

Summary of Business Results for the Fiscal Year Ended June 30, 2021

[Japan GAAP] (Consolidated)

August 16, 2021

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Listed on the TSE

Expected date of annual shareholders' meeting: Sep. 28, 2021 Expected starting date of dividend payment: Sep. 29, 2021
 Expected date of filing of annual securities report: Sep. 29, 2021
 Preparation of supplementary financial document: Yes
 Holding of results briefing: Yes (for analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended June 2021 (July 1, 2020 through June 30, 2021)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Jun. 30, 2021	39,037	18.7	2,589	36.7	2,514	46.4	1,616	56.9
Fiscal year ended Jun. 30, 2020	32,878	4.2	1,893	(40.0)	1,716	(42.8)	1,030	(48.6)

(Note) Comprehensive income: Fiscal year ended Jun. 30, 2021: 1,632 million yen (up 62.2%)

Fiscal year ended Jun. 30, 2020: 1,006 million yen (down 49.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Jun. 30, 2021	82.87	81.57	13.3	4.5	6.6
Fiscal year ended Jun. 30, 2020	52.94	51.87	9.1	3.6	5.8

(Reference) Investment earnings/loss on equity-method:

Fiscal year ended Jun. 30, 2021: 0 million yen

Fiscal year ended Jun. 30, 2020: (27) million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2021	57,306	12,877	22.4	656.34
As of Jun. 30, 2020	54,243	11,578	21.3	592.27

(Reference) Shareholders' equity:

As of Jun. 30, 2021: 12,834 million yen

As of Jun. 30, 2020: 11,543 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Jun. 30, 2021	12,696	(15,289)	135	16,313
Fiscal year ended Jun. 30, 2020	5,021	(11,433)	12,745	18,768

2. Dividends

	Annual dividend					Total dividends	Dividend payout ratio (Consolidated)	Ratio of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Fiscal year ended Jun. 30, 2020	-	0.00	-	19.00	19.00	370	35.9	3.2
Fiscal year ended Jun. 30, 2021	-	0.00	-	30.00	30.00	587	36.2	4.6
Fiscal year ending Jun. 30, 2022 (forecasts)	-	0.00	-	-	-	-	-	-

(Note) The dividend forecast for the fiscal year ending June 30, 2022 will be announced later and will be based on the policy of maintaining a payout ratio of at least 30%. Please refer to the section "1. Overview of Results of Operations, etc. (3) Profit Allocation Policy and Dividend Payment Plan for the Current and Next Fiscal Years" on page 6 of the attachments for further information.

3. Forecast of consolidated business results for the fiscal year ending June 2022

(July 1, 2021 through June 30, 2022)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending Jun. 30, 2022	39,100- 44,438	0.2- 13.8	2,973- 3,673	14.8- 41.9	2,800- 3,500	11.4- 39.2	1,848- 2,310	14.3- 42.9	94.50- 118.13

(Note) Ranges for the consolidated business results forecast for the fiscal year ending June 30, 2022 have been announced.

Please refer to the section "1. Overview of Results of Operations, etc. (1) Results of Operations, 2) Outlook for the Next Fiscal Year" on page 4 of the attachments for further information.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimates, and restatements

- 1) Changes in accounting policies associated with revision of accounting standards : None
- 2) Changes in accounting policies other than 1) : None
- 3) Changes in accounting estimates : None
- 4) Restatements : None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (treasury shares included)

As of Jun. 30, 2021 19,556,000 shares

As of Jun. 30, 2020 19,490,800 shares

2) Number of treasury shares at the end of the period

As of Jun. 30, 2021 514 shares

As of Jun. 30, 2020 514 shares

3) Average number of shares during the period (cumulative)

Fiscal year ended Jun. 30, 2021 19,510,721 shares

Fiscal year ended Jun. 30, 2020 19,470,473 shares

Reference: Summary of non-consolidated business results

Non-consolidated business results for the fiscal year ended June 2021 (July 1, 2020 through June 30, 2021)

(1) Non-consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Jun. 30, 2021	30,520	10.6	1,323	0.9	1,296	5.1	843	11.1
Fiscal year ended Jun. 30, 2020	27,596	(3.9)	1,311	(49.4)	1,233	(50.2)	759	(53.6)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Jun. 30, 2021	43.24	42.56
Fiscal year ended Jun. 30, 2020	39.00	38.22

(2) Non-consolidated financial condition

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2021	39,821	10,891	27.3	554.82
As of Jun. 30, 2020	36,634	10,372	28.2	530.37

(Reference) Shareholders' equity:

As of Jun. 30, 2021: 10,849 million yen

As of Jun. 30, 2020: 10,337 million yen

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation regarding appropriate use of business forecasts and other special instructions

(Caution concerning forward-looking statements)

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors. Please refer to the section "1. Overview of Results of Operations, etc. (1) Results of Operations" on page 2 of the attachments regarding preconditions or other related matters for the forecasts.

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1. Overview of Results of Operations, etc.

(1) Results of Operations

1) Summary of the fiscal year

The COVID-19 pandemic continued to impact the Japanese economy during the fiscal year that ended in June 2021. Despite the negative effects of the pandemic, the economy staged a recovery as corporate earnings and business sentiment improved overall. However, it is still impossible to predict the end of this crisis and the outlook is likely to remain uncertain for a long time. Considerable caution is still required regarding any upcoming changes in the business climate.

In the Japanese real estate industry, where the HOUSEDO Group operates, demand for housing remained strong as the market benefited from consistent monetary easing by the Bank of Japan and government programs to help people buy residences. Demand was strong in the real estate sector despite lackluster economic activity in Japan overall, particularly regarding services in other business sectors provided directly to consumers. However, there are challenges in the housing market due to high prices and shortages of lumber caused by the rising global demand for homebuilding lumber, mainly in the United States and China.

In this challenging business climate, the HOUSEDO Group continued to make substantial investments in growth enhancement businesses in accordance with the current three-year medium-term plan, which will end in the fiscal year ending in June 2022. We have made progress with transitioning to a business model that can achieve sustained growth while utilizing the HOUSEDO Group's sound foundation for business operations. The Franchisee Business is increasing the number of franchised stores and offering a larger selection of services. The House-Leaseback Business is purchasing rental properties to build a base for steady income and using securitization and other methods to increase income from capital gains. In the Finance Business, we are strengthening operations that combine real estate and financing to enable people to utilize real estate for procuring funds for a variety of needs. This business provides loans secured by real estate and uses alliances with financial institutions for reverse mortgage guarantees.

With the Real Estate Brokerage Business serving as the foundation, we concentrated on meeting our customers' needs as we continued to be a one-stop source of housing services that are backed by synergies created by our unified three-part business model encompassing real estate brokerage, buying and renovation activities. We also increased purchases of real estate for sale, mainly in locations served by directly operated stores in the Real Estate Buying and Selling Business. Another activity is packaging sales of existing homes with orders for renovations.

The HOUSEDO Group reported net sales of 39,037 million yen (up 18.7% year on year), operating profit of 2,589 million yen (up 36.7% year on year), ordinary profit of 2,514 million yen (up 46.4% year on year) and profit attributable to owners of parent of 1,616 million yen (up 56.9% year on year).

Results by business segment were as follows.

(As of June 30, 2021)

Segment	Net sales (Millions of yen)	Activities
Franchisee Business	3,236	142 new franchisee contracts, raising total to 702 140 new franchised stores, raising total to 616
House-Leaseback Business	13,323	801 properties purchased, raising holdings to 339; 684 properties sold
Finance Business	1,084	167 real estate secured loans; 221 guarantees for reverse mortgages
Real Estate Buying and Selling Business	14,624	710 transactions
Real Estate Brokerage Business	1,914	3,163 brokered properties
Renovation Business	2,715	1,836 contracts; 1,791 renovation completions
Koyama Construction Group	2,127	Residences managed: 5,829
Other Business	10	(Europe/US style) real estate agent and overseas business expenses
Total	39,037	-

a. Franchisee Business

The number of new franchised stores continued to increase during the fiscal year. This growth reflects aggressive advertising and marketing activities, increasing public awareness of HOUSEDO as the number of franchised stores climbs, increasing value of the corporate brand, and a further improvement in public trust in HOUSEDO. There were new franchisees from outside the real estate industry that are seeking to start a new business or capture synergies with their current business operations. Other real estate companies are another source of new franchisees. The efficiency and productivity of business activities increased due to the extensive use of the internet for attracting customers and sales activities. During the fiscal year, there were 142 new franchisee contracts, raising the total to 702 at the end of June 2021.

We have reinforced a franchisee follow-up system using supervisors and upgraded a variety of new services and increased the number of alliances with other companies. Due to these actions, we opened 140 stores during the fiscal year, raising the total to 616 at the end of June 2021.

As a result, the segment recorded sales of 3,236 million yen (up 12.5% year on year) and segment profit of 2,226 million yen (up 23.5%).

b. House-Leaseback Business

This business allows people to use real estate to generate retirement income or to fund business operations. During the fiscal year, the number of calls from prospective customers and the number of properties bought and leased back increased. This growth was attributable to the expansion of areas served by directly operated stores and the continuation of expenditures for advertising and marketing activities and for human resources. This business purchased 801 properties and resold or sold to investment funds, real estate purchasing companies and other buyers a total of 684 properties. The number of residential properties owned by this business was 339 at the end of June 2021. All of these properties are generating leasing income.

As a result, the segment recorded sales of 13,323 million yen (down 12.4% year on year) and segment profit of 1,653 million yen (down 16.5%).

c. Finance Business

This business uses the HOUSEDO Group's nationwide network of real estate assessment expertise, one of the group's core strengths, to combine real estate and financing services for the use of real estate to meet customers' financing requirements. During the fiscal year, there were 167 new loans secured by real estate. In the reverse mortgage guarantee business, there were 221 new guarantees as this business established more alliances with financial institutions and used joint activities with financial institutions to create demand for these guarantees.

As a result, the segment recorded sales of 1,084 million yen (up 10.7% year on year) and segment profit of 76 million yen (up 334.1%).

d. Real Estate Buying and Selling Business

This business utilizes synergies within the HOUSEDO Group to focus on acquisition of properties that match the requirements of brokerage customers in areas served by directly operated stores. In the fiscal year, the number of transactions was 710 (up 112.6% year on year) because of strong demand among consumers for buying a home as mortgage interest rates remain extremely low. By consistently purchasing large numbers of properties even as the pandemic continued, this business maintained a substantial inventory of properties that were steadily sold.

As a result, the segment recorded sales of 14,624 million yen (up 105.9% year on year) and segment profit of 1,082 million yen (up 217.9%).

e. Real Estate Brokerage Business

There is strong demand in Japan for houses because of extremely low interest rates on mortgages. We used a variety of advertising and marketing activities to bring in more people to our stores. Activities include advertisements on our own website, newspaper inserts, television and radio commercials and other media promotions, and the distribution of local real estate information individually to people living near stores. Even as

the shift of people to growth-driving businesses continues, the number of brokerage transactions was 3,163 (up 2.2% year on year) because of the firm demand for houses for use as residences rather than investments.

As a result, the segment recorded sales of 1,914 million yen (down 4.4% year on year) and segment profit of 596 million yen (up 3.8%).

f. Renovation Business

This business used a collaboration with the Real Estate Brokerage Business to sell existing homes with renovation orders as a single package. Moreover, we held many joint renovation fairs with housing equipment manufacturers to attract customers. The recovery in demand for renovations following Japan's first state of emergency more than offset a decline in orders during the second half of the previous fiscal year because of the pandemic. Demand is currently recovering and the number of renovation contracts signed during the fiscal year was 1,836 (up 9.4% year on year) and the number of renovation completions was 1,791 (up 2.3%).

As a result, the segment recorded sales of 2,715 million yen (up 3.2% year on year) and segment profit of 171 million yen (up 48.3%).

g. Koyama Construction Group

The Koyama Construction Group buys and sells real estate, provides real estate brokerage services, and has a property management and brokerage business for rental properties. All of these operations are backed by a network of offices located near railway stations primarily in and around the city of Soka in Saitama prefecture, where the group is based and has deep roots. The Koyama Construction Group has considerable expertise at gathering real estate information.

As a result, the segment recorded sales of 2,127 million yen (up 2.8% year on year) and segment profit of 127 million yen (up 24.6%).

2) Outlook for the Next Fiscal Year

Although there is still considerable uncertainty about when the pandemic will end, the impact of the pandemic on the Japanese economy will probably decline as more people receive vaccinations and economic activity is likely to recover. Despite these positive trends, the economic outlook remains extremely unclear because of a new wave of infections caused by the delta variant, the high cost and shortage of lumber, and other reasons.

During the fiscal year ending in June 2022, which is the final year of the current medium-term plan, we will further step up activities for the growth of sales and earnings in accordance with this plan. We have been utilizing the sound foundation for business operations established over many years in order to build a business model that can achieve sustained growth and aim for the growth of sales and earnings. We will continue to invest in our people, advertising and marketing activities, and other sectors to strengthen sources of recurring income. The Franchisee Business, which is a growth-driving business, is the core of our recurring income. In addition, we are aiming for more growth of the House Leaseback Business, whose sales and earnings have grown rapidly as the number of purchases increased and securitization schemes were used, and the reverse mortgage guarantee business, which has excellent prospects for growth and becoming a new core element of our recurring income. The business climate is currently favorable because of firm demand for housing. However, as we announced on February 10, 2021 in "Notice of Revisions to the Medium-term Plan," we have reexamined the outlook for sales and earnings in the fiscal year ending in June 2022, the final year of the plan, because of the effects of the pandemic in all our businesses, changes in the external business environment, up-front investments to build a sound base for business operations, and other factors.

We believe that the pandemic will have only a limited effect on consolidated results of operations in the fiscal year ending in June 2022. Nevertheless, due to the need to retain a cautious outlook, we are using a range rather than specific numbers for our forecast. The lower end of this range is the base line that uses a conservative view of the current situation. The upper end is based on the premise of a recovery in economic activity and benefits of numerous initiatives across the HOUSEDO Group.

(2) Financial Condition

1) Assets, liabilities and net assets

Assets

Total assets amounted to 57,306 million yen at the end of June 2021, an increase of 3,063 million yen over the end of June 2020.

This was mainly attributable to increases of 4,557 million yen in property, plant and equipment due to the acquisition of an income-generating property in the House-Leaseback Business and 932 million yen in inventories.

There were decreases of 2,454 million yen in cash and deposits and 1,199 million yen in operating loans.

Liabilities

Liabilities totaled 44,429 million yen, an increase of 1,765 million yen over the end of June 2020.

There were increases of 1,480 million yen in long-term borrowings, 824 million yen in bonds payable and 505 million yen in current portion of long-term borrowings.

There was a decrease of 2,661 million yen in short-term borrowings.

Net assets

Net assets totaled 12,877 million yen, an increase of 1,298 million yen over the end of June 2020.

Retained earnings increased 1,616 million yen because of the booking of profit attributable to owners of parent for the current fiscal year, while there was a decrease of 370 million yen in retained earnings due to dividend payments.

(Millions of yen)

	FY2020 (As of Jun. 30, 2020)	FY2021 (As of Jun. 30, 2021)	Change
Total assets	54,243	57,306	3,063
Liabilities	42,664	44,429	1,765
Net assets	11,578	12,877	1,298

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) as of the end of June 2021 amounted to 16,313 million yen, a decrease of 2,454 million yen over the end of June 2020.

Cash flows from operating activities

Net cash provided by operating activities totaled 12,696 million yen (compared with net cash provided of 5,021 million yen in the previous fiscal year).

Positive factors include the booking of profit before income taxes of 2,460 million yen and decreases in inventories of 8,469 million yen and operating loans receivable of 1,365 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 15,289 million yen (compared with net cash used of 11,433 million yen in the previous fiscal year).

Negative factors include the payment for the purchase of property, plant and equipment of 14,457 million yen.

Cash flows from financing activities

Net cash provided by financing activities totaled 135 million yen (compared with net cash provided of 12,745 million yen in the previous fiscal year).

Positive factors include proceeds from long-term borrowings of 8,660 million yen and proceeds from issuance of bonds of 1,600 million yen.

Negative factors include a net decrease in short-term borrowings of 2,661 million yen, repayments of long-term borrowings of 6,673 million yen and dividends paid of 369 million yen.

(3) Profit Allocation Policy and Dividend Payment Plan for the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of HOUSEDO, along with the goal of increasing corporate value through the steady expansion of business operations and higher profitability. Based on this stance, our fundamental policy is to pay stable and continuous dividends. The basic guideline for dividends is a payout ratio of at least 30% while taking into consideration the need to maintain the proper balance between distributing earnings to shareholders and increasing retained earnings to fund investments for more growth. The dividend for each fiscal year is determined in accordance with this policy while taking into account cash flows, the outlook for sales and earnings and all other applicable factors.

For the fiscal year that ended on June 30, 2021, there was an ordinary dividend of 30 yen per share, resulting in a payout ratio of 36.2%.

As was explained in “Outlook for the Next Fiscal Year,” a range of sales and earnings forecasts has been announced for the fiscal year ending on June 30, 2022. The dividend for this fiscal year will be determined later by using this dividend policy and the guideline of a payout ratio of at least 30%.

2. Basic Approach to the Selection of Accounting Standards

The HOUSEDO Group will continue to prepare consolidated financial statements using Generally Accepted Accounting Principles in Japan to permit comparisons with prior years and with the financial data of other companies.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

(Thousands of yen)

	FY2020 (As of Jun. 30, 2020)	FY2021 (As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits	19,274,618	16,819,713
Accounts receivable from completed construction contracts	102,221	116,125
Accounts receivable-trade	57,324	62,948
Real estate for sale	8,386,363	9,000,052
Real estate for sale in process	2,138,309	2,479,165
Costs on construction contracts in progress	160,328	138,316
Operating loans	10,950,358	9,751,001
Other	448,869	941,237
Allowance for doubtful accounts	(13,137)	(37,183)
Total current assets	41,505,256	39,271,379
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,546,878	7,214,674
Accumulated depreciation	(1,133,475)	(1,274,119)
Buildings and structures, net	3,413,403	5,940,554
Land	5,731,605	7,766,777
Other	167,878	125,087
Accumulated depreciation	(128,433)	(90,769)
Other, net	39,444	34,317
Total property, plant and equipment	9,184,454	13,741,649
Intangible assets		
Goodwill	681,195	567,145
Other	216,359	423,662
Total intangible assets	897,554	990,808
Investments and other assets		
Investment securities	1,142,376	1,658,962
Deferred tax assets	343,531	355,067
Other	1,202,804	1,315,894
Allowance for doubtful accounts	(32,934)	(27,332)
Total investments and other assets	2,655,777	3,302,591
Total non-current assets	12,737,785	18,035,049
Total assets	54,243,042	57,306,428

	(Thousands of yen)	
	FY2020 (As of Jun. 30, 2020)	FY2021 (As of Jun. 30, 2021)
Liabilities		
Current liabilities		
Accounts payable for construction contracts	473,564	551,979
Short-term borrowings	13,013,500	10,351,994
Current portion of bonds payable	184,000	512,000
Current portion of long-term borrowings	5,133,513	5,639,011
Accounts payable-other	581,038	819,073
Accrued expenses	405,249	476,206
Income taxes payable	144,800	663,490
Accrued consumption taxes	106,115	187,302
Advances received on construction contracts in progress	229,882	269,319
Advances received	471,492	542,019
Provision for bonuses	110,620	106,191
Asset retirement obligations	-	11,246
Provision for warranties for completed construction	4,960	4,461
Provision for sales promotion expenses	7,132	6,616
Other	566,202	719,367
Total current liabilities	21,432,072	20,860,280
Non-current liabilities		
Bonds payable	786,000	1,610,000
Long-term borrowings	18,674,517	20,155,195
Long-term guarantee deposits	1,138,828	1,223,393
Deferred tax liabilities	491,932	467,371
Asset retirement obligations	104,013	88,708
Provision for warranties for completed construction	27,180	24,468
Retirement benefit liability	9,836	-
Total non-current liabilities	21,232,309	23,569,137
Total liabilities	42,664,381	44,429,418
Net assets		
Shareholders' equity		
Share capital	3,359,831	3,374,337
Capital surplus	3,378,326	3,392,832
Retained earnings	4,862,747	6,109,309
Treasury shares	(461)	(461)
Total shareholders' equity	11,600,442	12,876,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(52,684)	(42,437)
Foreign currency translation adjustment	(4,240)	1,391
Total accumulated other comprehensive income	(56,925)	(41,046)
Share acquisition rights	35,143	42,039
Total net assets	11,578,660	12,877,010
Total liabilities and net assets	54,243,042	57,306,428

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Net sales	32,878,618	39,037,708
Cost of sales	21,232,615	26,123,580
Gross profit	11,646,003	12,914,127
Selling, general and administrative expenses		
Total selling, general and administrative expenses	9,752,515	10,324,923
Operating profit	1,893,487	2,589,204
Non-operating income		
Interest and dividend income	4,989	2,497
Gain on investments in silent partnerships	108,342	147,032
Commission income	15,535	15,154
Insurance claim income	11,947	13,343
Penalty income	11,898	21,045
Consumption taxes refund	-	43,428
Share of profit of entities accounted for using equity method	-	319
Other	42,629	50,672
Total non-operating income	195,342	293,494
Non-operating expenses		
Interest expenses	252,697	285,966
Commission expenses	63,066	60,498
Share of loss of entities accounted for using equity method	27,220	-
Other	29,003	22,131
Total non-operating expenses	371,988	368,597
Ordinary profit	1,716,841	2,514,101
Extraordinary income		
Gain on sale of non-current assets	172	9
Gain on reversal of share acquisition rights	941	493
Gain on sale of golf membership	-	427
Total extraordinary income	1,113	929
Extraordinary losses		
Loss on sale of non-current assets	65	628
Loss on retirement of non-current assets	21,808	26,644
Loss on valuation of investment securities	40,830	5,282
Impairment losses	30,570	16,774
Other	-	4,827
Total extraordinary losses	93,275	54,157
Profit before income taxes	1,624,680	2,460,874
Income taxes-current	584,438	889,514
Income taxes-deferred	9,539	(45,518)
Total income taxes	593,977	843,996
Profit	1,030,703	1,616,877
Profit attributable to owners of parent	1,030,703	1,616,877

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Profit	1,030,703	1,616,877
Other comprehensive income		
Valuation difference on available-for-sale securities	(19,676)	10,246
Share of other comprehensive income of entities accounted for using equity method	(4,271)	5,632
Total other comprehensive income	(23,947)	15,879
Comprehensive income	1,006,755	1,632,757
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,006,755	1,632,757
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Net Assets

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,347,247	3,365,742	4,551,173	(410)	11,263,753
Changes during period					
Issuance of new shares	12,583	12,583			25,166
Dividends of surplus			(719,129)		(719,129)
Profit attributable to owners of parent			1,030,703		1,030,703
Purchase of treasury shares				(50)	(50)
Net changes in items other than shareholders' equity					
Total changes during period	12,583	12,583	311,573	(50)	336,689
Balance at end of period	3,359,831	3,378,326	4,862,747	(461)	11,600,442

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(33,008)	30	(32,978)	32,945	11,263,720
Changes during period					
Issuance of new shares					25,166
Dividends of surplus					(719,129)
Profit attributable to owners of parent					1,030,703
Purchase of treasury shares					(50)
Net changes in items other than shareholders' equity	(19,676)	(4,271)	(23,947)	2,197	(21,749)
Total changes during period	(19,676)	(4,271)	(23,947)	2,197	314,939
Balance at end of period	(52,684)	(4,240)	(56,925)	35,143	11,578,660

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,359,831	3,378,326	4,862,747	(461)	11,600,442
Changes during period					
Issuance of new shares	14,506	14,506			29,012
Dividends of surplus			(370,315)		(370,315)
Profit attributable to owners of parent			1,616,877		1,616,877
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	14,506	14,506	1,246,562	-	1,275,574
Balance at end of period	3,374,337	3,392,832	6,109,309	(461)	12,876,017

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(52,684)	(4,240)	(56,925)	35,143	11,578,660
Changes during period					
Issuance of new shares					29,012
Dividends of surplus					(370,315)
Profit attributable to owners of parent					1,616,877
Purchase of treasury shares					
Net changes in items other than shareholders' equity	10,246	5,632	15,879	6,896	22,775
Total changes during period	10,246	5,632	15,879	6,896	1,298,350
Balance at end of period	(42,437)	1,391	(41,046)	42,039	12,877,010

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Cash flows from operating activities		
Profit before income taxes	1,624,680	2,460,874
Depreciation	403,566	438,195
Loss (gain) on valuation of investment securities	40,830	5,282
Loss (gain) on investments in silent partnerships	(108,342)	(147,032)
Amortization of goodwill	104,860	114,049
Amortization of long-term prepaid expenses	68,642	134,710
Increase (decrease) in allowance for doubtful accounts	20,877	18,444
Increase (decrease) in provision for bonuses	103,706	(4,428)
Interest and dividend income	(4,989)	(2,497)
Interest expenses	252,697	285,966
Loss (gain) on sale of non-current assets	(107)	619
Loss on retirement of non-current assets	21,808	26,644
Foreign exchange losses (gains)	(1)	(1,834)
Gain on reversal of share acquisition rights	(941)	(493)
Decrease (increase) in trade receivables	42,617	(19,528)
Decrease (increase) in inventories	8,633,245	8,469,500
Increase (decrease) in trade payables	(375,654)	78,414
Decrease (increase) in operating loans receivable	(2,923,937)	1,365,514
Increase (decrease) in advances received	(39,212)	70,526
Decrease (increase) in prepaid expenses	(26,930)	(66,867)
Increase (decrease) in accounts payable-other	185,983	133,461
Increase (decrease) in accrued consumption taxes	(79,293)	81,186
Increase (decrease) in accrued expenses	(75,907)	69,104
Increase (decrease) in guarantee deposits received	(834,803)	84,564
Increase (decrease) in deposits received	137,697	106,803
Decrease (increase) in deposits pledged as collateral	(500,000)	-
Other, net	(226,953)	(394,667)
Subtotal	6,444,138	13,306,514
Interest and dividends received	5,191	2,532
Interest paid	(256,545)	(281,540)
Income taxes refund (paid)	(1,171,670)	(330,925)
Net cash provided by (used in) operating activities	5,021,113	12,696,581
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,721,532)	(14,457,395)
Proceeds from sale of property, plant and equipment	361	9
Purchase of intangible assets	(172,115)	(267,943)
Payments of guarantee deposits	(29,589)	(32,114)
Proceeds from refund of guarantee deposits	5,085	4,671
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,756,855)	-
Purchase of investment securities	(479,730)	(383,200)
Proceeds from sale of investment securities	41,587	-
Proceeds from withdrawal of time deposits	682,132	-
Decrease (increase) in deposit pledged as collateral	(6,000)	(0)
Other, net	3,114	(153,099)
Net cash provided by (used in) investing activities	(11,433,541)	(15,289,072)

	(Thousands of yen)	
	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,556,250	(2,661,506)
Proceeds from long-term borrowings	19,383,000	8,660,000
Repayments of long-term borrowings	(8,367,793)	(6,673,823)
Proceeds from issuance of bonds	1,000,000	1,600,000
Redemption of bonds	(130,000)	(448,000)
Repayments of lease obligations	(2,938)	-
Purchase of treasury shares	(50)	-
Dividends paid	(717,902)	(369,669)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	24,595	28,717
Net cash provided by (used in) financing activities	12,745,160	135,717
Effect of exchange rate change on cash and cash equivalents	1	1,868
Net increase (decrease) in cash and cash equivalents	6,332,734	(2,454,905)
Cash and cash equivalents at beginning of period	12,435,884	18,768,618
Cash and cash equivalents at end of period	18,768,618	16,313,713

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Additional Information**Sale of House-Leaseback Assets**

1. Summary of special purpose company (SPC) and transactions using this company

HOUSEDO sells assets of the House-Leaseback Business as one way to diversify sources of funding.

For the sale of these assets, HOUSEDO first sells House-Leaseback assets (trust beneficiary rights and other assets) to an SPC (which is structured as a godo kaisha (limited liability company)). The SPC then uses these assets as collateral for loans and other sources of funds in order to pay HOUSEDO for these assets. HOUSEDO has a tokumei kumiai (silent partnership) contract with each SPC and makes investments in accordance with this contract.

The following table presents information concerning the SPCs used for the sale of House-Leaseback assets.

HOUSEDO has made no investments with voting rights in any SPC and has not supplied any SPC with directors or other executives.

	FY2020 (As of Jun. 30, 2020)	FY2021 (As of Jun. 30, 2021)
Number of SPC	6	8
Total assets of SPCs	17,742,967 thousand yen	24,179,795 thousand yen
Total liabilities of SPCs	16,570,301 thousand yen	22,324,105 thousand yen

2. Transactions with SPCs

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

	Major transactions (Thousands of yen)	Sales, expenses, gains	
		Items	Amount (Thousands of yen)
Investments in silent partnerships	478,500	Partnership investment gains	108,342
Selling price	9,610,772	Net sales	9,610,772
Book value	7,428,851	Cost of sales	7,428,851

(Note) The selling price of assets is classified as sales and the book value of assets is classified as cost of sales.

(Note) SPCs outsource to PM Do Co., Ltd. the management of the properties purchased from HOUSEDO. Property management fees are omitted from this table because they are negligible.

(Note) HOUSEDO and PM Do Co., Ltd. perform renovation work at properties that have been sold to an SPC. Renovations are omitted from this table because the monetary value is negligible.

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

	Major transactions (Thousands of yen)	Sales, expenses, gains	
		Items	Amount (Thousands of yen)
Investments in silent partnerships	382,000	Partnership investment gains	147,032
Selling price	7,737,111	Net sales	7,737,111
Book value	5,996,193	Cost of sales	5,996,193

(Note) The selling price of assets is classified as sales and the book value of assets is classified as cost of sales.

(Note) SPCs outsource to PM Do Co., Ltd. the management of the properties purchased from HOUSEDO. Property management fees are omitted from this table because they are negligible.

(Note) HOUSEDO and PM Do Co., Ltd. perform renovation work at properties that have been sold to an SPC. Renovations are omitted from this table because the monetary value is negligible.

Effect of COVID-19

The COVID-19 pandemic has affected the operations of the HOUSEDO Group since the previous fiscal year, although only to a limited extent. Repeated states of emergency and the prolonged stay home requests due to a rebound of infections restricted attendance at various business events as well as the ability to conduct sales activities.

The group's accounting estimates incorporate the assumption that the effects of the pandemic will continue for a certain length of time. Currently, we do not expect that the pandemic will have a significant impact on results of operations.

Although this premise is used for accounting estimates, due to the numerous uncertainties about the effects of the pandemic, there is a possibility of the pandemic having a significant impact on the HOUSEDO Group's consolidated financial statements in the fiscal year ending in June 2022.

Segment and Other Information

Segment Information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

HOUSEDO establishes comprehensive strategies for the products and services of each business unit and conducts the associated business operations based on these strategies. Consequently, based on these business units, HOUSEDO has reportable segments for different categories of products and services. HOUSEDO had seven reportable segments: Franchisee Business, House-Leaseback Business, Finance Business, Real Estate Buying and Selling Business, Real Estate Brokerage Business, Renovation Business, and Koyama Construction Group.

The Franchisee Business is engaged mainly in franchised operations for real estate brokerage and leasing brokerage. The House-Leaseback Business primarily provides sale-and-leaseback services for existing houses and condominium units and performs other operations involving these activities. The Finance Business mainly provides loans secured by real estate and guarantees for reverse mortgages. The Real Estate Buying and Selling Business primarily buys and sells land and existing houses, buildings and condominium units and performs other associated activities. The Real Estate Brokerage Business performs brokerage activities. The Renovation Business primarily serves as a contractor for the renovation of residences. The Koyama Construction Group primarily buys and sells real estate, provides brokerage services for rental properties and performs other operations involving these activities of the Koyama Construction Group.

2. Calculation methods for net sales, profit or loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are the same as the methods used for preparing the consolidated financial statements. Inter-segment sales and transfers use the same transaction terms as those for transactions with external customers.

3. Information related to net sales and profit or loss, assets, and other items for each reportable segment

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Reportable segment							
	Franchisee	House-Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal
Net sales								
External sales	2,877,130	15,201,382	980,040	7,102,347	2,002,769	2,631,343	2,069,822	32,864,834
Inter-segment sales and transfers	88,222	17,984	27,557	5,846	249,841	194	918	390,566
Total	2,965,352	15,219,367	1,007,597	7,108,193	2,252,610	2,631,537	2,070,741	33,255,401
Segment profit (loss)	1,801,909	1,979,569	17,535	340,387	574,902	115,668	102,592	4,932,565
Segment assets	358,185	9,673,132	13,091,083	10,588,268	978,559	795,634	4,662,385	40,147,250
Other items								
Depreciation	10,160	274,488	2,081	17,367	9,399	10,744	38,666	362,907
Share of loss of entities accounted for using equity method	-	-	-	-	-	-	-	-
Investment in equity-method affiliates	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	7,160	9,186,540	15,229	209,521	21,842	994	1,011,556	10,452,843

(Thousands of yen)

	Other (Note 1)	Total	Adjustment (Notes 2, 4, 5, 6)	Amounts shown on consolidated financial statements (Note 3)
Net sales				
External sales	13,783	32,878,618	-	32,878,618
Inter-segment sales and transfers	-	390,566	(390,566)	-
Total	13,783	33,269,185	(390,566)	32,878,618
Segment profit (loss)	(10,520)	4,922,044	(3,028,556)	1,893,487
Segment assets	90,857	40,238,107	14,004,934	54,243,042
Other items				
Depreciation	-	362,907	40,658	403,566
Share of loss of entities accounted for using equity method	(27,220)	(27,220)	-	(27,220)
Investment in equity-method affiliates	90,800	90,800	-	90,800
Increase in property, plant and equipment and intangible assets	-	10,452,843	224,958	10,677,801

Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of the Europe/US style real estate agent and overseas business expenses.

2. The negative adjustment of 3,028.556 million yen to segment profit (loss) includes an elimination for inter-segment transactions of 17.942 million yen, acquisition-related costs for purchase of shares of subsidiary of negative 110.291 million yen, corporate expenses of negative 2,918.190 million yen that are not allocated to any of the reportable segments and inventory adjustments of negative 18.017 million yen. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

3. Segment profit (loss) is adjusted to be consistent with operating profit in the consolidated financial statements.

4. The 14,004.934 million yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments of 19,010.560 million yen and elimination for inter-segment transactions of negative 5,005.625 million yen. Corporate assets mainly include excess working capital (cash and deposits) and assets related to the administrative division that cannot be allocated to reportable segments.

5. The 40.658 million yen adjustment to depreciation includes corporate assets that are not allocated to any of the reportable segments.

6. The 224.958 million yen adjustment to increase in property, plant and equipment and intangible assets is the sum of corporate assets that are not allocated to reportable segments.

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Reportable segment							
	Franchisee	House-Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal
Net sales								
External sales	3,236,680	13,323,385	1,084,981	14,624,969	1,914,151	2,715,337	2,127,449	39,026,955
Inter-segment sales and transfers	98,768	33,334	9,526	-	397,046	1,085	14,523	554,283
Total	3,335,449	13,356,719	1,094,507	14,624,969	2,311,197	2,716,423	2,141,972	39,581,239
Segment profit (loss)	2,226,135	1,653,406	76,118	1,082,008	596,469	171,552	127,805	5,933,497
Segment assets	205,937	12,038,371	14,242,092	17,597,404	1,376,859	482,620	4,592,584	50,535,871
Other items								
Depreciation	9,544	265,546	5,081	38,741	12,514	6,216	31,142	368,786
Share of profit of entities accounted for using equity method	-	-	-	-	-	-	-	-
Investment in equity-method affiliates	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	694	10,730,804	10,301	3,391,320	179,914	11,149	7,159	14,331,344

(Thousands of yen)

	Other (Note 1)	Total	Adjustment (Notes 2, 4, 5, 6)	Amounts shown on consolidated financial statements (Note 3)
Net sales				
External sales	10,752	39,037,708	-	39,037,708
Inter-segment sales and transfers	-	554,283	(554,283)	-
Total	10,752	39,591,991	(554,283)	39,037,708
Segment profit (loss)	(5,297)	5,928,199	(3,338,994)	2,589,204
Segment assets	99,286	50,635,157	6,671,271	57,306,428
Other items				
Depreciation	-	368,786	69,408	438,195
Share of profit of entities accounted for using equity method	319	319	-	319
Investment in equity-method affiliates	99,286	99,286	-	99,286
Increase in property, plant and equipment and intangible assets	-	14,331,344	929,808	15,261,152

- Notes:
1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of the Europe/US style real estate agent and overseas business expenses.
 2. The negative adjustment of 3,338.994 million yen to segment profit (loss) includes an elimination for inter-segment transactions of 13.724 million yen, corporate expenses of negative 3,350.798 million yen that are not allocated to any of the reportable segments and inventory adjustments of negative 1.919 million yen. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
 3. Segment profit (loss) is adjusted to be consistent with operating profit in the consolidated financial statements.
 4. The 6,671.271 million yen adjustment to segment assets includes corporate assets that are not allocated to any of the reportable segments of 18,251.278 million yen and elimination for inter-segment transactions of negative 11,580.007 million yen. Corporate assets mainly include excess working capital (cash and deposits) and assets related to the administrative division that cannot be allocated to reportable segments.
 5. The 69.408 million yen adjustment to depreciation includes corporate assets that are not allocated to any of the reportable segments.
 6. The 929.808 million yen adjustment to increase in property, plant and equipment and intangible assets is the sum of corporate assets that are not allocated to reportable segments.

Related information

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is not disclosed because sales to external clients in Japan exceeded 90% of consolidated net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major client

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

Name	Sales	Related segment
HLB Fund No.6 LLP	3,919,783	House-Leaseback Business

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

Name	Sales	Related segment
HLB Fund No.8 LLP	4,283,132	House-Leaseback Business

Information related to impairment of non-current assets for each reportable segment

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Reportable segment								Other	Elimination or Corporate	Total
	Franchisee	House-Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal			
Impairment loss	-	21,027	3,400	-	1,623	-	4,519	30,570	23,522	-	54,093

Note: "Other" is the equity-method share of loss resulting from the impairment of the goodwill of Capital Link Asset Management Limited, which is owned by HOUSED0 equity-method affiliate H-DO (THAILAND) Limited.

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Reportable segment								Other	Elimination or Corporate	Total
	Franchisee	House-Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal			
Impairment loss	-	-	-	-	2,218	14,555	-	16,774	-	-	16,774

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY2020 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Reportable segment								Other	Elimination or Corporate	Total
	Franchisee	House-Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal			
Amortization for the period	-	3,781	-	-	-	-	101,078	104,860	-	-	104,860
Balance at end of period	-	10,400	-	-	-	-	670,794	681,195	-	0	681,195

FY2021 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Reportable segment								Other	Elimination or Corporate	Total
	Franchisee	House- Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Koyama Construction Group	Subtotal			
Amortization for the period	-	3,781	-	-	-	-	110,267	114,049	-	-	114,049
Balance at end of period	-	6,618	-	-	-	-	560,527	567,145	-	0	567,145

Information related to gain on bargain purchase for each reportable segment

Not applicable.

4. Information related to revisions for reportable segments

Changes in the classification of business segments

1. Beginning in FY2021, HOUSEDO Japan Co., Ltd. (formerly Soka Matsubara Juken Co., Ltd.), which was previously included in the Koyama Construction Group segment, has been moved to the Real Estate Buying and Selling segment and the House Leaseback segment in association with the change in this company's name and the start of a real estate buying and selling business and a house leaseback business at this company.

Segment information for FY2020 has been restated to reflect these changes.

2. Beginning in FY2021, income at subsidiary PM Do Co., Ltd. from property assessments and from outsourced services provided for HOUSEDO Group managed properties, which was previously included in the Finance segment and Franchisee segment, has been included in sales of the House-Leaseback segment for the purpose of more appropriately reflecting the activities of each segment.

In prior years, the expenses of PM Do were divided among the House-Leaseback, Finance and Franchisee segments in proportion to the sales of these segments. Due to the change in the segment classification of income of this company, all expenses are now included only in the House-Leaseback segment.

Segment information for FY2020 has been restated to reflect these changes.

3. Beginning in FY2021, expenses of the HOUSEDO Construction Design Division, which were previously included in the Real Estate Buying and Selling segment, are divided among the House-Leaseback and Real Estate Buying and Selling segments and adjustment in proportion to the scale of business operations for the purpose of more appropriately reflecting the activities of each segment.

Segment information for FY2020 has not been restated to reflect this change because it is impossible to determine the amount of expenses of this division that was included in the Real Estate Buying and Selling segment in that period.

4. Beginning in FY2021, investment securities and investments in capital of HOUSEDO, which were previously included in the Corporate segment, has been included in the House-Leaseback, Other, and Corporate segments for the purpose of more appropriately reflecting the activities of each segment.

Segment information for FY2020 has been restated to reflect these changes.

Per-share Information

(Yen)

	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Net assets per share	592.27	656.34
Net income per share	52.94	82.87
Diluted net income per share	51.87	81.57

Note: The following is a reconciliation of net income per share and diluted net income per share.

(Thousands of yen)

	FY2020 (Jul. 1, 2019 – Jun. 30, 2020)	FY2021 (Jul. 1, 2020 – Jun. 30, 2021)
Net income per share		
Profit attributable to owners of parent	1,030,703	1,616,877
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	1,030,703	1,616,877
Average number of shares of common stock during the fiscal year (shares)	19,470,473	19,510,721
Diluted net income per share		
Adjustment to profit attributable to owners of parent	-	-
[Of which, interest expenses (after deducting amount equivalent to tax)]	-	-
Increase in the number of shares of common stock (shares)	399,747	311,006
[Of which, share acquisition rights (shares)]	[399,747]	[311,006]
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	The 6th series of stock options (equivalent to 657,000 shares of stock) and the 7th series of stock options (equivalent to 22,300 shares of stock) were not included in the calculation of diluted net income per share because these stock options were not dilutive in this fiscal year.	The 6th series of stock options (equivalent to 629,000 shares of stock) and the 7th series of stock options (equivalent to 21,800 shares of stock) were not included in the calculation of diluted net income per share because these stock options were not dilutive in this fiscal year.

Material Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.