

**Consolidated Financial Results**  
**for the Six Months Ended June 30, 2017**  
**[Japanese GAAP]**



July 31, 2017

Company name: investors cloud co., ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 1435  
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 Scheduled date of filing quarterly securities report: August 10, 2017  
 Scheduled date of commencing dividend payments: September 6, 2017  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are truncated)

**1. Consolidated Financial Results for the Six Months Ended June 30, 2017 (January 1, 2017 to June 30, 2017)**

(1) Consolidated operating results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
June 30, 2017	26,454	83.5	1,925	41.0	1,866	36.5	1,214	40.7
June 30, 2016	14,413	-	1,365	-	1,367	-	862	-

(Note) Comprehensive income: Six months ended June 30, 2017: ¥1,215 million [42.0 %]  
 Six months ended June 30, 2016: ¥ 855 million [ - %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
June 30, 2017	79.42	69.43
June 30, 2016	56.43	49.32

(Note) As the Company began preparing quarterly consolidated financial statements from the six months ended June 30, 2016, changes from the previous corresponding period for the six months ended June 30, 2016 are not stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2017	14,474	6,942	47.9
As of December 31, 2016	10,856	6,030	55.6

(Reference) Equity: As of June 30, 2017: ¥6,940 million  
 As of December 31, 2016: ¥6,030 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2016	-	0.00	-	20.00	20.00
Fiscal year ending December 31, 2017	-	20.00			
Fiscal year ending December 31, 2017 (Forecast)			-	20.00	40.00

- (Notes) 1. Revision to the forecast for dividends announced most recently: No  
 2. Breakdown of year-end dividend for the fiscal year ended December 31, 2016: ordinary dividend: ¥15.00; commemorative dividend: ¥5.00

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(% indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	54,840	44.6	5,460	43.4	5,400	42.0	3,530	49.9	230.87

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of shares outstanding (common stock)
  - 1) Total number of shares outstanding at the end of the period (including treasury stock):
    - June 30, 2017: 15,290,200 shares
    - December 31, 2016: 15,290,200 shares
  - 2) Total number of treasury stock at the end of the period:
    - June 30, 2017: - shares
    - December 31, 2016: - shares
  - 3) Average number of shares during the period:
    - Six months ended June 30, 2017: 15,290,200 shares
    - Six months ended June 30, 2016: 15,290,200 shares

(Note) The Company conducted a two-for-one stock split of its common stock effective July 1, 2016. Total number of shares outstanding (common stock) is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended December 31, 2016.

\* These quarterly consolidated financial results are outside the scope of quarterly review.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions judged to be reasonable. The Company makes no warranty as to the achievability of these forecasts. Actual performance, etc. may differ significantly from these forecasts due to a wide range of factors.

Table of Contents of the Attachments

1. Qualitative Information of Quarterly Financial Results	
(1) Explanation of operating results.....	4
(2) Explanation of financial position .....	4
(3) Explanation of consolidated financial results forecast and other forward-looking information .....	4
2. Consolidated Financial Statements and Primary Notes.....	6
(1) Consolidated balance sheets.....	6
(2) Consolidated statements of income and comprehensive income .....	7
(3) Notes to quarterly consolidated financial statements .....	8
(Notes on going concern assumption) .....	8
(Notes on significant changes in shareholders' equity).....	8
(Adoption of special accounting treatment for preparing quarterly consolidated financial statements).....	8
3. Others .....	9
Orders received .....	9

## 1. Qualitative Information of Quarterly Financial Results

### (1) Explanation of operating results

The Japanese economy during the six months ended June 30, 2017 continued to show a moderate recovery trend backed by the governmental economic policies and the Bank of Japan (“BoJ”)’s continued monetary easing policies, in addition to the improvement in corporate performance and employment environment. Nevertheless, the outlook remains unclear, with the increase of uncertainty in the overseas economy mainly due to future political and economic trends, including the impact of geopolitical risks in Europe and Asia and an increase in policy interest rate in the U.S.

In the real estate industry, with the backdrop of the favorable financing environment such as the BoJ’s continued negative interest rate policy, inflow of funds to the real estate market is ongoing, and diversification of our investor base is expected.

Under these circumstances, in the mainstay apartment management platform TATERU business, the Group promoted the increase in membership, and maintenance and improvement of contract rate by focusing on enhancing TATERU’s functions and its brand recognition. In February 2017, by utilizing artificial intelligence (“AI”), we launched a chatbot service TATERU Bot AI and in June 2017, we commenced sale of an IoT device, TATERU kit for apartments contracted. In addition, we actively engaged in various advertising activities including TV commercials to enhance our branding. As a result, the number of new membership increased to over 1,300 average a month, with monthly contracts on an increasing trend.

In the IoT business, we commenced the provision of an IoT device, rental housing kit, including the aforementioned IoT device, TATERU kit and the implementation of a demonstration experiment of *mireru*, a sophisticated preliminary inspection system with an IoT solution.

The real estate investment-type crowdfunding TATERU FUNDING business commenced operations of Fund No. 3 in January 2017 and Fund No. 4 in May 2017 to expand the options of real estate investment and to attract more members.

As a result, the performance for the six months ended June 30, 2017 was ¥26,454 million in net sales (up 83.5% year on year), ¥1,925 million in operating income (up 41.0% year on year), ¥1,866 million in ordinary income (up 36.5% year on year) and ¥1,214 million in profit attributable to owners of parent (up 40.7% year on year).

The Group’s reportable segment consists solely of the apartment management platform TATERU business. As the significance of other business segments is limited, segment information is omitted.

### (2) Explanation of financial position

#### (Assets)

Total assets at the end of the six months ended June 30, 2017 increased by ¥3,618 million from the end of the previous fiscal year to ¥14,474 million. This is mainly attributable to increases in real estate for sale in process of ¥1,240 million, property, plant and equipment of ¥259 million and investment securities of ¥1,228 million.

#### (Liabilities)

Total liabilities at the end of the six months ended June 30, 2017 increased by ¥2,707 million from the end of the previous fiscal year to ¥7,532 million. This is mainly attributable to an increase in short-term loans payable of ¥3,000 million, despite a decrease in income taxes payable of ¥428 million.

#### (Net assets)

Total net assets at the end of the six months ended June 30, 2017 increased by ¥911 million from the end of the previous fiscal year to ¥6,942 million. This is mainly attributable to an increase in retained earnings of ¥908 million due to recording of profit attributable to owners of parent of ¥1,214 million, despite a decrease of ¥305 million due to dividends from surplus.

### (3) Explanation of consolidated financial results forecast and other forward-looking information

We have revised the consolidated financial results forecast for the full year ending December 31, 2017 announced

on February 9, 2017 based on the recent trend of our financial results.

For details, please see “Notice Regarding Difference Between Financial Results Forecast and Actual Financial Results for Six Months Ended June 30, 2017 and Revision of Financial Results Forecast for Full Year Ending December 31, 2017” announced today (July 31, 2017).

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated balance sheets

(Thousand yen)

	As of December 31, 2016	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	4,904,216	5,044,293
Accounts receivable-trade	435,435	576,494
Real estate for sale	1,506,610	1,708,392
Real estate for sale in process	910,683	2,150,790
Supplies	3,429	2,578
Other	730,781	821,519
Allowance for doubtful accounts	(790)	(854)
Total current assets	8,490,366	10,303,214
Non-current assets		
Property, plant and equipment	476,721	735,734
Intangible assets	83,736	97,486
Investments and other assets		
Investment securities	1,597,854	2,826,850
Other	207,350	511,500
Total investments and other assets	1,805,204	3,338,350
Total non-current assets	2,365,662	4,171,572
Total assets	10,856,029	14,474,786
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,189,047	2,180,801
Short-term loans payable	-	3,000,000
Income taxes payable	1,153,157	724,725
Provision for bonuses	15,725	16,300
Provision for rent warranties	175,824	129,014
Other	1,268,291	1,454,535
Total current liabilities	4,802,045	7,505,376
Non-current liabilities		
Asset retirement obligations	23,126	27,328
Total non-current liabilities	23,126	27,328
Total liabilities	4,825,172	7,532,705
<b>Net assets</b>		
Shareholders' equity		
Capital stock	601,926	601,926
Capital surplus	512,444	512,444
Retained earnings	4,916,786	5,825,403
Total shareholders' equity	6,031,157	6,939,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(300)	776
Total accumulated other comprehensive income	(300)	776
Subscription rights to shares	-	1,530
Total net assets	6,030,857	6,942,081
Total liabilities and net assets	10,856,029	14,474,786

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Six months ended June 30, 2017

(Thousand yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Net sales	14,413,099	26,454,428
Cost of sales	11,581,947	22,047,621
Gross profit	2,831,151	4,406,806
Selling, general and administrative expenses	1,465,796	2,481,422
Operating income	1,365,354	1,925,383
Non-operating income		
Interest income	301	44
Dividend income	350	1,350
Share of profit of entities accounted for using equity method	-	21,864
Gain on sales of goods	2,420	687
Other	93	140
Total non-operating income	3,165	24,087
Non-operating expenses		
Interest expenses	-	3,824
Loss on investments in partnership	-	1,369
Commission fee	-	77,016
Foreign exchange losses	644	215
Other	109	609
Total non-operating expenses	753	83,035
Ordinary income	1,367,765	1,866,435
Extraordinary income		
Gain on sales of non-current assets	-	1,060
Total extraordinary income	-	1,060
Profit before income taxes	1,367,765	1,867,495
Income taxes	509,788	653,074
Profit	857,977	1,214,421
Loss attributable to non-controlling interests	(4,900)	-
Profit attributable to owners of parent	862,877	1,214,421

Consolidated statements of comprehensive income

Six months ended June 30, 2017

(Thousand yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Profit	857,977	1,214,421
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,983)	960
Share of other comprehensive income of entities accounted for using equity method	-	116
Total other comprehensive income	(1,983)	1,076
Comprehensive income	855,993	1,215,497
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	860,893	1,215,497
Comprehensive income attributable to non-controlling interests	(4,900)	-

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Adoption of special accounting treatment for preparing quarterly consolidated financial statements)

(Tax expenses)

Tax expenses are calculated based on a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including the six months ended June 30, 2017, and then multiplying profit before income taxes by the estimated effective tax rate.

3. Others

Orders received

(Record of orders received)

The record of orders received in the apartment management platform TATERU business based on completed construction for the six months ended June 30, 2017 is as follows.

Name of the segment	Orders received (Thousand yen)	Changes from the previous corresponding period (%)	Order backlog (Thousand yen)	Changes from the previous corresponding period (%)
Apartment management platform TATERU business	17,664,470	134.9	23,766,129	143.7

- (Notes)
1. Consumption taxes, etc. are not included in the above figures.
  2. The Group's reportable segment consists solely of the apartment management platform TATERU business. As the significance of other business segments is limited, the record of orders received belongs to the said business.