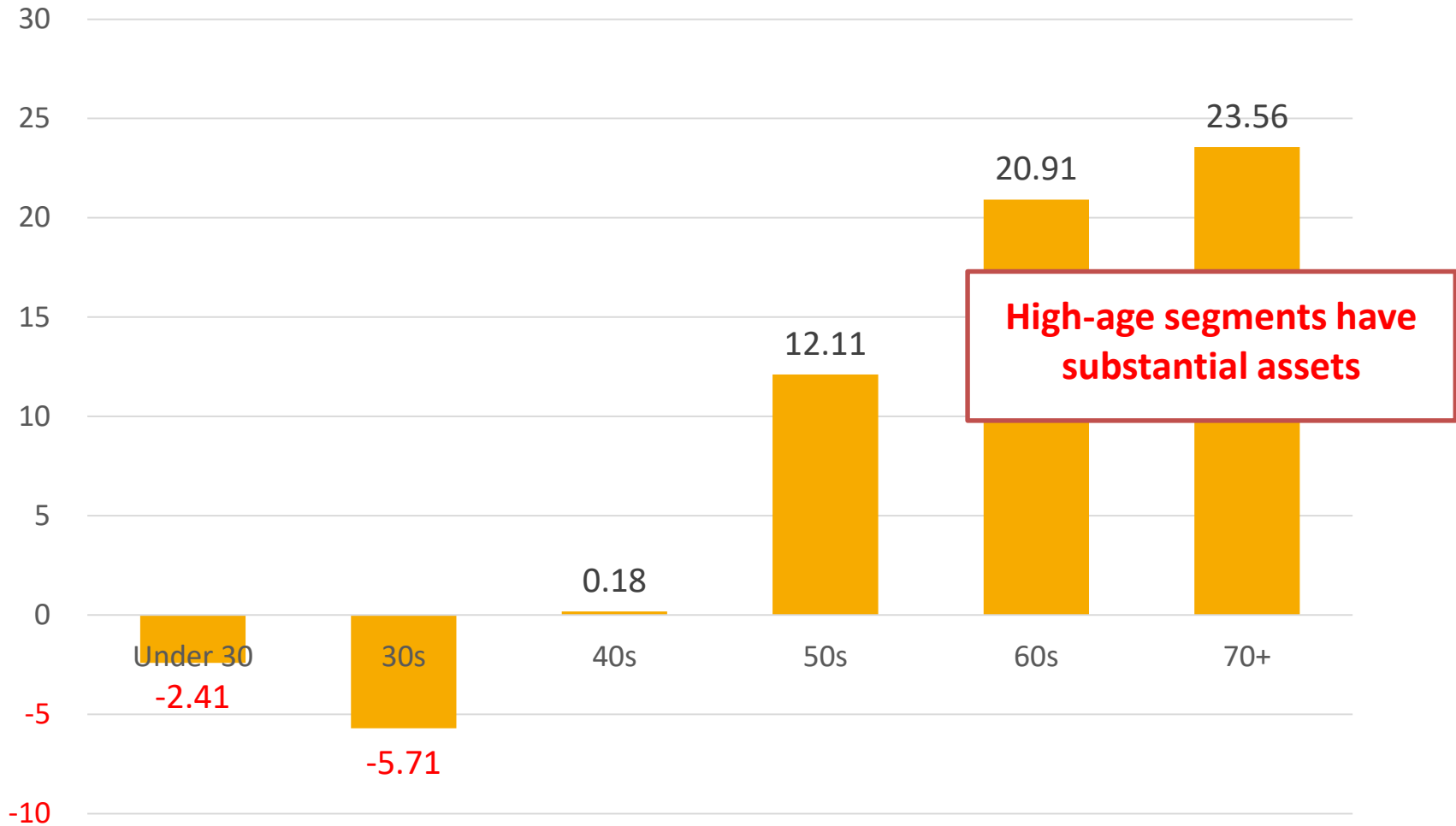


Source: 2016 "Family Income and Expenditure Survey" of the Ministry of Internal Affairs and Communications Statistics Bureau

Net Financial Assets by Age of Head of Household (Savings – Debt)



(Millions of yen)

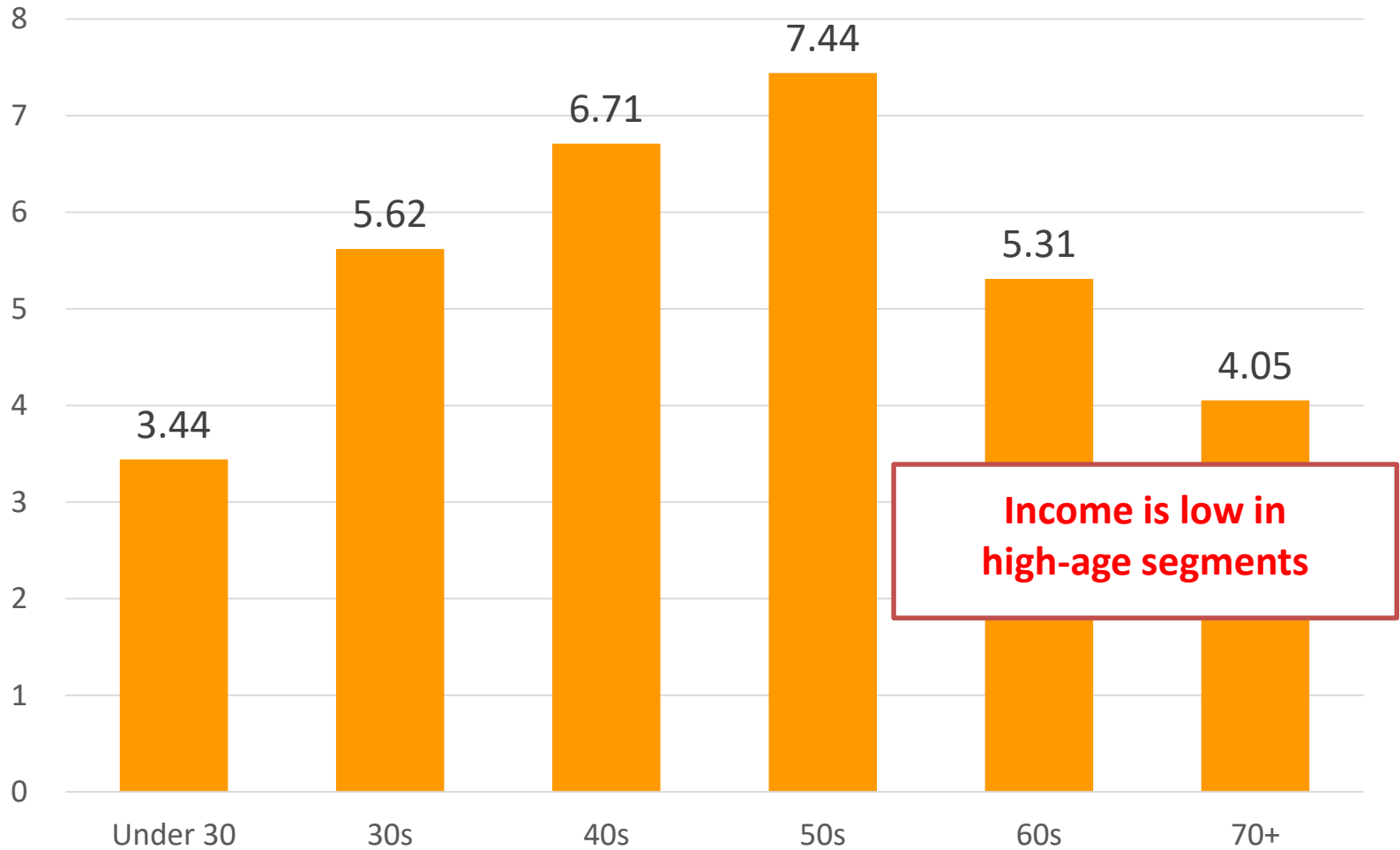


Source: 2016 "Family Income and Expenditure Survey" of the Ministry of Internal Affairs and Communications Statistics Bureau

Annual Income by Age of Head of Household (2016)

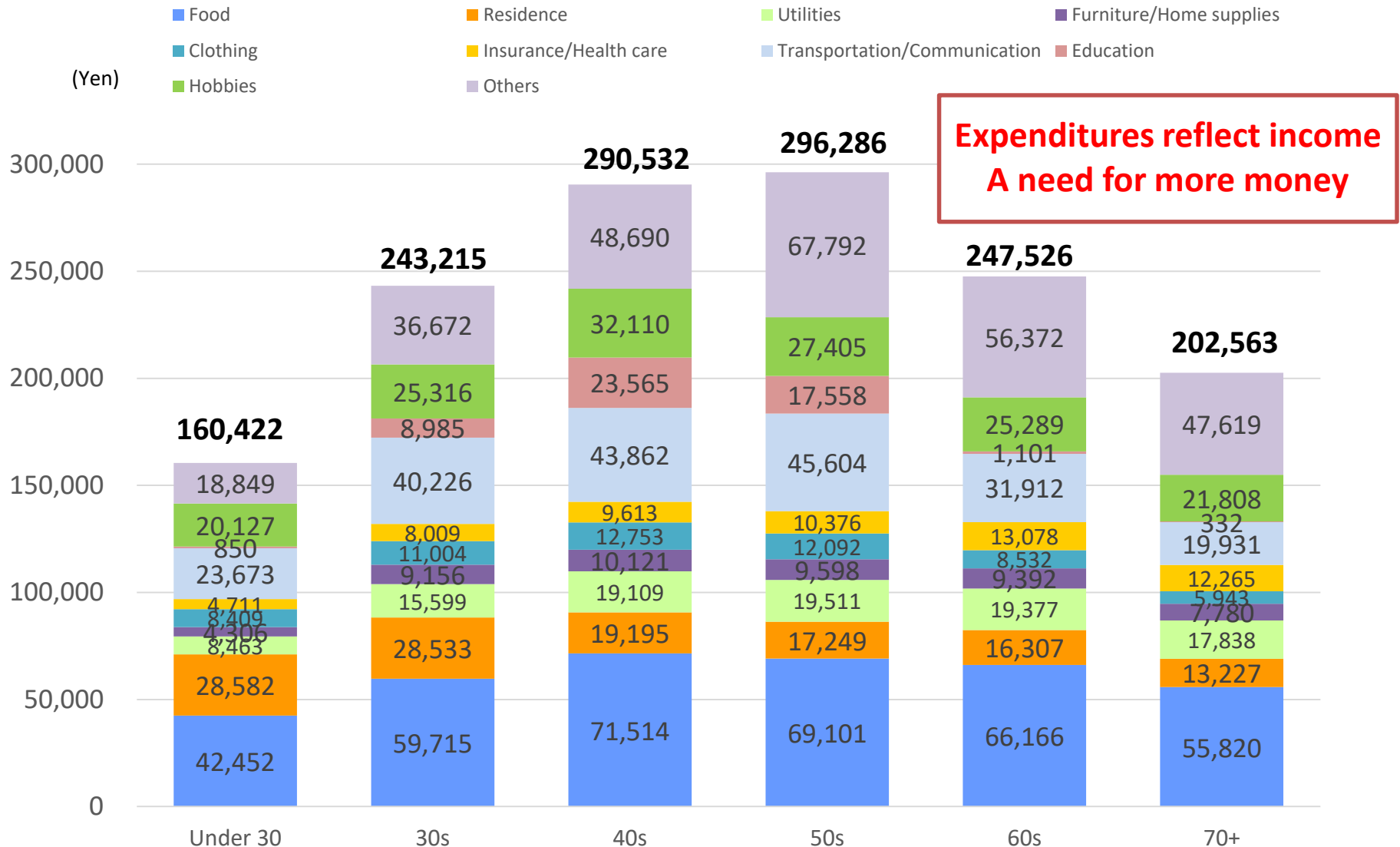


(Millions of yen)



Source: 2016 “Family Income and Expenditure Survey” of the Ministry of Internal Affairs and Communications Statistics Bureau

Monthly Expenditures per Household by Age of Head of Household



**Expenditures reflect income
A need for more money**

Source: 2016 "Family Income and Expenditure Survey" of the Ministry of Internal Affairs and Communications Statistics Bureau

Utilize real estate = Real estate liquidation schemes



Aging population, small no. of moneylenders,
shortage of fund supply



Utilize assets = Supply funds

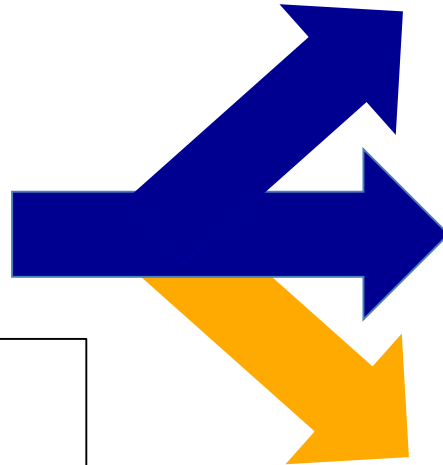


Invigorate Japan's economy

Customers who own real estate



**Customers
(Seniors)**



Real estate + Finance

(HOUSE DO + 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 loan

App examines applications in 10 seconds
Loan examination and sales skills of the nationwide HOUSE DO network are key strengths

Reverse mortgage



(Examinations/guarantees/sales)

Alliances with regional financial institutions

Financial institutions

(Provide funds)

Our Vision for HOUSEDO! Bank

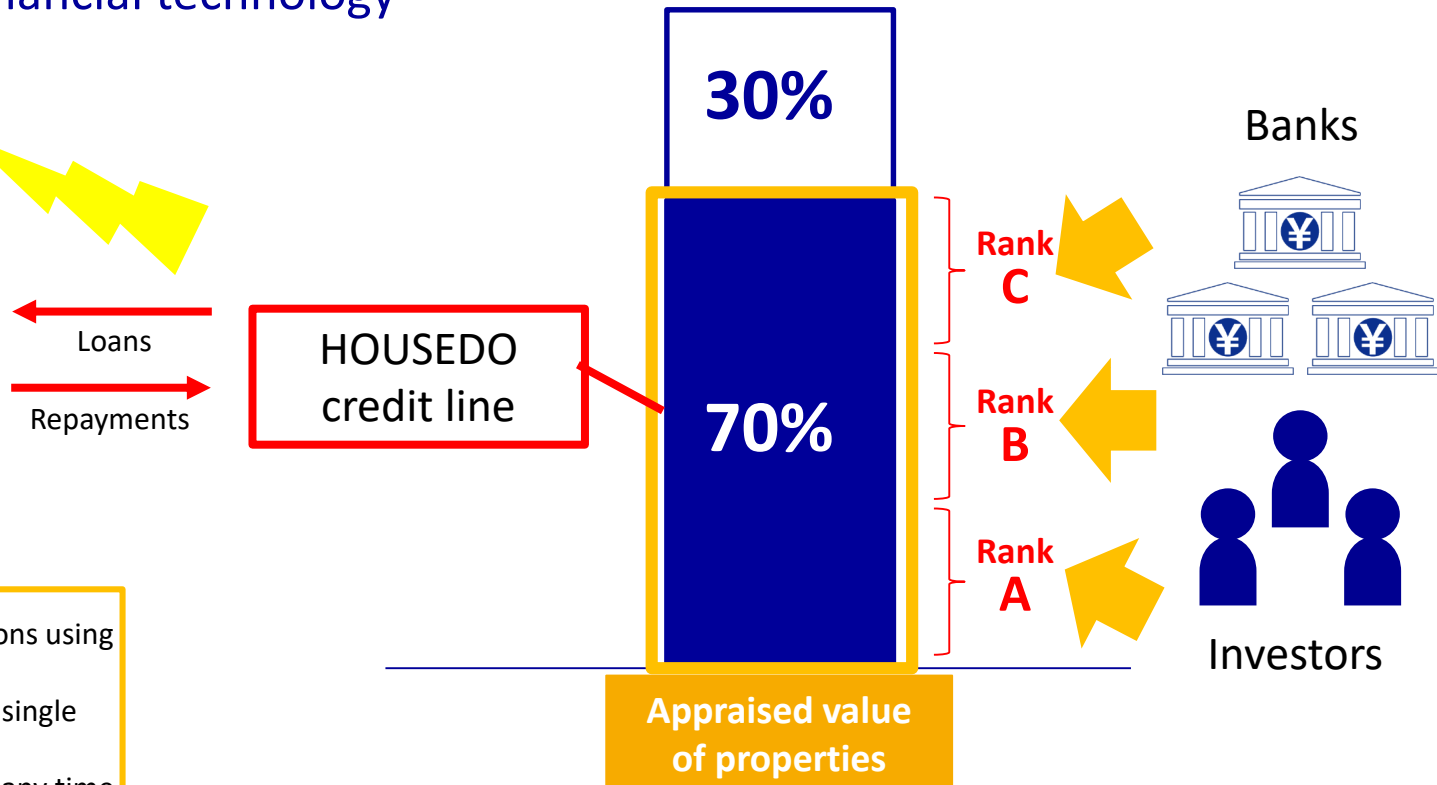


- ❑ Loan examinations using artificial intelligence and real estate secured loans backed by financial technology

Customers



Smartphone app
Do! BANK



- Easy application examinations using a smartphone
- Loans can be obtained in a single day
- Receive and repay loans at any time
- Selection of payment methods
 - Interest payments only
 - Equal principal payments
 - Equal principal-interest payments

- Credit line is about 70% of the appraised value of property used as collateral
- Properties used as collateral are assigned rankings
- Banks and investors can submit bids for loan interest rates and amounts in relation to properties used as collateral

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Company Profile



Company Name HOUSE DO Co, Ltd.

President and CEO Masahiro Ando

Established January 2009 (founded in 1991)

Capital ¥361 million

Securities Code 3457

Stock Listings 1st Section of the Tokyo Stock Exchange

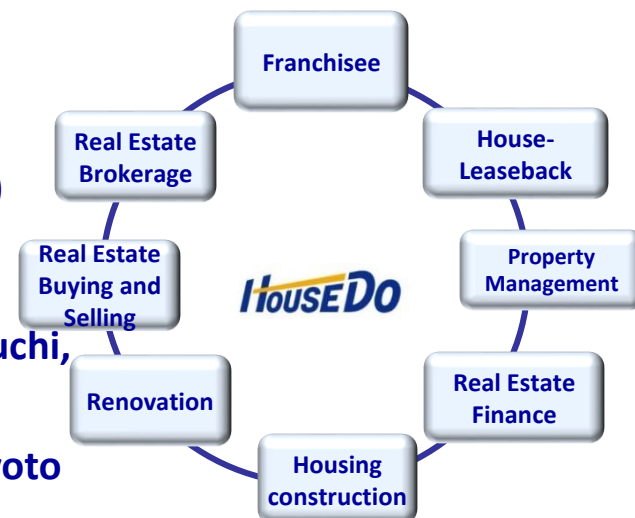
Net Sales ¥16.8 billion
(consolidated, fiscal year ended June 30, 2017)

Employees 439 (group total, as of June 30, 2017)

Headquarters Marunouchi Trust Tower North, 1-8-1 Marunouchi,
Chiyoda-ku, Tokyo

Head Office 670 Tearaimizu-cho, Nakagyo-ku, Kyoto-shi, Kyoto

Business Activities Franchisee Business, House-Leaseback Business, Real Estate Finance Business, Real Estate Brokerage Business, Real Estate Buying and Selling Business, Renovation Business, Property Management Business



Corporate Philosophy:

We are dedicated to perpetual prosperity and greater happiness by constantly creating affluence for customers, employees and society.

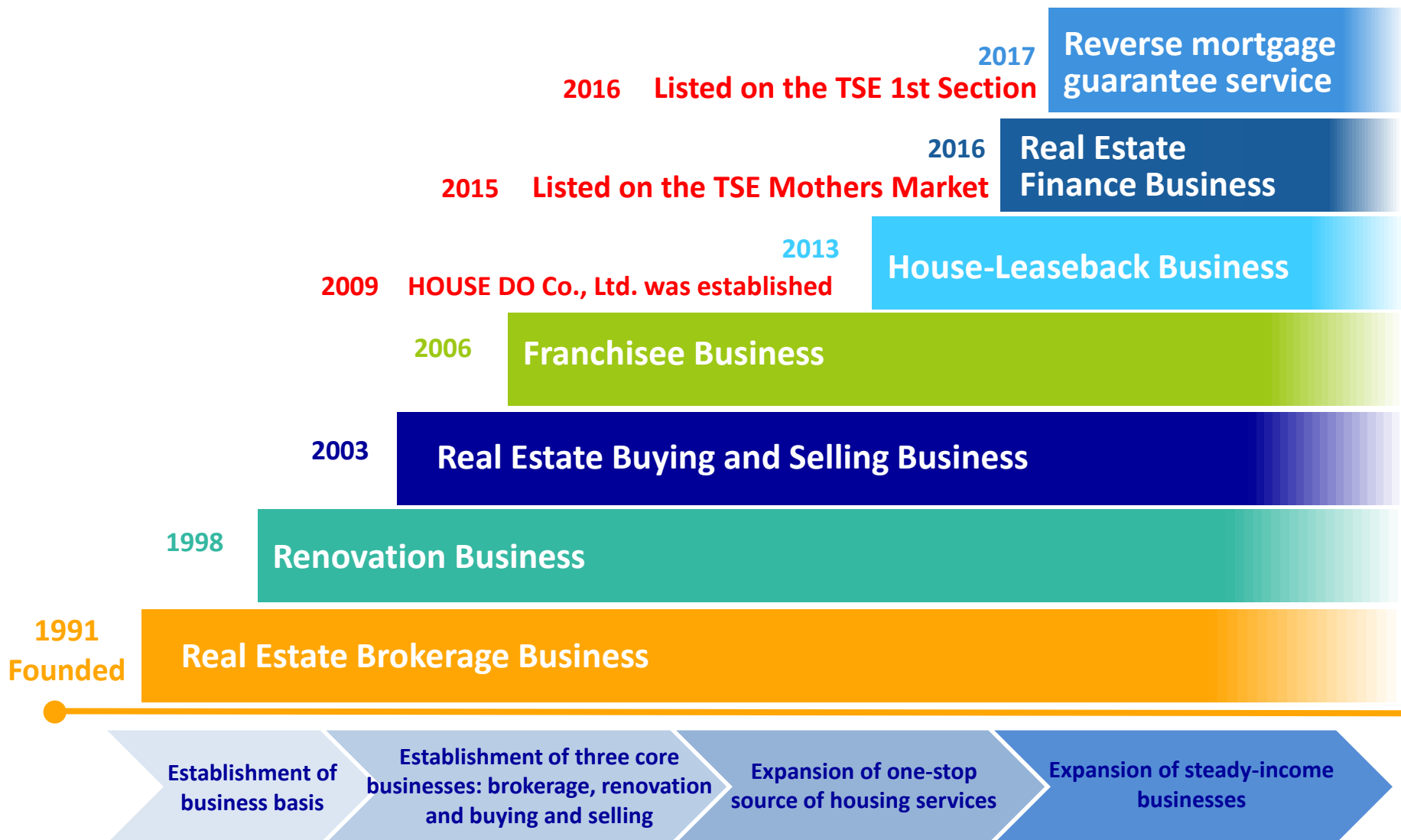
Management Philosophy:

We will be an organization that our customers need and we will focus all our energy and resources on serving our customers.

Brand Philosophy:

The HOUSEDO brand stands for activities that create an open housing market in Japan and a commitment to building a new residential information system for enabling customers to move to the best possible housing for each stage of their lives.

Company History and Business Development



The Strengths of HOUSEDO



All based on operations
in local markets

1

Sales skills



2

Assessment skills



3

Credibility



4

Nationwide coverage



Build a network for creating points of contact with customers and establishing close ties with the area served by each store

HOUSEDO provides the real estate business to make the world more reliable and convenient

Real Estate
Information
Distribution

**Build a network of 1,000
franchised stores in Japan
(goal is 2025)**

Real Estate
Solutions
(for Japan's aging population)

**House-Leaseback
Real Estate Finance
Reverse Mortgage**

One-stop source of housing services

Using the Real Estate Brokerage Business for expanding services related to housing

Franchisee Business (Nationwide network of franchise chain)

Real Estate Brokerage Business

Reinforcement of business synergies

Renovation Business

Real Estate Buying and Selling Business

House-Leaseback Business

Real Estate Finance Business
(Secured loan)
(Reverse mortgage)

Innovate the real estate industry!

HOUSE DO has the goals of raising the number of stores to 1,000 in Japan and 50,000 in Asia!

Innovate the Industry

Making real estate an industry that benefits customers



The HOUSE DO website contains a variety of information for investors.

Housedo english page

Search 

Forward-looking Statements

Materials and information provided in this announcement contain forward-looking statements. These statements are based on expectations, forecasts and assumptions incorporating risk and uncertainties that may cause actual performance to differ from these statements.

Risk factors and other uncertainties include general economic conditions in Japan and other countries, such as industry and market conditions, and changes in interest rates and foreign exchange rates.

Even in the event of new information, a future event or some other event, the HOUSEDO Group has no obligation to update or revise the forward-looking statements in this announcement.