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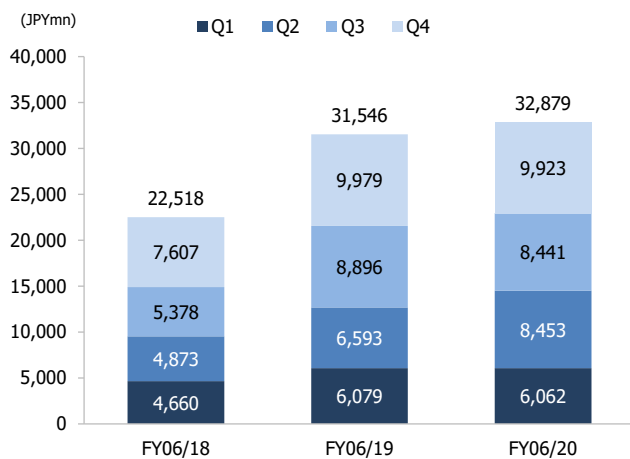
On **August 12, 2020**, HOUSEDO Co., Ltd. announced earnings results for full-year FY06/20.

Cumulative (JPYmn)	FY06/19				FY06/20				FY06/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	FY Est.
Revenue	6,079	12,671	21,567	31,546	6,062	14,514	22,955	32,879	100.0%	32,879
YoY	30.4%	32.9%	44.6%	40.1%	-0.3%	14.5%	6.4%	4.2%		4.2%
Gross profit	2,301	4,769	7,711	11,157	2,483	5,407	8,377	11,646		
YoY	21.7%	21.8%	26.9%	29.1%	7.9%	13.4%	8.6%	4.4%		
GPM	37.9%	37.6%	35.8%	35.4%	41.0%	37.3%	36.5%	35.4%		
SG&A expenses	1,830	3,680	5,795	8,001	2,446	4,880	7,235	9,753		
YoY	25.8%	21.6%	22.1%	22.6%	33.6%	32.6%	24.9%	21.9%		
SG&A ratio	30.1%	29.0%	26.9%	25.4%	40.3%	33.6%	31.5%	29.7%		
Operating profit	471	1,089	1,916	3,157	38	527	1,142	1,893	99.7%	1,900
YoY	8.0%	22.6%	44.1%	49.2%	-92.0%	-51.6%	-40.4%	-40.0%		-39.8%
OPM	7.7%	8.6%	8.9%	10.0%	0.6%	3.6%	5.0%	5.8%		5.8%
Recurring profit	429	1,028	1,794	3,003	35	462	1,056	1,717	101.0%	1,700
YoY	7.6%	32.0%	50.5%	57.3%	-91.8%	-55.1%	-41.2%	-42.8%		-43.4%
RPM	7.1%	8.1%	8.3%	9.5%	0.6%	3.2%	4.6%	5.2%		5.2%
Net income attributable to owners of the parent	315	725	1,251	2,006	1	287	644	1,031	100.1%	1,030
YoY	23.5%	44.6%	68.5%	56.8%	-99.8%	-60.4%	-48.6%	-48.6%		-48.7%
Net margin	5.2%	5.7%	5.8%	6.4%	0.0%	2.0%	2.8%	3.1%		3.1%

Quarterly (JPYmn)	FY06/19				FY06/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	6,079	6,593	8,896	9,979	6,062	8,453	8,441	9,923
YoY	30.4%	35.3%	65.4%	31.2%	-0.3%	28.2%	-5.1%	-0.6%
Gross profit	2,301	2,468	2,942	3,447	2,483	2,924	2,970	3,269
YoY	21.7%	21.9%	36.2%	34.3%	7.9%	18.5%	1.0%	-5.2%
GPM	37.9%	37.4%	33.1%	34.5%	41.0%	34.6%	35.2%	32.9%
SG&A expenses	1,830	1,850	2,115	2,206	2,446	2,435	2,355	2,517
YoY	25.8%	17.7%	23.0%	23.9%	33.6%	31.6%	11.3%	14.1%
SG&A ratio	30.1%	28.1%	23.8%	22.1%	40.3%	28.8%	27.9%	25.4%
Operating profit	471	618	826	1,241	38	490	615	751
YoY	8.0%	36.6%	87.4%	57.8%	-92.0%	-20.8%	-25.6%	-39.4%
OPM	7.7%	9.4%	9.3%	12.4%	0.6%	5.8%	7.3%	7.6%
Recurring profit	429	599	767	1,209	35	427	594	661
YoY	7.6%	57.6%	85.5%	68.7%	-91.8%	-28.7%	-22.6%	-45.3%
RPM	7.1%	9.1%	8.6%	12.1%	0.6%	5.0%	7.0%	6.7%
Net income attributable to owners of the parent	315	410	526	755	1	286	356	387
YoY	23.5%	66.4%	118.3%	40.5%	-99.8%	-30.2%	-32.3%	-48.7%
Net margin	5.2%	6.2%	5.9%	7.6%	0.0%	3.4%	4.2%	3.9%

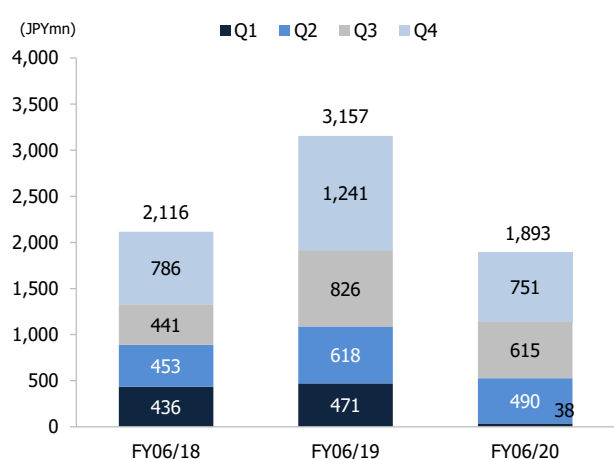
Source: Shared Research based on company data
 Note: Figures may differ from company materials due to differences in rounding methods.

Quarterly revenue



Source: Shared Research based on company data

Quarterly operating profit



Source: Shared Research based on company data

(cumulative; JPYmn)	FY06/18				FY06/19				FY06/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total revenue	4,660	9,533	14,910	22,518	6,079	12,671	21,567	31,546	6,062	14,514	22,955	32,879
YoY	15.5%	11.1%	15.9%	33.7%	30.4%	32.9%	44.6%	40.1%	-0.3%	14.5%	6.4%	4.2%
Recurring revenue businesses	1,186	2,469	5,118	8,747	2,865	5,819	11,066	17,646	2,784	7,875	12,993	19,257
YoY	-4.6%	2.7%	29.0%	66.6%	141.5%	135.7%	116.2%	101.7%	-2.8%	35.3%	17.4%	9.1%
% of total revenue	25.1%	25.5%	33.8%	38.3%	46.5%	45.4%	50.8%	55.4%	45.2%	53.6%	55.9%	57.8%
Franchisee	615	1,238	1,872	2,496	722	1,413	2,098	2,833	681	1,457	2,205	2,965
YoY	22.4%	16.3%	14.6%	12.4%	17.5%	14.1%	12.1%	13.5%	-5.8%	3.2%	5.1%	4.7%
% of total revenue	13.0%	12.8%	12.4%	10.9%	11.7%	11.0%	9.6%	8.9%	11.0%	9.9%	9.5%	8.9%
House-Leaseback	474	1,026	2,886	5,722	1,943	3,970	8,355	14,002	1,883	5,937	9,997	15,214
YoY	-33.5%	-18.9%	31.7%	103.8%	310.3%	286.9%	189.5%	144.7%	-3.1%	49.6%	19.7%	8.7%
% of total revenue	10.0%	10.6%	19.1%	25.1%	31.6%	31.0%	38.4%	43.9%	30.6%	40.4%	43.0%	45.6%
Finance	98	205	359	529	199	437	613	811	220	480	791	1,078
YoY	238.1%	174.5%	151.6%	138.9%	103.4%	113.0%	70.5%	53.3%	10.9%	10.0%	29.1%	32.9%
% of total revenue	2.1%	2.1%	2.4%	2.3%	3.2%	3.4%	2.8%	2.5%	3.6%	3.3%	3.4%	3.2%
One-time revenue businesses	3,546	7,217	10,009	14,075	3,285	6,980	10,696	14,199	3,143	5,897	8,782	11,984
YoY	23.8%	14.0%	9.7%	18.1%	-7.3%	-3.3%	6.9%	0.9%	-4.3%	-15.5%	-17.9%	-15.6%
% of total revenue	74.9%	74.5%	66.2%	61.7%	53.4%	54.5%	49.1%	44.5%	51.0%	40.1%	37.8%	36.0%
Real Estate Buying and Selling	2,383	4,590	6,281	8,909	2,098	4,396	6,909	9,040	1,683	3,282	5,096	7,099
YoY	42.5%	22.1%	12.7%	25.3%	-12.0%	-4.2%	10.0%	1.5%	-19.8%	-25.3%	-26.2%	-21.5%
% of total revenue	50.4%	47.4%	41.5%	39.0%	34.1%	34.3%	31.7%	28.4%	27.3%	22.3%	21.9%	21.3%
Real Estate Brokerage	526	1,027	1,507	2,075	493	964	1,505	2,059	623	1,096	1,649	2,253
YoY	11.2%	13.2%	8.6%	11.6%	-6.3%	-6.1%	-0.1%	-0.8%	26.3%	13.7%	9.6%	9.4%
% of total revenue	11.1%	10.6%	10.0%	9.1%	8.0%	7.5%	6.9%	6.5%	10.1%	7.5%	7.1%	6.8%
Renovation	636	1,601	2,222	3,090	694	1,620	2,283	3,100	837	1,519	2,038	2,632
YoY	-11.5%	-3.9%	2.6%	5.0%	9.1%	1.2%	2.7%	0.3%	20.6%	-6.2%	-10.7%	-15.1%
% of total revenue	13.4%	16.5%	14.7%	13.5%	11.3%	12.6%	10.5%	9.7%	13.6%	10.3%	8.8%	7.9%
Koyama Corporation Group	-	-	-	-	-	-	-	-	232	924	1,469	2,073
YoY	-	-	-	-	-	-	-	-	-	-	-	-
% of total revenue	-	-	-	-	-	-	-	-	3.8%	6.3%	6.3%	6.2%
Other	-	-	-	-	4	18	23	31	4	8	11	14
YoY	-	-	-	-	-	-	-	-	-6.8%	-57.6%	-52.0%	-55.3%
% of total revenue	-	-	-	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Adjustments	-72	-153	-216	-304	-75	-146	-217	-330	-102	-190	-300	-449
Operating profit	436	889	1,330	2,116	471	1,089	1,916	3,157	38	527	1,026	1,893
YoY	80.9%	38.7%	42.6%	69.4%	8.0%	22.6%	44.1%	49.2%	-92.0%	-51.6%	-46.5%	-40.0%
Operating profit margin	9.4%	9.3%	8.9%	9.4%	7.7%	8.6%	8.9%	10.0%	0.6%	3.6%	4.5%	5.8%
Recurring revenue businesses	448	905	1,682	2,394	711	1,388	2,373	3,770	508	1,458	2,533	3,799
YoY	8.9%	7.8%	30.2%	40.1%	58.8%	53.4%	41.1%	57.5%	-28.5%	5.0%	6.8%	0.8%
Operating profit margin	37.8%	36.6%	32.9%	27.4%	24.8%	23.8%	21.4%	21.4%	18.3%	18.5%	19.5%	19.7%
Franchisee	383	737	1,117	1,481	442	825	1,227	1,678	398	846	1,303	1,801
YoY	32.3%	21.9%	18.5%	13.5%	15.5%	12.1%	9.8%	13.3%	-9.9%	2.5%	6.1%	7.4%
Operating profit margin	62.3%	59.5%	59.7%	59.3%	61.2%	58.4%	58.5%	59.2%	58.5%	58.1%	59.1%	60.7%
House-Leaseback	35	118	461	770	251	481	1,055	2,075	163	671	1,231	1,968
YoY	-68.4%	-42.1%	54.8%	132.7%	610.1%	308.1%	128.9%	169.5%	-35.0%	39.3%	16.6%	-5.2%
Operating profit margin	7.4%	11.5%	16.0%	13.5%	12.9%	12.1%	12.6%	14.8%	8.6%	11.3%	12.3%	12.9%
Finance	29	50	104	143	18	81	90	17	-53	-59	0	30
YoY	195.9%	61.0%	102.0%	95.8%	-38.4%	61.2%	-13.1%	-88.2%	-	-	-	75.9%
Operating profit margin	30.2%	24.5%	28.8%	27.0%	9.1%	18.6%	14.7%	2.1%	-	-	0.0%	2.8%
One-time revenue businesses	426	876	1,118	1,596	291	731	1,177	1,580	382	521	719	1,027
YoY	98.4%	67.2%	58.8%	58.2%	-31.6%	-16.5%	5.2%	-1.0%	31.1%	-28.8%	-38.9%	-35.0%
Operating profit margin	12.0%	12.1%	11.2%	11.3%	8.9%	10.5%	11.0%	11.1%	12.2%	8.8%	8.2%	8.6%
Real Estate Buying and Selling	254	474	600	828	149	362	582	779	94	161	228	337
YoY	238.4%	127.3%	102.8%	95.9%	-41.4%	-23.6%	-3.1%	-5.9%	-37.1%	-55.5%	-60.9%	-56.8%
Operating profit margin	10.7%	10.3%	9.6%	9.3%	7.1%	8.2%	8.4%	8.6%	5.6%	4.9%	4.5%	4.7%
Real Estate Brokerage	139	225	327	478	97	188	366	492	194	241	389	575
YoY	28.8%	28.0%	13.9%	28.0%	-30.5%	-16.4%	11.9%	2.8%	100.4%	28.1%	6.3%	16.9%
Operating profit margin	26.5%	21.9%	21.7%	23.0%	19.7%	19.5%	24.3%	23.9%	31.2%	22.0%	23.6%	25.5%
Renovation	32	178	191	290	46	182	228	310	94	120	102	116
YoY	3.0%	27.0%	57.7%	36.4%	41.1%	2.4%	19.8%	6.9%	107.0%	-34.3%	-55.3%	-62.7%
Operating profit margin	5.1%	11.1%	8.6%	9.4%	6.6%	11.2%	10.0%	10.0%	11.3%	7.9%	5.0%	4.4%
Koyama Corporation Group	-	-	-	-	-	-	-	-	-7	84	116	104
YoY	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit margin	-	-	-	-	-	-	-	-	-	9.1%	7.9%	5.0%
Other	-	-	-	-	2	10	-15	-27	-2	-7	-14	-11
YoY	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit margin	-	-	-	-	41.5%	52.3%	-	-	-	-	-	-
Adjustments	-437	-892	-1,471	-1,874	-533	-1,039	-1,619	-2,166	-843	-1,528	-2,213	-3,026

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Note: Segment revenue includes internal sales and transfers.

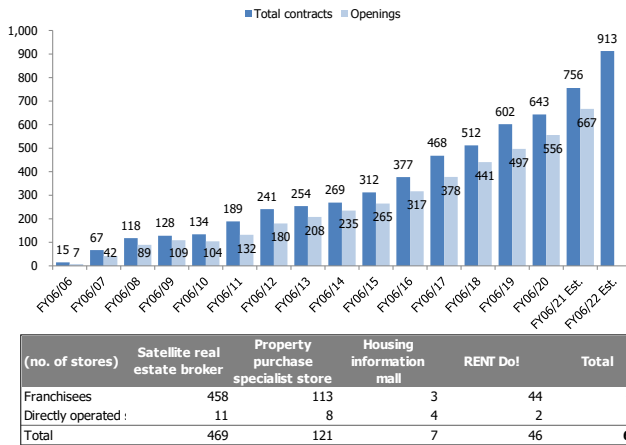
(quarterly; JPYmn)	FY06/18				FY06/19				FY06/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total revenue	4,660	4,873	5,378	7,607	6,079	6,593	8,896	9,979	6,062	8,453	8,441	9,923
YoY	15.5%	7.2%	25.6%	90.8%	30.4%	35.3%	65.4%	31.2%	-0.3%	28.2%	-5.1%	-0.6%
Recurring revenue businesses	1,186	1,283	2,649	3,629	2,865	2,955	5,247	6,580	2,784	5,091	5,118	6,264
YoY	-4.6%	10.5%	69.5%	183.2%	141.5%	130.3%	98.1%	81.3%	-2.8%	72.3%	-2.4%	-4.8%
% of total revenue	25.1%	25.9%	48.7%	47.2%	46.5%	44.3%	58.5%	65.2%	45.2%	59.6%	59.8%	62.2%
Franchisee	615	623	635	624	722	690	686	735	681	777	748	760
YoY	22.4%	10.8%	11.5%	6.3%	17.5%	10.8%	8.1%	17.8%	-5.8%	12.5%	9.1%	3.4%
% of total revenue	13.0%	12.6%	11.7%	8.1%	11.7%	10.4%	7.6%	7.3%	11.0%	9.1%	8.7%	7.5%
House-Leaseback	474	552	1,860	2,836	1,943	2,026	4,385	5,647	1,883	4,054	4,060	5,217
YoY	-33.5%	-0.1%	101.0%	360.4%	310.3%	266.8%	135.8%	99.1%	-3.1%	100.1%	-7.4%	-7.6%
% of total revenue	10.0%	11.1%	34.2%	36.9%	31.6%	30.4%	48.9%	56.0%	30.6%	47.5%	47.5%	51.8%
Finance	98	107	154	170	199	238	176	198	220	260	310	287
YoY	238.1%	134.4%	126.4%	115.9%	103.4%	121.6%	14.0%	16.8%	10.9%	9.2%	76.6%	44.7%
% of total revenue	2.1%	2.2%	2.8%	2.2%	3.2%	3.6%	2.0%	2.0%	3.6%	3.0%	3.6%	2.8%
One-time revenue businesses	3,546	3,672	2,792	4,066	3,285	3,694	3,716	3,503	3,143	2,754	2,885	3,201
YoY	23.8%	5.8%	-0.1%	45.8%	-7.3%	0.6%	33.1%	-13.8%	-4.3%	-25.5%	-22.4%	-8.6%
% of total revenue	74.9%	74.1%	51.3%	52.8%	53.4%	55.4%	41.4%	34.7%	51.0%	32.2%	33.7%	31.8%
Real Estate Buying and Selling	2,383	2,206	1,691	2,629	2,098	2,297	2,513	2,132	1,683	1,598	1,814	2,004
YoY	42.5%	5.7%	-6.8%	70.9%	-12.0%	4.1%	48.6%	-18.9%	-19.8%	-30.4%	-27.8%	-6.0%
% of total revenue	50.4%	44.5%	31.1%	34.2%	34.1%	34.5%	28.0%	21.1%	27.3%	18.7%	21.2%	19.9%
Real Estate Brokerage	526	501	480	569	493	471	541	554	623	474	553	604
YoY	11.2%	15.4%	-0.0%	20.3%	-6.3%	-5.9%	12.7%	-2.5%	26.3%	0.5%	2.2%	8.9%
% of total revenue	11.1%	10.1%	8.8%	7.4%	8.0%	7.1%	6.0%	5.5%	10.1%	5.5%	6.5%	6.0%
Renovation	636	965	621	868	694	926	663	817	837	682	518	594
YoY	-11.5%	1.8%	24.4%	11.5%	9.1%	-4.0%	6.7%	-5.9%	20.6%	-26.3%	-21.8%	-27.3%
% of total revenue	13.4%	19.5%	11.4%	11.3%	11.3%	13.9%	7.4%	8.1%	13.6%	8.0%	6.1%	5.9%
Koyama Corporation Group	-	-	-	-	-	-	-	-	232	692	545	604
YoY	-	-	-	-	-	-	-	-	-	-	-	-
% of total revenue	-	-	-	-	-	-	-	-	3.8%	8.1%	6.4%	6.0%
Other	-	-	-	-	4	14	4	8	4	4	3	3
YoY	-	-	-	-	-	-	-	-	-6.8%	-72.8%	-29.3%	-64.4%
% of total revenue	-	-	-	-	0.1%	0.2%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
Adjustments	-72	-81	-63	-88	-75	-70	-71	-113	-102	-88	-111	-149
Operating profit	436	453	441	786	471	618	826	1,241	38	490	498	868
YoY	80.9%	13.3%	51.0%	148.5%	8.0%	36.6%	87.4%	57.8%	-92.0%	-20.8%	-39.7%	-30.1%
Operating profit margin	9.4%	9.3%	8.2%	10.3%	7.7%	9.4%	9.3%	12.4%	0.6%	5.8%	5.9%	8.7%
Recurring revenue businesses	448	457	777	712	711	677	985	1,397	508	949	1,076	1,266
YoY	8.9%	6.8%	71.5%	71.0%	58.8%	48.0%	26.7%	96.3%	-28.5%	40.3%	9.2%	-9.4%
Operating profit margin	37.8%	35.6%	29.3%	19.6%	24.8%	22.9%	18.8%	21.2%	18.3%	18.6%	21.0%	20.2%
Franchisee	383	354	381	364	442	383	402	450	398	448	456	499
YoY	32.3%	12.3%	12.4%	0.5%	15.5%	8.3%	5.6%	23.9%	-9.9%	16.9%	13.5%	10.7%
Operating profit margin	62.3%	56.8%	60.0%	58.3%	61.2%	55.5%	58.6%	61.3%	58.5%	57.6%	61.0%	65.6%
House-Leaseback	35	83	343	309	251	231	574	1,019	163	508	560	737
YoY	-68.4%	-9.9%	263.7%	838.3%	610.1%	179.2%	67.3%	-	-35.0%	120.0%	-2.4%	-27.7%
Operating profit margin	7.4%	15.0%	18.5%	10.9%	12.9%	11.4%	13.1%	18.1%	8.6%	12.5%	13.8%	14.1%
Finance	29	21	53	39	18	63	9	-73	-53	-6	59	30
YoY	195.9%	-2.3%	165.9%	81.1%	-38.4%	202.6%	-83.3%	-	-	-	563.6%	-
Operating profit margin	30.2%	19.3%	34.5%	23.1%	9.1%	26.4%	5.1%	-	-	-	19.0%	10.3%
One-time revenue businesses	426	450	243	478	291	440	445	404	382	139	198	308
YoY	98.4%	45.5%	34.4%	56.9%	-31.6%	-2.2%	83.5%	-15.4%	31.1%	-68.4%	-55.5%	-23.7%
Operating profit margin	12.0%	12.3%	8.7%	11.7%	8.9%	11.9%	12.0%	11.5%	12.2%	5.0%	6.9%	9.6%
Real Estate Buying and Selling	254	219	127	228	149	213	220	197	94	67	67	109
YoY	238.4%	64.7%	44.7%	79.7%	-41.4%	-3.1%	73.5%	-13.4%	-37.1%	-68.4%	-69.7%	-44.7%
Operating profit margin	10.7%	9.9%	7.5%	8.7%	7.1%	9.3%	8.8%	9.2%	5.6%	4.2%	3.7%	5.4%
Real Estate Brokerage	139	85	103	151	97	91	178	125	194	46	149	186
YoY	28.8%	26.5%	-8.3%	75.4%	-30.5%	6.7%	73.8%	-16.8%	100.4%	-49.0%	-16.7%	48.0%
Operating profit margin	26.5%	17.0%	21.4%	26.5%	19.7%	19.3%	33.0%	22.6%	31.2%	9.8%	26.9%	30.8%
Renovation	32	145	13	99	46	136	47	81	94	25	-18	14
YoY	3.0%	33.9%	-168.5%	8.2%	41.1%	-6.1%	256.8%	-17.9%	107.0%	-81.4%	-	-83.3%
Operating profit margin	5.1%	15.1%	2.1%	11.4%	6.6%	14.7%	7.0%	10.0%	11.3%	3.7%	-	2.3%
Koyama Corporation Group	-	-	-	-	-	-	-	-	-7	91	33	-12
YoY	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit margin	-	-	-	-	-	-	-	-	-	13.2%	6.0%	-
Other	-	-	-	-	2	8	-24	-13	-2	-4	-7	4
YoY	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit margin	-	-	-	-	41.5%	55.5%	-	-	-	-	-	123.8%
Adjustments	-437	-454	-579	-403	-533	-506	-579	-547	-843	-685	-684	-814

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

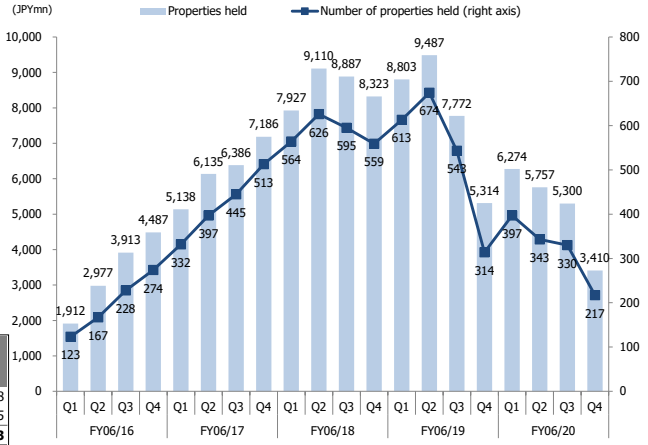
Note: Segment revenue includes internal sales and transfers.

Total franchisee contracts and franchised stores opened



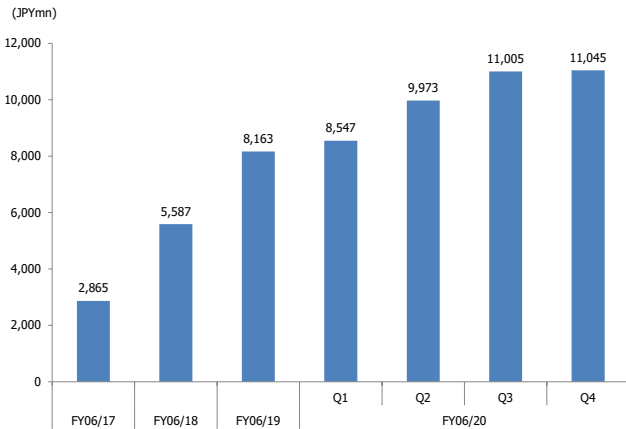
Source: Shared Research based on company data
*As of September 30, 2019

Total value and number of properties held in House-Leaseback business



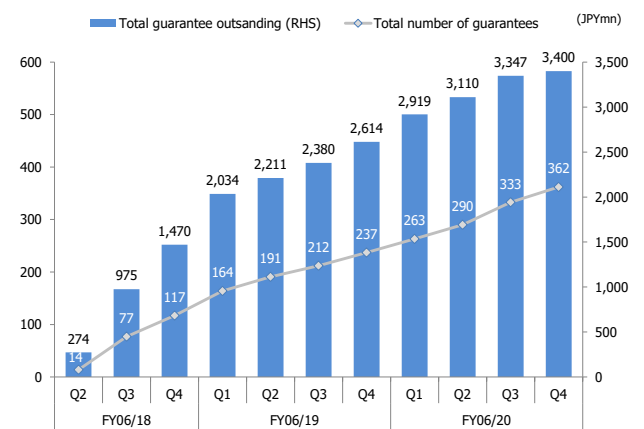
Source: Shared Research based on company data

Real estate secured loans outstanding



Source: Shared Research based on company data

Number and value of reverse mortgage guarantees and guarantees outstanding



Source: Shared Research based on company data

Full-year FY06/20 results (out August 12, 2020)

Summary

Full-year FY06/20 results (July 2019–June 2020)

- ▷ Revenue: JPY32.9bn (+4.2% YoY)
- ▷ Operating profit: JPY1.9bn (-40.0% YoY)
- ▷ Recurring profit: JPY1.7bn (-42.8% YoY)
- ▷ Net income attributable to owners of the parent: JPY1.0bn (-48.6% YoY)

- ▷ Business environment: In the real estate industry, the labor market and income environment have improved, and housing acquisition support policies and ongoing easy monetary policy by the BoJ have continued to underpin solid housing demand. However, the company was required to pay ongoing attention to sales activities, given the spread of COVID-19 and the request that people refrain from going out following the declaration of a state of emergency by the Japanese government.
- ▷ Company strategy: HOUSEDO worked to expand earnings through ongoing proactive investment in its growth-driving businesses based on its new medium-term management plan through FY06/22 with a view to transitioning to a sustainable growth business model leveraging the foundation it has accumulated. The company's focus on the three main businesses is as follows.

- ▷ Franchisee business: The company aims to increase the number of franchised stores and improve services.
- ▷ House-Leaseback business: The company aims to grow earnings through arrangements whereby it can book capital gains by selling properties to real estate funds in addition to securing stable earnings from the purchase of rental properties.
- ▷ Finance business: The company stepped up its moves to offer packages of real estate and finance in collaboration with financial institutions in the reverse mortgage guarantee business, to supplement real estate backed finance.
- ▷ The company offered “one-stop housing services” leveraging synergies through its trinity scheme of brokerage, purchase, and renovation, based on the real estate sale and purchase brokerage business. The company also responded to customer demand by bolstering procurement of real estate for sale primarily in areas served by directly operated stores in its Real Estate Buying and Selling business, and through orders for pre-owned homes including renovation services.

Overview by segment

Following is a segment summary for full-year FY06/20 (July 2019–June 2020).

Franchisee business

- ▷ Segment revenue: JPY3.0bn (+4.7% YoY)
- ▷ Operating profit: JPY1.8bn (+7.4% YoY)
- ▷ Overview: Solid inquiries from potential franchisees. While benefiting from the impact of advertising via TV and radio commercials, the company worked to promote membership of urban real estate agents and increase the number of network stores with a view to boosting its brand recognition and value, and building its trustworthiness.
- ▷ The company took various measures to attract franchisees. Although it was affected by the cancellation of planned events due to the COVID-19 outbreak, the company improved work efficiency and productivity by focusing on attracting customers and carrying out sales activities online.
- ▷ Network: 133 new franchise contracts, for a cumulative total of 643 franchise outlets (602 at end-FY06/19)
- ▷ The company opened 140 franchise outlets for a cumulative total of 556 (497 at end-FY06/19).

House-Leaseback business

- ▷ Segment revenue: JPY15.2bn (+8.7% YoY)
- ▷ Operating profit: JPY2.0bn (-5.2% YoY)
- ▷ Overview: HOUSEDO received a steadily growing number of inquiries from potential customers as the company boosted its profile and trustworthiness through TV and radio commercials. It responded to customers' needs to use property more effectively and monetize assets to support their lifestyles in retirement or operate businesses.
- ▷ Contracts: 660 purchase-leaseback contracts (554 in FY06/19)
- ▷ Property holdings: Cumulative total of 217 properties, operating as rental properties (company receives rental revenue)
- ▷ Capital gains: 750 properties sold, including resale, disposals, and sales to funds; revenue of JPY13.9bn

Finance business

- ▷ Segment revenue: JPY1.1bn (+32.9% YoY)
- ▷ Operating profit: JPY30mn (+75.9% YoY)

- ▷ Real estate and finance: To meet funding needs of customers using their properties, the company leveraged real estate appraisal capability of its nationwide network.
- ▷ Number of real estate secured loans in effect: 207 (186 in FY06/19)
- ▷ Real estate secured loans outstanding: JPY11.0bn (JPY8.2bn in FY06/19)
- ▷ Number of reverse mortgage guarantees: 145 (129 in FY06/19)
- ▷ Reverse mortgage guarantees outstanding: JPY3.4bn (JPY2.6bn in FY06/19)
- ▷ The company worked to expand collaboration with financial institutions and improve earnings by increasing the balance of loans outstanding.

One-time revenue businesses

- ▷ Real Estate Buying and Selling: Segment revenue was JPY7.1bn (-21.5% YoY) and operating profit was JPY337mn (-56.8% YoY).
- ▷ Real estate transactions: 334 transactions (-16.7% YoY). Real estate transactions were affected by the consumption tax hike and delayed deliveries of home fixtures and construction materials due to the COVID-19 outbreak. Product inventory grew steadily.
- ▷ Real Estate Brokerage: Segment revenue was JPY2.3bn (+9.4% YoY) and operating profit was JPY575mn (+16.9% YoY).
- ▷ Brokerage: Comprises real estate sale and purchase brokerage, focusing on attracting customers through advertising strategies in various media and a community-based posting strategy. The number of properties brokered during FY06/20 rose to 3,094 (+3.4% YoY) even amid the COVID-19 pandemic.
- ▷ Renovation: Segment revenue was JPY2.6bn (-15.1% YoY) and operating profit was JPY116mn (-62.7% YoY).
- ▷ Business collaborations: The Renovation business collaborated with the Real Estate Brokerage business to allow the company to take orders as a one stop shop for pre-owned homes including renovation services. However, the consumption tax hike, as well as fewer customers and delayed deliveries of home fixtures and construction materials caused by the COVID-19 outbreak negatively impacted the Renovation business. The segment had 1,679 contracts in FY06/20 (-23.5% YoY) and 1,750 delivered renovations (-16.9% YoY).
- ▷ Koyama Corporation group: Segment revenue was JPY2.1bn (no YoY comparison is available) and operating profit was JPY104mn (no YoY comparison is available).
- ▷ The Koyama Corporation group operates mainly in Soka, Saitama Prefecture, by leveraging information capabilities and community-based networks based on the stores it operates near stations. The group focuses on real estate sale and purchase brokerage business by developing stores under the HOUSEDO! Brand. It aims to increase earnings with the provision of a one-stop housing services.
- ▷ Other: Segment revenue was JPY14mn (-55.3% YoY) and operating loss was JPY11mn (JPY27mn operating profit in FY06/19).

Full-year company forecast for FY06/21

(JPYmn)	FY06/18			FY06/19			FY06/20			FY06/21
	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	FY Est.
Revenue	9,533	12,985	22,518	12,671	18,875	31,546	14,514	18,364	32,879	33,976~37,532
YoY	11.1%	57.0%	33.7%	32.9%	45.4%	40.1%	90.8%	44.9%	4.2%	3.3~14.2%
Operating profit	889	1,227	2,116	1,089	2,067	3,157	527	1,366	1,893	2,713~3,512
YoY	38.7%	101.7%	69.4%	22.6%	68.4%	49.2%	-32.9%	25.4%	-40.0%	43.3~85.5%
OPM	9.3%	9.5%	9.4%	8.6%	11.0%	10.0%	3.6%	7.4%	5.8%	
Recurring profit	779	1,130	1,909	1,028	1,975	3,003	462	1,255	1,717	2,500~3,300
YoY	40.9%	105.4%	73.0%	32.0%	74.8%	57.3%	-35.6%	22.1%	-42.8%	45.7~92.2%
RPM	8.2%	8.7%	8.5%	8.1%	10.5%	9.5%	3.2%	6.8%	5.2%	
Net income	501	778	1,280	725	1,281	2,006	287	743	1,031	1,650~2,178
YoY	40.3%	104.6%	73.4%	44.6%	64.6%	56.8%	-46.5%	2.5%	-48.6%	60.1~111.3%
Net margin	5.3%	6.0%	5.7%	5.7%	6.8%	6.4%	2.0%	4.0%	3.1%	

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

HOUSEDO disclosed its full-year FY06/21 forecast in ranges. The company forecasts revenue of JPY34.0–37.5bn (+3.3–14.2% YoY), operating profit of JPY2.7–3.5bn (+43.3–85.5% YoY), recurring profit of JPY2.5–3.3bn (+47.5–92.2% YoY), and net income attributable to owners of the parent of JPY1.7–2.2bn (+60.1–111.3% YoY).

Forecasts for each segment are as follows:

Segment	Revenue	Operating profit
Franchisee	JPY3.4bn (+13.6% YoY)	JPY2.0bn (+13.4% YoY)
House-Leaseback	JPY14.3–15.3bn (-5.8% to +0.6% YoY)	JPY2.1–2.4bn (+8.1–20.6% YoY)
Finance	JPY1.3–1.5bn (+25.0–34.9% YoY)	JPY216–323mn (+627.1–986.8% YoY)
Real Estate Buying and Selling	JPY6.9–9.1bn (-2.3% to +28.7% YoY)	JPY493–839mn (+46.5–149.4% YoY)
Real Estate Brokerage	JPY2.4bn (+6.7% YoY)	JPY580mn (+1.0% YoY)
Renovation	JPY2.7–3.0bn (+4.2–14.9% YoY)	JPY177–278mn (+53.3–140.7% YoY)
Koyama Corporation group	JPY3.3bn (+57.0% YoY)	JPY253mn (+143.5% YoY)
Adjustments	-JPY403mn	-JPY3.2bn

Historical forecast accuracy

Results vs. Initial Est. (JPYmn)	FY06/13	FY06/14	FY06/15	FY06/16	FY06/17	FY06/18	FY06/19	FY06/20
	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.
Revenue (Initial Est.)	-	-	-	16,355	16,322	17,146	27,499	37,221
Revenue (Results)	8,252	13,310	14,573	17,276	16,848	22,518	31,546	32,879
Results vs. Initial Est.	-	-	-	5.6%	3.2%	31.3%	14.7%	-11.7%
Operating profit (Initial Est.)	-	-	-	924	1,247	1,603	3,246	3,521
Operating profit (Results)	180	277	617	1,277	1,249	2,116	3,157	1,893
Results vs. Initial Est.	-	-	-	38.2%	0.2%	32.0%	-2.8%	-46.2%
Recurring profit (Initial Est.)	-	-	-	804	1,100	1,400	3,000	3,300
Recurring profit (Results)	112	205	513	1,182	1,103	1,909	3,003	1,717
Results vs. Initial Est.	-	-	-	47.1%	0.3%	36.3%	0.1%	-48.0%
Net income (Initial Est.)	-	-	-	523	715	920	1,983	2,178
Net income (Results)	80	156	353	741	738	1,280	2,006	1,031
Results vs. Initial Est.	-	-	-	41.7%	3.2%	39.1%	1.2%	-52.7%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

This note is the most recent addition to the [full report](#).

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