

Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

Summary of Consolidated Financial Results for the Fiscal Year Ended September 30, 2017 [Based on Japanese GAAP]

November 14, 2017

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	http://openhouse-group.com/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of annual general meeting of shareholders :	December 20, 2017
Scheduled date of dividends:	December 21, 2017
Scheduled date of annual securities report filing:	December 21, 2017
Supplementary materials for financial results:	Yes
Results briefing meeting :	Yes (for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the fiscal year ended September 30, 2017

(October 1, 2016 to September 30, 2017)

(1) Consolidated operating results

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2017	304,651	23.2	37,617	20.1	36,131	23.9	24,797	32.5
FY 2016	247,210	37.9	31,320	47.0	29,154	43.7	18,709	48.1

(Note) Comprehensive income: From October 1, 2016 to September 30, 2017 ¥ 24,894 million (32.9%)
From October 1, 2015 to September 30, 2016 ¥ 18,733 million (48.4%)

	EPS	Diluted EPS	ROE	ROA	Operating income Margin
	Yen	Yen	%	%	%
FY 2017	443.41	440.76	33.8	15.7	12.3
FY 2016	332.08	330.56	33.7	15.9	12.7

(Reference) Equity in net income of affiliated companies: As of September 30, 2017: ¥ — million
As of September 30, 2016: ¥ — million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2017	256,736	83,379	32.3	1,487.19
September 30, 2016	204,868	64,084	31.1	1,133.92

(Reference) Shareholders' equity: As of September 30, 2017: ¥ 82,970 million
As of September 30, 2016: ¥ 63,708 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at FY end
	Million yen	Million yen	Million yen	Million yen
FY 2017	(799)	(1,337)	25,181	90,910
FY 2016	9,817	(2,672)	17,332	67,508

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2016	—	0.00	—	50.00	50.00	2,809	15.1	5.1
FY 2017	—	30.00	—	35.00	65.00	3,625	14.7	5.0
FY 2018 (Forecast)	—	46.00	—	46.00	92.00		17.1	

3. Forecast of Consolidated Operating Results for FY2018 (October 1, 2017 to September 30, 2018)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (Cumulative)	165,000	11.2	20,300	11.3	19,700	10.5	13,600	16.7	243.77
Full year	380,000	24.7	44,700	18.8	43,500	20.4	30,000	21.0	537.73

*Notes:

(1) Significant changes in consolidated subsidiaries during the period

(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes of accounting estimates, and revisions and restatements

i) Changes in accounting policies in accordance with changes in accounting principles: None

ii) Changes in accounting policies other than the above: None

iii) Changes in accounting estimates: None

iv) Revisions and restatements: None

(3) Number of shares issued and outstanding (common stock)

i) Number of shares issued at period-end (including treasury stock)

September 30, 2017: 57,463,600 shares September 30, 2016: 57,400,000 shares

ii) Treasury stock at period-end

September 30, 2017: 1,673,194 shares September 30, 2016: 1,215,836 shares

iii) Average number of shares issued

September 30, 2017: 55,923,878 shares September 30, 2016: 56,340,693 shares

[Reference] Non-Consolidated Financial Results for the fiscal year ended September 30, 2017

(October 1, 2016 to September 30, 2017)

(1) Non-Consolidated Operating Results

(% figures indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2017	10,281	20.6	2,691	3.8	8,099	41.6	7,375	46.3
FY 2016	8,528	17.5	2,592	13.2	5,720	116.2	5,040	200.4

	EPS		Diluted EPS	
	Yen		Yen	
FY 2017	131.88		131.09	
FY 2016	89.47		89.06	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2017	61,290	18,429	29.4	323.02
September 30, 2016	44,670	16,650	36.4	289.66

(Reference) Shareholders' equity: As of September 30, 2017: ¥ 18,021 million
As of September 30, 2016: ¥ 16,274 million

**This summary of financial statements is exempt from audit procedures required by Financial Instruments and Exchange Act.*

** Notes regarding forward-looking statements:*

Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.

Actual results may differ significantly from forecast due to various unpredictable reasons.

Consolidated Financial Statements
1) Consolidated Balance Sheets

(Million yen)

	FY 2016 (as of September 30, 2016)		FY 2017 (as of September 30, 2017)	
Assets				
Current assets				
Cash and cash equivalents		67,508		90,910
Accounts receivable, trade		577		925
Real estate for sale	*2	34,434	*2	19,542
Real estate for sale in process	*2	83,112	*2	125,351
Operating loans	*2	5,708	*2	6,056
Deferred tax assets		1,428		959
Other		4,173		4,861
Allowance for doubtful accounts		(151)		(178)
Total current assets		196,792		248,429
Fixed asset				
Tangible fixed assets				
Buildings and structures	*2	2,565	*2	3,119
Accumulated depreciation	*3	(971)	*3	(1,108)
Buildings and structures, net		1,593		2,010
Land	*2	873	*2	830
Other		682		789
Accumulated depreciation	*3	(498)	*3	(516)
Other, net		184		273
Total tangible fixed assets		2,651		3,113
Intangible fixed assets		1,389		1,299
Investments and other assets				
Investment securities	*1	1,607	*1	1,643
Deferred tax assets		101		3
Other	*1	2,262	*1	2,194
Total investments and other assets		3,972		3,841
Total fixed assets		8,013		8,255
Deferred assets				
Bond issuance cost		62		51
Total deferred assets		62		51
Total assets		204,868		256,736

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Liabilities		
Current liabilities		
Accounts payable	8,874	10,652
Short-term loans payable	*2、*4 34,937	*2、*4 41,854
Current portion of bonds	582	562
Current portion of long-term loans payable	*2 8,458	*2 8,696
Income taxes payable	6,594	5,205
Advances received	7,324	7,535
Guarantee deposits received	1,984	1,151
Provision for bonuses	1,135	1,467
Provision for warranties for completed construction	610	645
Other	3,788	4,841
Total current liabilities	74,288	82,613
Long-term liabilities		
Bonds payable	2,555	1,993
Long-term loans payable	*2、*5 63,792	*2、*5 88,641
Deferred tax liabilities	52	17
Net defined benefit liability	11	12
Asset retirement obligations	81	79
Other	3	—
Total long-term liabilities	66,495	90,743
Total liabilities	140,784	173,357
Net assets		
Shareholders' equity		
Capital stocks	3,982	4,032
Capital surplus	5,883	5,934
Retained earnings	55,723	76,038
Treasury stock	(1,852)	(3,102)
Total shareholders' equity	63,736	82,902
Other comprehensive income		
Net unrealized holding gains/losses on securities	5	8
Foreign currency translation adjustment	(33)	60
Accumulated other comprehensive income	(28)	68
Subscription rights to shares	375	408
Total net assets	64,084	83,379
Total liabilities and net assets	204,868	256,736

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Million yen)

	FY2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
Revenue	247,210	304,651
Cost of revenue	*2 200,828	*2 248,532
Gross profit	46,382	56,118
Selling, general and administrative expenses	*1 15,062	*1 18,501
Operating income	31,320	37,617
Non-operating income		
Interest income	8	12
Dividends income	2	3
Gain on sales of investment securities	20	—
House rent income	54	64
Foreign exchange gain	—	256
Other	106	108
Total non-operating income	191	444
Non-operating expenses		
Interest expenses	795	892
Commission fee	988	682
Foreign exchange losses	251	—
Other	322	354
Total non-operating expenses	2,357	1,929
Ordinary income	29,154	36,131
Income before income taxes	29,154	36,131
Income taxes-current	10,719	10,807
Income taxes-deferred	(275)	526
Total income taxes	10,444	11,334
Net income	18,709	24,797
Profit attributable to owners of parent	18,709	24,797

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2016 (From October 1, 2015 to September 30, 2016)		FY2017 (From October 1, 2016 to September 30, 2017)	
Net income		18,709		24,797
Other comprehensive income				
Valuation difference on available-for-sale securities		(2)		3
Foreign currency translation adjustment		26		93
Total other comprehensive income		*1 *2 23		*1 *2 96
Comprehensive income		18,733		24,894
(Breakdown)				
Comprehensive income attributable to shareholders' of the parent		18,773		24,894

3) Consolidated Statements of Changes in Shareholders' Equity

FY2016 (From October 1, 2015 to September 30, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2015	3,982	5,883	38,711	(1,072)	47,505
Change of items during the period					
Dividends from surplus			(1,697)		(1,697)
Profit attributable to owners of parent			18,709		18,709
Purchase of treasury stock				(780)	(780)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	17,012	(780)	16,231
Balance at September 30, 2016	3,982	5,883	55,723	(1,852)	63,736

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at October 1, 2015	8	(60)	(51)	156	47,609
Change of items during the period					
Dividends from surplus					(1,697)
Profit attributable to owners of parent					18,709
Purchase of treasury stock					(780)
Net changes of items other than shareholders' equity	(2)	26	23	219	242
Total changes of items during the period	(2)	26	23	219	16,474
Balance at September 30, 2016	5	(33)	(28)	375	64,084

FY2017 (From October 1, 2016 to September 30, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2016	3,982	5,883	55,723	(1,852)	63,736
Change of items during the period					
Issuance of new shares-exercise of subscription rights to shares	50	50			100
Dividends from surplus			(4,482)		(4,482)
Profit attributable to owners of parent			24,797		24,797
Purchase of treasury stock				(1,250)	(1,250)
Net changes of items other than shareholders' equity					
Total changes of items during the period	50	50	20,315	(1,250)	19,165
Balance at September 30, 2017	4,032	5,934	76,038	(3,102)	82,902

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at October 1, 2016	5	(33)	(28)	375	64,084
Change of items during the period					
Issuance of new shares-exercise of subscription rights to shares					100
Dividends from surplus					(4,482)
Profit attributable to owners of parent					24,797
Purchase of treasury stock					(1,250)
Net changes of items other than shareholders' equity	3	93	96	32	129
Total changes of items during the period	3	93	96	32	19,295
Balance at September 30, 2017	8	60	68	408	83,379

4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY, 2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
Cash flows from operating activities		
Income before income taxes	29,154	36,131
Depreciation and amortization	391	372
Share-based compensation expenses	219	62
Loss (Profit) on sales of investment securities	(20)	—
Increase (Decrease) in provision for bonuses	229	332
Increase (Decrease) in allowance for doubtful accounts	(20)	26
Increase (Decrease) in provision for warranties for completed construction	98	35
Increase (Decrease) in net defined benefit liability	(0)	1
Interest and dividends income	(10)	(15)
Foreign exchange loss (gain)	276	(174)
Interest expense	795	892
Commission for syndicate loan	948	555
Amortization of bond issuance cost	13	11
Decrease (Increase) in notes and accounts receivable-trade	46	(340)
Decrease (Increase) in inventories	(15,027)	(27,302)
Increase (Decrease) in notes and accounts payable-trade	1,099	1,778
Decrease (Increase) in operating loans	(50)	(348)
Increase (Decrease) in advances received	932	210
Increase (Decrease) in guarantee deposits received	(104)	(832)
Increase (Decrease) in deposits received	909	1,019
Other	574	399
Subtotal	20,451	12,815
Interest and dividend income received	10	15
Interest expenses paid	(745)	(875)
Income taxes paid	(9,899)	(12,754)
Net cash provided by (used in) operating activities	9,817	(799)
Cash flows from investing activities		
Payments into time deposits	(30)	(1,446)
Proceeds from withdrawal of time deposits	35	1,446
Purchase of tangible fixed assets	(257)	(807)
Purchase of intangible fixed assets	(165)	(169)
Purchase of investment securities	(1,747)	—
Proceeds from sales and redemption of investment securities	184	—
Purchase of stocks of subsidiaries and affiliates	(300)	—
Payments for lease and guarantee deposits	(462)	(426)
Proceeds from collection of lease and guarantee deposits	62	26
Other	9	38
Net cash provided by (used in) investing activities	(2,672)	(1,337)

(Millions of yen)

	FY 2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
Cash flows from financing activities		
Increase in short-term loans payable	62,382	97,968
Decrease in short-term loans payable	(60,942)	(91,051)
Proceeds from long-term loans payable	75,724	87,088
Repayment of long-term loans payable	(55,704)	(62,007)
Commission for syndicate loan paid	(948)	(555)
Redemption of bonds	(662)	(582)
Proceeds from exercise of share options	—	70
Purchase of treasury stock	(782)	(1,256)
Cash dividend paid	(1,697)	(4,482)
Other	(37)	(10)
Net cash provided by (used in) financing activities	17,332	25,181
Effect of exchange rate changes on cash and cash equivalents	(293)	356
Net increase (decrease) in cash and cash equivalents	24,183	23,401
Cash and cash equivalents at beginning of period	43,325	67,508
Cash and cash equivalents at end of period	*1 67,508	*1 90,910

(Notes to Consolidated Balance Sheets)

*1 The following items are related to unconsolidated subsidiaries and affiliates.

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Other in Investments and other assets	155	100
Investment securities (Stocks)		
Other in Investments and other assets Others (Investments in capital)	475	182

*2 Pledged assets and secured liabilities

Pledged assets are as follows.

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Real estate for sale	28,066	11,690
Real estate for sale in process	58,519	87,908
Operating loans	3,753	3,337
Buildings and structures	126	165
Land	247	242
Total	90,713	103,344

Secured liabilities are as follows.

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Short-term loans payable	30,809	33,520
Current portion of long-term loans payable	7,080	7,474
Long-term loans payable	39,593	49,720
Total	77,483	90,715

*3 The accumulated amount of impairment loss is included in the amount of accumulated depreciation.

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Accumulated impairment loss	91	111

*4 2 consolidated subsidiaries (Open House Development Co., Ltd. and IB Net Co., Ltd.) have current account overdraft and commitment line agreements, the balance of unexecuted loans as of the end of the fiscal year under review, based on these agreements, is as follows.

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Total loan commitment	43,200	67,500
Outstanding loans	24,817	40,122
Balance of unexecuted loans	18,382	27,377

*5 Financial restraint clause

The Company concluded contracts for a syndicate loan payable and a term loan payable with financial institutions. The contract includes a financial restraint clause with criteria set by certain indicators that are computed based on the consolidated balance sheet, income statements, etc.

(Notes to Consolidated Statements of Income)

*1 Selling, general and administrative expenses account includes the following major items and amounts

	(Million yen)	
	FY2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
Directors' compensations	482	535
Salaries	2,400	2,847
Provision for bonuses	280	385
Provision of allowance for doubtful accounts	—	30
Retirement benefit expenses	45	52
Advertising expenses	1,361	1,771
Rents	1,723	2,222
Taxes and dues	1,346	2,184
Sales commission	2,394	2,434

*2 The balance of inventories as of the end of the period is the amount after the carrying value is been written down, and the following appraisal losses are included in the cost of revenue.

	(Million yen)	
	FY2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
	145	228

(Notes to Consolidated Statements of Comprehensive Income)

*1 The amount of recycling associated with other comprehensive income

(Million yen)

	FY2016 (From October 1, 2015 to September 30, 2016)	FY2016 (From October 1, 2016 to September 30, 2017)
Valuation difference on available-for-sale securities:		
Amount recognized during the year	(4)	4
Amount of recycling	—	—
Total	(4)	4
Foreign currency translation adjustment:		
Amount recognized during the year	26	93
Amount of recycling	—	—
Total	26	93
Total before income tax effect	22	98
Income tax effect	1	(1)
Total other comprehensive income	23	96

*2 The amount of income tax effects associated with other comprehensive income

(Million yen)

	FY2016 (From October 1, 2015 to September 30, 2016)	FY2016 (From October 1, 2016 to September 30, 2017)
Valuation difference on available-for-sale securities:		
Before income tax effect	(4)	4
Amount of income tax effects	1	(1)
After tax effect adjustment	(2)	3
Foreign currency translation adjustment:		
Before income tax effect	26	93
Amount of income tax effects	—	—
After tax effect adjustment	26	93
Total other comprehensive income		
Before income tax effect	22	98
Amount of income tax effects	1	(1)
After tax effect adjustment	23	96

(Notes to Consolidated Statements of Cash Flows)

*1 Reconciliation of balance sheet items to cash and cash equivalents in the consolidated statements of cash flows is as follows.

	(Million yen)	
	FY2016 (From October 1, 2015 to September 30, 2016)	FY2016 (From October 1, 2016 to September 30, 2017)
Cash and deposits	67,508	90,910
Deposits with a term of over 3 months	—	—
Cash and cash equivalents	67,508	90,910

(Segment Information)

1. The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group now has the following six reporting segments: Brokerage, Single-Family Homes, Asakawa Home, Condominiums, Property Resales, and Others.

2. Method for calculating revenue, income/loss, assets, liabilities, and other items for reportable segments

The accounting policies of reportable segments are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements."

Segment income is based on operating income.

Intersegment revenue and transfers are based on market price.

3. Information on revenue, income or loss, and other items by reportable segment

FY2016 (From October 1, 2015 to September 30, 2016)

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Open House Architect	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	4,221	119,563	31,236	18,991	72,795	403	247,210	—	247,210
Intersegment revenue and transfers	4,307	—	6,388	68	6	51	10,822	(10,822)	—
Total	8,528	119,563	37,625	19,059	72,801	455	258,033	(10,822)	247,210
Segment Income (Loss)	2,882	12,833	2,050	3,085	10,583	138	31,573	(253)	31,320
Other items									
Depreciation	82	71	171	10	8	6	350	40	391
Amortization of goodwill	—	—	137	—	—	—	137	—	137

(NOTE)

1. Adjustment of ¥(253)million for segment income includes intersegment elimination of ¥39 million and corporate expenses of ¥(293) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

FY2017 (From October 1, 2016 to September 30, 2017)

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Open House Architect	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	5,274	151,807	30,867	26,480	88,448	1,772	304,651	—	304,651
Intersegment revenue and transfers	4,923	191	8,286	—	527	52	13,981	(13,981)	—
Total	10,197	151,998	39,154	26,480	88,976	1,825	318,632	(13,981)	304,651
Segment Income (Loss)	3,087	17,300	1,874	4,345	11,122	54	37,783	(166)	37,617
Other items									
Depreciation	101	52	146	11	8	7	327	44	372
Amortization of goodwill	—	—	137	—	—	—	137	—	137

(NOTE)

1. Adjustment of ¥ (166) million for segment income includes intersegment elimination of ¥121 million and corporate expenses of ¥ (287) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
 2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.
 3. Segment assets are not listed as assets are not allocated to reportable segments.
 4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.
4. Notes relating to changes in reportable segments etc.
(Changes in names of reportable segments)
- The Group changed the name of "Asakawa Home" reportable segment to "Open House Architect" from the first quarter of the current fiscal year. This change had no effect on profit and loss for the current fiscal year.
- Segment information for the previous fiscal year on a consolidated basis was prepared based on the reportable segments applied for the current fiscal year under review.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Assets		
Current assets		
Cash and cash equivalents	32,386	43,241
Operating accounts receivable	910	1,078
Prepaid expense	170	215
Deferred tax assets	226	292
Short-term loans receivable from subsidiaries and associates	—	4,800
Income taxes receivable	495	537
Other	418	607
Total current assets	34,607	50,772
Fixed asset		
Tangible fixed assets		
Buildings	355	658
Vehicles	24	25
Tools, furniture and fixtures	57	119
Land	38	—
Total tangible fixed assets	475	803
Intangible fixed assets		
Software	140	172
Other	3	3
Total intangible fixed assets	143	175
Investments and other assets		
Investment securities	165	101
Stocks of subsidiaries and associates	8,196	8,196
Long-term prepaid expenses	4	2
Deferred tax assets	97	—
Lease and guarantee deposits received	889	1,161
Other	51	44
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	9,394	9,496
Total fixed assets	10,014	10,475
Deferred assets		
Bond issuance cost	48	42
Total deferred assets	48	42
Total assets	44,670	61,290

(Million yen)

	FY 2016 (as of September 30, 2016)	FY 2017 (as of September 30, 2017)
Liabilities		
Current liabilities		
Current portion of bonds	252	242
Current portion of long-term loans payable	562	625
Accounts payable	499	806
Accrued expenses	147	176
Advances received	165	6
Deposits received	51	56
Provision for bonuses	441	580
Other	98	167
Total current liabilities	2,217	2,659
Long-term liabilities		
Bonds payable	1,815	1,573
Long-term loans payable	23,987	38,625
Deferred tax liabilities	—	3
Total long-term liabilities	25,802	40,201
Total liabilities	28,020	42,861
Net assets		
Shareholders' equity		
Capital stocks	3,982	4,032
Capital surplus		
Legal capital surplus	3,765	3,815
Other capital surplus	2,118	2,118
Total capital surplus	5,883	5,934
Retained earnings		
Legal retained earnings	35	35
Other retained earnings		
Retained earnings brought forward	8,220	11,113
Total retained earnings	8,256	11,148
Treasury stock	(1,852)	(3,102)
Total shareholders' equity	16,269	18,012
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5	8
Total valuation and translation adjustments	5	8
Subscription rights to shares	375	408
Total net assets	16,650	18,429
Total liabilities and net assets	44,670	61,290

Non-Consolidated Statements of Income

(Million yen)

	FY2016 (From October 1, 2015 to September 30, 2016)	FY2017 (From October 1, 2016 to September 30, 2017)
Operating revenue	8,528	10,281
Operating cost	3,139	4,034
Gross operating profit	5,388	6,246
Selling, general and administrative expenses	2,796	3,555
Operating income	2,592	2,691
Non-operating income		
Interest income	75	4
Dividends income	3,787	6,002
Guarantee commission received	376	449
Gain on sales of investment securities	20	—
Other	129	183
Total non-operating income	4,390	6,640
Non-operating expenses		
Interest expenses	96	294
Interest on bonds	11	10
Amortization of bond issuance cost	6	5
Guarantee commission	93	288
Commission fee	955	562
Other	98	71
Total non-operating expenses	1,261	1,233
Ordinary income	5,720	8,099
Income before Income taxes	5,720	8,099
Income taxes-current	744	691
Income taxes-deferred	(64)	32
Total income Taxes	679	723
Net income	5,040	7,375

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2016 (From October 1, 2015 to September 30, 2016)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at October 1, 2015	3,982	3,765	2,118	5,883	35	4,877	4,912	(1,072)	13,706
Change of items during the period									
Dividends from surplus						(1,697)	(1,697)		(1,697)
Net income						5,040	5,040		5,040
Purchase of treasury stock								(780)	(780)
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	—	—	—	3,343	3,343	(780)	2,562
Balance at September 30, 2016	3,982	3,765	2,118	5,883	35	8,220	8,256	(1,852)	16,269

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2015	8	8	156	13,871
Change of items during the period				
Dividends from surplus				(1,697)
Net income				5,040
Purchase of treasury stock				(780)
Net changes of items other than shareholders' equity	(2)	(2)	219	216
Total changes of items during the period	(2)	(2)	219	2,778
Balance at September 30, 2016	5	5	375	16,650

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at October 1, 2016	3,982	3,765	2,118	5,883	35	8,220	8,256	(1,852)	16,269
Change of items during the period									
Issuance of new shares-exercise of subscription rights to shares	50	50		50					100
Dividends from surplus						(4,482)	(4,482)		(4,482)
Net income						7,375	7,375		7,375
Purchase of treasury stock								(1,250)	(1,250)
Net changes of items other than shareholders' equity									
Total changes of items during the period	50	50	—	50	—	2,892	2,892	(1,250)	1,743
Balance at September 30, 2017	4,032	3,815	2,118	5,934	35	11,113	11,148	(3,102)	18,012

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2016	5	5	375	16,650
Change of items during the period				
Issuance of new shares-exercise of subscription rights to shares				100
Dividends from surplus				(4,482)
Net income				7,375
Purchase of treasury stock				(1,250)
Net changes of items other than shareholders' equity	3	3	32	36
Total changes of items during the period	3	3	32	1,779
Balance at September 30, 2017	8	8	408	18,429