

Summary of Business Results for the Second Quarter Ended December 31, 2024

[Japan GAAP] (Consolidated)

February 13, 2025

Company **&Do Holdings Co., Ltd.** Listed on the TSE
 Stock code 3457 URL: <https://www.housedo.co.jp/and-do/en/>
 Representative Masahiro Ando, Chairman
 Contact Kazuaki Tomita, Vice Chairman and CFO
 TEL: +81-3-5220-7230

Expected date of filing of semi-annual report: February 14, 2025

Expected starting date of dividend payment: -

Preparation of supplementary financial document: Yes

Holding of results briefing: Yes (for securities analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated business results for the six months ended December 2024 (July 1, 2024 through December 31, 2024)

(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	%
Six months ended Dec. 31, 2024	35,927	1.6	1,604	(25.7)	1,753	(16.3)	1,138	(18.9)
Six months ended Dec. 31, 2023	35,372	39.1	2,158	23.4	2,095	13.1	1,403	23.9

(Note) Comprehensive income:

Six months ended Dec. 31, 2024: 1,142 million yen (down 19.1%)

Six months ended Dec. 31, 2023: 1,410 million yen (up 21.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2024	57.18	57.02
Six months ended Dec. 31, 2023	70.88	70.46

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	74,766	17,524	23.4	879.44
As of Jun. 30, 2024	79,568	17,250	21.6	865.07

(Reference) Shareholders' equity:

As of Dec. 31, 2024: 17,506 million yen

As of Jun. 30, 2024: 17,220 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2024	-	0.00	-	43.00	43.00
Fiscal year ending Jun. 30, 2025	-	0.00			
Fiscal year ending Jun. 30, 2025 (forecast)			-	45.00	45.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Forecast of consolidated business results for the fiscal year ending June 2025 (July 1, 2024 through June 30, 2025)

(% 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, 2025	70,000	3.6	4,000	11.5	4,000	15.7	2,640	6.6	132.62

(Note) Revisions to the most recently announced business forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting procedures specific to preparation of the interim consolidated financial statements:
Yes

(Note) Please refer to the section “2. Interim Consolidated Financial Statements and Notes, (4) Notes to Interim Consolidated Financial Statements (Accounting Procedures Specific to Preparation of the Interim Consolidated Financial Statements)” on page 11 of the attachments for further information.

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

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

(Note) Please refer to the section “2. Interim Consolidated Financial Statements and Notes, (4) Notes to Interim Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of the attachments for further information.

(4) Number of shares issued (common stock)

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

As of Dec. 31, 2024	19,906,800 shares
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As of Jun. 30, 2024	19,906,800 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2024	594 shares
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As of Jun. 30, 2024	586 shares
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3) Average number of shares during the period (cumulative)

Six months ended Dec. 31, 2024	19,906,210 shares
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Six months ended Dec. 31, 2023	19,803,993 shares
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*** The current interim financial report is not subject to reviews 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., (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 5 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

In the first half of the current fiscal year, corporate earnings in Japan increased and business sentiment remained positive. Although inflation affected the Japanese economy, the economy recovered slowly with the gradual upturn in consumer spending. While there are many uncertainties regarding the economy, we must continue to closely monitor interest rate movements and changes in economic indicators in Japan and other countries.

In the real estate industry, where the &Do Holdings Group operates, the Bank of Japan ended its negative interest rate policy but demand for housing was firm as interest rates on mortgages remained low.

The &Do Holdings Group is taking many actions based on the three-year medium-term plan that ends in June 2025 with the goal of more growth of business operations and corporate value. Resources are focused on four growth enhancement businesses: Franchisee Business, House-Leaseback Business, Finance Business, and Real Estate Buying and Selling Business. In these businesses, we are making substantial investments for human resources, advertising and marketing, and other activities. By deepening ties among all of our businesses, we are making progress with services that combine real estate and financing as well as with becoming even more profitable.

The &Do Holdings Group reported net sales of 35,927 million yen (up 1.6% year on year), operating profit of 1,604 million yen (down 25.7% year on year) and ordinary profit of 1,753 million yen (down 16.3% year on year). Profit attributable to owners of parent amounted to 1,138 million yen (down 18.9% year on year).

Business segment performance was as follows.

(As of December 31, 2024)

Segment	Net sales (Millions of yen)	Activities
Franchisee Business	1,583	65 new franchisee contracts, raising total to 714 40 new franchised stores, raising total to 626
House-Leaseback Business	10,550	517 new properties purchased, raising holdings to 637; 473 properties sold
Finance Business	281	249 new guarantees for reverse mortgages, raising total to 1,829
Real Estate Buying and Selling Business	21,828	571 transactions
Real Estate Brokerage Business	496	753 brokered properties
Renovation Business	1,185	730 contracts; 788 renovation completions
Other Business	-	Overseas business
Total	35,927	-

1) Franchisee Business

In this business, many activities are under way to expand the network of stores. One priority is the Tokyo metropolitan area, where this is much potential for adding more stores. There are also activities to increase the number of franchised stores mainly in urban areas of the Kansai area and Kyushu. The addition of franchisees is steady particularly in the Kansai area due to rising awareness of our brand as the number of these stores increases and to large expenditures for advertising and human resources. During the first half of the fiscal year, there were 65 new franchisee contracts. The number of franchisee contracts at the end of December 2024 was 714.

We have reinforced a franchisee follow-up system using supervisors, added a variety of new services and increased the number of partner companies. However, time required to prepare for store opening, including tenant selection for franchised stores. Due to these actions, we added 40 franchised stores, raising the total to 626 at the end of December 2024.

As a result, segment sales decreased 0.6% to 1,583 million yen and segment profit decreased 1.1% to 980 million yen.

2) House-Leaseback Business

This business enables customers to use real estate to procure funds for retirement income, a business or a variety of other purposes. The addition of 517 House-Leaseback properties during the first half raised to 637 the number of properties purchased and leased back by this business as of December 31, 2024. In addition, we have been generating capital gains through the transfer, resale, or divestment of 473 properties to real estate purchasing companies and other entities.

As a result, segment sales decreased 17.7% to 10,550 million yen and segment profit decreased 24.5% to 1,184 million yen.

3) Finance Business

This business uses the &Do Holdings Group's nationwide network of real estate assessment and sales expertise, one of the group's core strengths, for growth of the reverse mortgage guarantee business. There were more activities to increase the number of guarantee agreements with financial institutions and build stronger ties with these institutions for increasing public awareness and the use of reverse mortgages. In the first half, the number of reverse mortgage guarantees increased by 249 to 1,829, and guarantees totaled 25,212 million yen, due to progress in diversifying the use of reverse mortgages and acquiring new guarantees, particularly in the Tokyo metropolitan area.

As a result, segment sales increased 28.4% to 281 million yen and segment profit was up 215.0% to 88 million yen.

4) Real Estate Buying and Selling Business

Cooperation with directly operated real estate brokerage stores and other measures were used to buy more properties and supply properties that match the needs of customers in order to increase sales. Sales remain favorable as the demand for houses in Japan continues to be strong, supported by low mortgage interest rates. The performance of this business was strong due to sales of large projects. The result was transactions for 571 properties during the first half, up 33.4% from one year earlier.

As a result, segment sales increased 15.3% to 21,828 million yen and segment profit decreased 18.4% to 1,386 million yen.

5) Real Estate Brokerage Business

There are activities to position stores as a one-stop source of comprehensive services by using synergies with other group businesses in order to increase earnings. The size of this business is declining as people are shifted to key growth-driving businesses and stores are combined with others. The performance of existing stores is stable as demand for houses remains firm due to low mortgage interest rates. During the first half, the number of brokerage transactions was 753, down 14.8% from one year earlier.

As a result, segment sales decreased 11.6% to 496 million yen and segment profit decreased 29.1% to 193 million yen.

6) Renovation Business

This business used a collaboration with the Real Estate Brokerage Business to sell existing homes with renovation orders as a single package. To attract customers, we held joint renovation fairs with housing equipment manufacturers, used our showrooms, and had other activities. The number of renovation contracts signed in the first half decreased 5.2% from one year earlier to 730 and the number of renovation completions decreased 7.8% to 788.

As a result, segment sales decreased 5.5% to 1,185 million yen and segment profit increased 13.1% to 132 million yen.

(2) Financial Position**1) Assets, liabilities and net assets****Assets**

Total assets amounted to 74,766 million yen at the end of December 2024, a decrease of 4,802 million yen over the end of June 2024.

There was an increase of 342 million yen in inventories, the result of the increasing number of properties in the Real Estate Buying and Selling Business.

There were decreases of 3,213 million yen in property, plant and equipment because of the reclassification of properties owned by the Real Estate Buying and Selling Business from non-current assets to real estate for sale and 1,901 million yen in cash and deposits.

Liabilities

Liabilities totaled 57,241 million yen, a decrease of 5,076 million yen over the end of June 2024.

There was an increase of 1,253 million yen in short-term borrowings.

There were decreases of 1,005 million yen in current portion of long-term borrowings, 3,878 million yen in long-term borrowings and 530 million yen in income taxes payable.

Net assets

Net assets totaled 17,524 million yen, an increase of 274 million yen over the end of June 2024.

There was an increase of 1,138 million yen in retained earnings because of the booking of profit attributable to owners of parent.

There was a decrease of 855 million yen in retained earnings due to dividend payments.

(Millions of yen)

	FY2024 (As of Jun. 30, 2024)	Second quarter of FY2025 (As of Dec. 31, 2024)	Change
Total assets	79,568	74,766	(4,802)
Liabilities	62,318	57,241	(5,076)
Net assets	17,250	17,524	274

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) as of the end of December 2024 amounted to 7,280 million yen, a decrease of 1,901 million yen over the end of June 2024.

Cash flows from operating activities

Net cash provided by operating activities totaled 3,453 million yen (compared with net cash provided of 5,401 million yen in the same period of the previous fiscal year).

Positive factors include the booking of profit before income taxes of 1,715 million yen and a decrease in inventories of 2,884 million yen.

Negative factors include income taxes paid of 1,101 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 510 million yen (compared with net cash used of 756 million yen in the same period of the previous fiscal year).

Negative factors include purchase of property, plant and equipment of 293 million yen and purchase of intangible assets of 211 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 4,853 million yen (compared with net cash used of 3,390 million yen in the same period of the previous fiscal year).

Positive factors include proceeds from long-term borrowings of 7,393 million yen and a net increase in short-term borrowings of 1,253 million yen.

Negative factors include repayments of long-term borrowings of 12,277 million yen and dividends paid of 854 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

&Do Holdings is making no revisions to the full-year consolidated forecasts that were announced in the Summary of Business Results for the Fiscal Year Ended June 30, 2024 dated August 14, 2024.

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

	(Millions of yen)	
	FY2024 (As of Jun. 30, 2024)	Second quarter of FY2025 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	10,092	8,190
Notes and accounts receivable-trade, and contract assets	163	112
Real estate for sale	36,880	38,232
Real estate for sale in process	9,454	8,452
Costs on construction contracts in progress	356	349
Operating loans	1,853	1,698
Short-term loans receivable from subsidiaries and associates	43	46
Other	1,394	1,285
Allowance for doubtful accounts	(21)	(18)
Total current assets	60,217	58,348
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,477	3,165
Accumulated depreciation	(1,395)	(1,071)
Buildings and structures, net	4,081	2,094
Land	7,273	6,037
Other	126	141
Accumulated depreciation	(89)	(94)
Other, net	37	46
Total property, plant and equipment	11,392	8,178
Intangible assets		
Goodwill	229	174
Other	1,247	1,241
Total intangible assets	1,477	1,416
Investments and other assets		
Investment securities	4,838	5,251
Long-term prepaid expenses	373	294
Deferred tax assets	615	612
Other	665	674
Allowance for doubtful accounts	(11)	(9)
Total investments and other assets	6,481	6,823
Total non-current assets	19,350	16,417
Total assets	79,568	74,766

(Millions of yen)

	FY2024 (As of Jun. 30, 2024)	Second quarter of FY2025 (As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,222	1,131
Short-term borrowings	13,223	14,477
Current portion of bonds payable	1,086	1,046
Current portion of long-term borrowings	11,765	10,760
Lease liabilities	4	4
Accounts payable-other	579	440
Accrued expenses	503	460
Income taxes payable	1,168	638
Accrued consumption taxes	401	199
Contract liabilities	1,213	1,216
Provision for bonuses	167	202
Asset retirement obligations	3	4
Provision for warranties for completed construction	3	3
Other	946	971
Total current liabilities	32,288	31,555
Non-current liabilities		
Bonds payable	1,850	1,525
Long-term borrowings	26,991	23,112
Lease liabilities	4	2
Long-term guarantee deposits	814	698
Deferred tax liabilities	226	205
Asset retirement obligations	101	101
Provision for warranties for completed construction	40	40
Total non-current liabilities	30,029	25,686
Total liabilities	62,318	57,241
Net assets		
Shareholders' equity		
Share capital	3,457	3,457
Capital surplus	3,475	3,475
Retained earnings	10,264	10,546
Treasury shares	(0)	(0)
Total shareholders' equity	17,196	17,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	(4)
Foreign currency translation adjustment	23	31
Total accumulated other comprehensive income	23	27
Share acquisition rights	30	18
Total net assets	17,250	17,524
Total liabilities and net assets	79,568	74,766

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

(Millions of yen)

	First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)	First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)
Net sales	35,372	35,927
Cost of sales	26,724	27,975
Gross profit	8,647	7,951
Selling, general and administrative expenses	6,488	6,347
Operating profit	2,158	1,604
Non-operating income		
Interest and dividend income	0	1
Gain on investments in silent partnerships	205	467
Share of profit of entities accounted for using equity method	0	-
Consumption taxes refund	78	37
Other	43	100
Total non-operating income	328	607
Non-operating expenses		
Interest expenses	351	383
Share of loss of entities accounted for using equity method	-	3
Other	40	71
Total non-operating expenses	392	458
Ordinary profit	2,095	1,753
Extraordinary income		
Gain on reversal of share acquisition rights	6	11
Gain on sale of non-current assets	-	5
Total extraordinary income	6	16
Extraordinary losses		
Loss on retirement of non-current assets	5	9
Impairment losses	-	45
Total extraordinary losses	5	54
Profit before income taxes	2,095	1,715
Income taxes-deferred	692	577
Profit	1,403	1,138
Profit attributable to owners of parent	1,403	1,138

Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)	First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)
Profit	1,403	1,138
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(5)
Share of other comprehensive income of entities accounted for using equity method	6	8
Total other comprehensive income	7	3
Comprehensive income	1,410	1,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,410	1,142

(3) Interim Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)	First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	2,095	1,715
Depreciation	453	451
Loss (gain) on investments in silent partnerships	(205)	(467)
Amortization of goodwill	55	55
Interest and dividend income	(0)	(1)
Interest expenses	351	383
Decrease (increase) in trade receivables	195	54
Decrease (increase) in inventories	2,609	2,884
Increase (decrease) in trade payables	(148)	(91)
Decrease (increase) in operating loans receivable	496	158
Increase (decrease) in contract liabilities	(180)	3
Other, net	528	(196)
Subtotal	6,250	4,950
Interest and dividends received	0	0
Interest paid	(355)	(395)
Income taxes refund (paid)	(493)	(1,101)
Net cash provided by (used in) operating activities	5,401	3,453
Cash flows from investing activities		
Purchase of property, plant and equipment	(297)	(293)
Purchase of intangible assets	(205)	(211)
Purchase of investment securities	(420)	(207)
Proceeds from redemption of investment securities	181	259
Other, net	(14)	(57)
Net cash provided by (used in) investing activities	(756)	(510)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(575)	1,253
Proceeds from long-term borrowings	6,577	7,393
Repayments of long-term borrowings	(8,490)	(12,277)
Proceeds from issuance of bonds	300	200
Redemption of bonds	(570)	(565)
Dividends paid	(781)	(854)
Other, net	149	(2)
Net cash provided by (used in) financing activities	(3,390)	(4,853)
Effect of exchange rate change on cash and cash equivalents	1	8
Net increase (decrease) in cash and cash equivalents	1,255	(1,901)
Cash and cash equivalents at beginning of period	9,404	9,182
Cash and cash equivalents at end of period	10,660	7,280

(4) Notes to Interim Consolidated Financial Statements

Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) beginning with the first half of the fiscal year ending June 30, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022).

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting beginning with the first half of the current fiscal year.

This change in accounting policies has no effect on the consolidated financial statements.

Reclassifications

Interim Consolidated Statement of Cash Flows

“Decrease (increase) in advance payments” and “Increase (decrease) in guarantee deposits received” under “Cash flows from operating activities” presented as separate line items in the first six months of the previous fiscal year are included in “Other, net” in the first six months of the current fiscal year given the reduced materiality in the context of the interim consolidated financial statements. To conform to this change, the interim consolidated financial statements for the previous fiscal year are reclassified.

Accordingly, “Decrease (increase) in advance payments” of 66 million yen and “Increase (decrease) in guarantee deposits received” of negative 28 million yen under “Cash flows from operating activities” in the interim consolidated statement of cash flows for the previous fiscal year have been reclassified and included in “Other, net.”

“Payments of guarantee deposits” under “Cash flows from investing activities” presented as a separate line item in the first six months of the previous fiscal year is included in “Other, net,” in the first six months of the current fiscal year given the reduced materiality in the context of the interim consolidated financial statements. “Proceeds from redemption of investment securities” included in “Other, net” under “Cash flows from investing activities” in the first six months of the previous fiscal year is presented separately from the first six months of the current fiscal year given the increased materiality in the context of the interim consolidated financial statements. To conform to these changes, the interim consolidated financial statements for the first six months of the previous fiscal year are reclassified.

Accordingly, “Payments of guarantee deposits” of negative 33 million yen under “Cash flows from investing activities” in the interim consolidated statement of cash flows for the previous fiscal year has been reclassified and included in “Other, net.” “Other, net” of 181 million yen is reclassified and included in “Proceeds from redemption of investment securities.”

Accounting Procedures Specific to Preparation of the Interim Consolidated Financial Statements

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit before income taxes.

Segment Information

I First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)

Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on interim consolidated statement of income (Note 3)
	Franchisee	House- Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Subtotal				
Net sales											
External sales	1,594	12,811	219	18,929	561	1,254	35,370	1	35,372	-	35,372
Inter-segment sales and transfers	43	39	1	17	266	0	368	-	368	(368)	-
Total	1,637	12,851	220	18,946	828	1,254	35,738	1	35,740	(368)	35,372
Segment profit (loss)	991	1,569	28	1,700	272	117	4,678	(4)	4,674	(2,515)	2,158

- Notes:
1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of expenses of the Europe/US style real estate agent business and overseas business.
 2. The negative adjustment of 2,515 million yen to segment profit (loss) includes elimination for inter-segment transactions of negative 0 million yen, corporate expenses of negative 2,524 million yen that are not allocated to any of the reportable segments, and inventory adjustments of 9 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 recorded in the interim consolidated statement of income.

II First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)

Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on interim consolidated statement of income (Note 3)
	Franchisee	House- Leaseback	Finance	Real Estate Buying and Selling	Real Estate Brokerage	Renovation	Subtotal				
Net sales											
External sales	1,583	10,550	281	21,828	496	1,185	35,927	-	35,927	-	35,927
Inter-segment sales and transfers	51	29	2	10	187	-	281	-	281	(281)	-
Total	1,635	10,580	284	21,839	683	1,185	36,208	-	36,208	(281)	35,927
Segment profit (loss)	980	1,184	88	1,386	193	132	3,965	(2)	3,963	(2,359)	1,604

- Notes:
1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of expenses of overseas business.
 2. The negative adjustment of 2,359 million yen to segment profit (loss) includes elimination for inter-segment transactions of negative 0 million yen, corporate expenses of negative 2,372 million yen that are not allocated to any of the reportable segments, and inventory adjustments of 13 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 recorded in the interim consolidated statement of income.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Interim Consolidated Balance Sheet

Guarantee liabilities

The Company guarantees the following customers' bank loans from financial institutions.

	FY2024 (As of Jun. 30, 2024)	Second quarter of FY2025 (As of Dec. 31, 2024)
Customers for reverse mortgage business	20,863 million yen	25,212 million yen
Customers for business loan business	7 million yen	7 million yen
Customers for automobile loan business	1 million yen	0 million yen
Total	20,871 million yen	25,219 million yen

Note: The amount is the maximum amount of guarantee.

Interim Consolidated Statement of Cash Flows

* The relationship between the balance of cash and cash equivalents at the end of the second quarter and the amount of items posted in the interim consolidated balance sheet is as follows.

	First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)	First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)
Cash and deposits	11,570 million yen	8,190 million yen
Restricted deposits	(910) million yen	(910) million yen
Cash and cash equivalents	10,660 million yen	7,280 million yen

Additional Information

Sale of House-Leaseback Assets

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

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

For the sale of these assets, &Do Holdings 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 &Do Holdings for these assets. &Do Holdings 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.

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

	FY2024 (As of Jun. 30, 2024)	Second quarter of FY2025 (As of Dec. 31, 2024)
Number of SPC	17	17
Total assets of SPCs	54,398 million yen	54,877 million yen
Total liabilities of SPCs	49,903 million yen	49,976 million yen

(2) Transactions with SPCs

First six months of FY2024 (Jul. 1, 2023 – Dec. 31, 2023)

	Major transactions (Millions of yen)	Sales, expenses, gains	
		Items	Amount (Millions of yen)
Investments in silent partnerships	420	Partnership investment gains	205
Selling price	8,453	Net sales	8,453
Book value	6,822	Cost of sales	6,822

Notes: 1. The selling price of assets is classified as sales and the book value of assets is classified as cost of sales.

2. SPCs outsource to PM Do Co., Ltd. (currently HOUSE DO Sales Management Co., Ltd.) the management of the properties purchased from &Do Holdings. Property management fees are omitted from this table because they are negligible.

3. &Do Holdings and PM Do Co., Ltd. (currently HOUSE DO Sales Management 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.

First six months of FY2025 (Jul. 1, 2024 – Dec. 31, 2024)

	Major transactions (Millions of yen)	Sales, expenses, gains	
		Items	Amount (Millions of yen)
Investments in silent partnerships	198	Partnership investment gains	467
Selling price	4,040	Net sales	4,040
Book value	3,355	Cost of sales	3,355

Notes: 1. SPCs outsource to HOUSE DO Sales Management Co., Ltd. the management of the properties purchased from &Do Holdings. Property management fees are omitted from this table because they are negligible.

2. &Do Holdings and HOUSE DO Sales Management 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.

Reclassification of real estate from non-current assets to real estate for sale

During the first six months of FY2025, the following income-generating properties and other properties previously classified as non-current assets were reclassified to real estate for sale because the holding purpose was changed to sales: buildings and structures of 2,031 million yen, land of 1,383 million yen and other of 0 million yen in property, plant and equipment.

Material Subsequent Events

Secondary offering of stock and change of major shareholders

On December 18, 2024, the &Do Holdings Board of Directors approved a resolution to establish a capital and business alliance with Dai-ichi Life Holdings, Inc. (Dai-ichi Life) and to conduct a third-party allotment of treasury shares and newly issued shares to Dai-ichi Life.

As part of this capital and business alliance, Masahiro Ando, who is a major shareholder of &Do Holdings, signed a contract on December 18, 2024, for the sale of &Do Holdings common stock to Dai-ichi Life. On January 10, 2025, &Do Holdings received information indicating that Mr. Ando had sold this stock to Dai-ichi Life. The sale of this stock by Mr. Ando, which is classified as a secondary offering, resulted in a change in a major shareholder of &Do Holdings. The third-party allotment of treasury shares and of newly issued shares is expected to result in a change in a company classified as an “other affiliated company.”

1. Capital and business alliance

(1) Purpose and reasons for the alliance

The &Do Group oversees a nationwide network of more than 700 franchised stores using the HOUSEDO brand with the goal of using the real estate business to be a source of confidence and convenience for people. Group companies are providers of real estate services able to create real estate solutions that match the current business climate and needs of consumers. To continue growing, the group is dedicated to using the real estate business to help solve social issues and to remaining a company that customers need.

As one step for more innovation of insurance services, Dai-ichi Life is strengthening operations for services involving residences, which are a key element of our lives. This company believes that using the strengths of the &Do Group would be an effective way to accomplish this goal. The primary strengths are the reverse mortgage guarantee, House-Leaseback and real estate buying and selling businesses, which make it possible for older people to use real estate they own to receive money for their retirement years while remaining in their residences. As a result, Dai-ichi Life began to consider an alliance with &Do Holdings.

For &Do Holdings, collaboration with Dai-ichi Life has the expected benefits of increasing the earnings and corporate value of both companies due to synergies between business operations. Based on this outlook, &Do Holdings decided to proceed with this capital and business alliance. &Do Holdings plans to use this alliance to provide services that combine the real estate sector, including reverse mortgage guarantees and House-Leaseback transactions, with financial services.

2. Overview of the capital and business alliance

(1) Capital alliance

&Do Holdings and Dai-ichi Life have agreed to work together in the following two areas for establishing a framework for collaboration.

- 1) The two companies will work together in the reverse mortgage guarantee, House-Leaseback, real estate buying and selling, and other businesses with the goals of providing customers with quality living environments and increasing the use of financial services that utilize real estate and progress involving these services.
- 2) In addition, companies in the &Do Group and Dai-ichi Life Group will cooperate in the fields of real estate, financial and lifestyle services.

(2) Business alliance

On January 10, 2025, using the secondary offering of treasury shares, Dai-ichi Life purchased 2,078,600 shares of &Do Holdings common stock (10.44% of all shares issued, rounded to the second decimal place). In addition, &Do Holdings plans to use a third-party allotment of treasury shares with a payment period of January 14, 2025 to September 30, 2025 to sell 1,053,000 shares of common stock to Dai-ichi Life (5.29% of all shares issued, rounded to the second decimal place). The planned number of shares of this second third-party allotment of treasury shares is based on the assumption that &Do Holdings will hold this number of treasury shares by no later than September 22, 2025.

Overview of secondary offering

1) Class and number of shares offered	&Do Holdings common stock 2,078,600 shares
2) Offering price	1,093 yen per share
3) Total offering price	2,271,909,800 yen
4) Owner and number of shares offered	Masahiro Ando 2,078,600 shares
5) Offering method	Transfer of common stock of &Do Holdings to Dai-ichi Life
6) Subscription period	January 10, 2025
7) Delivery period	January 10, 2025
8) Other	For all of these items, &Do Holdings has submitted a securities registration statement in accordance with the Financial Instruments and Exchange Act.

Note: The offering price was determined through discussions between the two companies.

Overview of third-party allotment through the disposal of treasury shares

1) Payment date	January 14, 2025 to September 30, 2025
2) Number of treasury shares disposed of and newly issued shares	Common stock 1,053,000 shares
3) Price and payment	962 yen per share
4) Price and total payment	1,012,986,000 yen
5) Method of sale or allotment (Buyer of shares)	Third-party allotment with all shares allocated to Dai-ichi Life
6) Number of treasury shares after the third-party allotment	594 shares
7) Other	This allotment of shares is subject to the securities registration statement filed under the Financial Instruments and Exchange Act taking effect.

Notes: 1. In accordance with the alliance agreement, if &Do Holdings does not have a sufficient number of treasury shares for this third-party allotment by September 22, 2025, &Do Holdings will issue stock to cover the insufficiency in accordance with a resolution approved by the &Do Holdings Board of Directors on December 18, 2024. As of November 30, 2024, there were 594 treasury shares, which is below the number of shares planned for this secondary offering. Consequently, on November 30, 2024, the &Do Holdings Board of Directors approved a resolution for the repurchase of common stock by using purchases on the Tokyo Stock Market based on a discretionary transaction contract. The directors authorized the repurchase of a maximum of 1,053,000 shares, a maximum total payment of 1.4 billion yen, and a purchasing period of January 14 to September 19, 2025. This repurchase of stock may not be able to acquire a sufficient number of shares for the planned number of shares of the third-party allotment by September 22, 2025. If there is an insufficient number of shares, &Do Holdings plans to use a combination of the 594 treasury shares as of November 30, 2024, and newly issued shares for the third-party allotment. In this case, the third-party allotment of treasury shares and third-party allotment of newly issued shares will result in the allocation to Dai-ichi Life of a total of 1,241,382 shares of &Do Holdings common stock.

2. The number of treasury shares after the third-party allotment is based on the assumption that the repurchase of stock results in the purchase of the maximum of 1,053,000 shares. If the number of shares repurchased is smaller, the number of remaining treasury shares will decrease by the amount of the insufficiency. In addition, there also may be a change in the event that, due to some reason other than this repurchase of stock, &Do Holdings holds more treasury shares than the number of shares planned for the third-party allotment.

(3) Profile of Dai-ichi Life

Name	Dai-ichi Life Holdings, Inc.
Location	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo
Representative	Tetsuya Kikuta, President
Business	(1) Business administration of life insurance companies, non-life insurance companies, and other companies operating as subsidiaries of Dai-ichi Life pursuant to the provisions of the Insurance Business Act; (2) Business activities incidental to the business listed in the preceding item; and (3) In addition to the business listed in the preceding two items, business activities that are permitted to be performed by an insurance holding company under the Insurance Business Act.
Capital	344,205 million yen

3. Change in major shareholder and other affiliated company

(1) Date of changes

Change in major shareholder	January 10, 2025
Change in other affiliated company	September 30, 2025

(2) Background on change

There has been a change in a major shareholder of &Do Holdings due to the secondary offering for the sale of stock held by Mr. Ando. In addition, &Do Holdings expects a change in an “other affiliated company” due to the third-party allotment of treasury shares. Due to an off-exchange transaction with a designated party, Dai-ichi Life holds 10.45% (rounded to the second decimal place) of the voting rights of &Do Holdings. As a result, Dai-ichi Life has become a major shareholder. Furthermore, the third-party allotment of treasury shares will increase Dai-ichi Life’s holding of &Do Holdings voting rights to 15.74% (rounded to the second decimal place) of all voting rights. This is expected to make Dai-ichi Life an “other affiliated company” of &Do Holdings.

(3) Overview of change in shareholder

1) New major shareholder and other affiliated company

Dai-ichi Life Holdings, Inc.

2) Profile of previous largest shareholder on January 10, 2025

Masahiro Ando

(4) Number of voting rights and percentage of total voting rights held by the shareholder

	Category	Attribute	Number of voting rights	Percentage of total voting rights	Major shareholder ranking
Dai-ichi Life	Before the change (As of December 18, 2024)	-	-	-	-
	After the change (As of January 10, 2025)	Major shareholder	20,786	10.45%	2nd
	After the change (September 30, 2025, Estimate)	Other affiliated company	31,316	15.74%	2nd
Masahiro Ando	Before the change (As of December 18, 2024)	Major shareholder	20,786	10.45%	2nd
	After the change (As of January 10, 2025)	-	-	-	-

Note: For the third-party allotment of treasury shares, the maximum number of shares is 1,053,000. Shares to be allotted are the 594 treasury shares as of November 30, 2024, and treasury shares acquired by repurchasing stock. As a result, the percentage of total voting rights after the change is calculated by dividing the number of voting rights held after the sale of all treasury shares to be sold using the third-party allotment, assuming the entire planned number of shares are sold, by the total number of voting rights as of June 30, 2024, which is 198,983.

Business divestitures in consolidated subsidiaries

On February 6, 2025, the &Do Holdings Board of Directors approved a resolution for the divestiture of the rental management, brokerage, renovation and other activities of the Leasing Department of consolidated subsidiary HOUSE DO Sales Management Co., Ltd., and the transfer of these activities to architect developer, Inc. A contract for this business divestiture and absorption was signed on the same day.

1. Summary of business divestiture

(1) Company receiving divested business

architect developer, Inc.

(2) Description of business

Rental management, brokerage, renovation and other activities of the Leasing Department of HOUSE DO Sales Management Co., Ltd.

(3) Major reason for divestiture

Strategic focus of corporate resources to strengthen business operations

(4) Date of business divestiture

March 31, 2025 (tentative)

(5) Legal structure and other items concerning this transaction

This is a business divestiture with HOUSE DO Sales Management the company divesting a business and architect developer the company receiving the business. HOUSE DO Sales Management plans to receive a cash payment from architect developer for the divested business. Following this transaction, architect developer will have all assets, liabilities and contracts concerning the divested business as well as all associated rights and obligations.

2. Name of reportable segment in which divested business is included

House-Leaseback Business

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.