

## Tama Home (1419)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY05/2017		157,001	3,901	3,475	901	30.0	15.0	463.1
FY05/2018		167,915	4,653	4,029	2,047	68.1	30.0	515.3
FY05/2019CoE		182,800	5,300	4,700	2,400	79.9	45.0	-
FY05/2017	YoY	13.5%	116.3%	242.0%	-	-	-	-
FY05/2018	YoY	7.0%	19.3%	15.9%	127.1%	-	-	-
FY05/2019CoE	YoY	8.9%	13.9%	16.6%	17.2%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Executive Summary (4 September 2018)


#### The Leader in All Prefectures

Tama Home, running operations as building contractor of low-price and good-quality custom-build homes, is likely to see consistent and steady earnings growth going forward. Midterm management plan “Tama Step 2021” is calling for CAGR of 12.6% for prospective sales and 37.1% for earnings towards FY05/2021, assuming CAGR of 11.6% for sales volume of custom-build homes, while new operations to sell “a floor ownership of commercial buildings” are to quickly take off on a full-fledged basis. The Company, which celebrated their 20th anniversary on 3 June 2018, has been providing general consumers with custom-build homes with quality beyond a certain level at average unit selling prices of some ¥17m per unit, far below some ¥30m for the largest 8 house suppliers. In November 2016, the Company saw cumulative delivery of 100,000 units, while having recently become the leading supplier of custom-build homes in one prefecture out of 47 in total. More importantly, the Company is going for the same in the remaining 46 prefectures in the future, expecting further market share increases to persist. To date, the Company has been ranked as one of the top three players in 14 prefectures and top five in 25 prefectures. To a large extent, has this been driven by launch of “*region-specific*” merchandises, which are those to cope with indigenous preferences and/or needs region to region, based on *Daianshinnoie* or the mainstay merchandises so far, while being priced with a decent respect to price-oriented competition with local builders to compete head-on. At the end of the day, “*region-specific*” merchandises have accounted for almost 70% of order intake on a volume basis to date and it looks they are to drive prospective sales volume increases of custom-build homes assumed in midterm management plan “Tama Step 2021”. The Company, beefing up sales with collective 242 sales offices based in all the 47 prefectures in Japan, has launched “*region-specific*” merchandises in 37 prefectures by the end of FY05/2018, while planning to do so for the remaining 10 prefectures to eventually gain the No.1 market shares in all of the prefectures.

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## 2.0 Company Profile

### Custom-build Homes, Low-price and Good-quality

<b>Company Name</b>	Tama Home Co., Ltd. <a href="#">Website</a> <a href="#">IR Information</a> <a href="#">Share Price (Japanese)</a>	
<b>Established</b>	3 June 1998	
<b>Listing</b>	27 March 2013: Tokyo Stock Exchange 1st Section, Fukuoka Stock Exchange (ticker: 1419)	
<b>Capital</b>	¥4,310m (as of the end of May 2018)	
<b>No. of Shares</b>	30,055,800 shares (as of the end of May 2018)	
<b>Main Features</b>	<ul style="list-style-type: none"><li>● Corporate motto “Striving to be a Socially Responsible Company Leading the Housing Industry”</li><li>● Pursuing efficiency of construction work for custom-build homes</li><li>● “<i>Horizontal expansion to vertical growth</i>”</li></ul>	
<b>Business Segments</b>	<ul style="list-style-type: none"><li>. Housing Business</li><li>. Real Estate Business</li><li>. Financial Business</li><li>. Energy Business</li><li>. Other Business</li></ul>	
<b>Top Management</b>	Chairman Yasuhiro Tamaki, President Shinya Tamaki	
<b>Shareholders</b>	TAMAX Co., Ltd. 37.9%, YAMADA DENKI CO., LTD. 4.9% (as of the end of May 2018)	
<b>Headquarters</b>	Minato-ku, Tokyo, JAPAN	
<b>No. of Employees</b>	Consolidated: 3,408, Parent: 3,172 (as of the end of May 2018)	

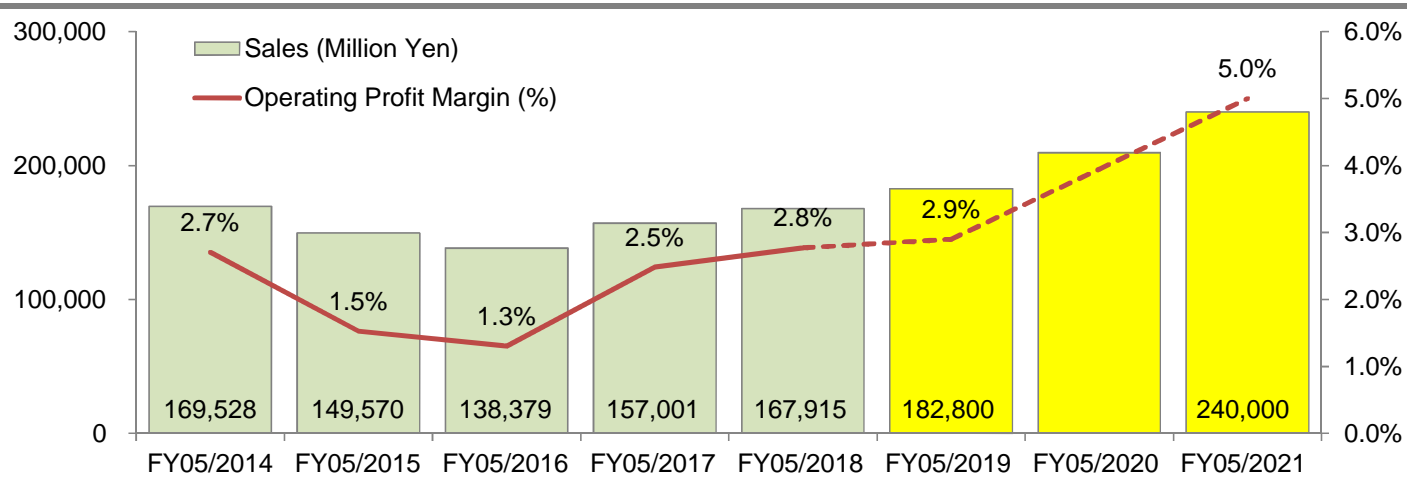
Source: Company Data

## 3.0 Recent Trading and Prospects

### FY05/2018 Results

In FY05/2018, sales came in at ¥167,915m (up 7.0% YoY), operating profit ¥4,653m (up 19.3%), recurring profit ¥4,029m (up 15.9%) and profit attributable to owners of parent ¥2,047m (up 127.1%), while operating profit margin 2.8% (up 0.3% points). Profit attributable to owners of parent surged due mainly to normalization of tax rate.

### Midterm Management Plan "Tama Step 2021" : Sales and Operating Profit Margin

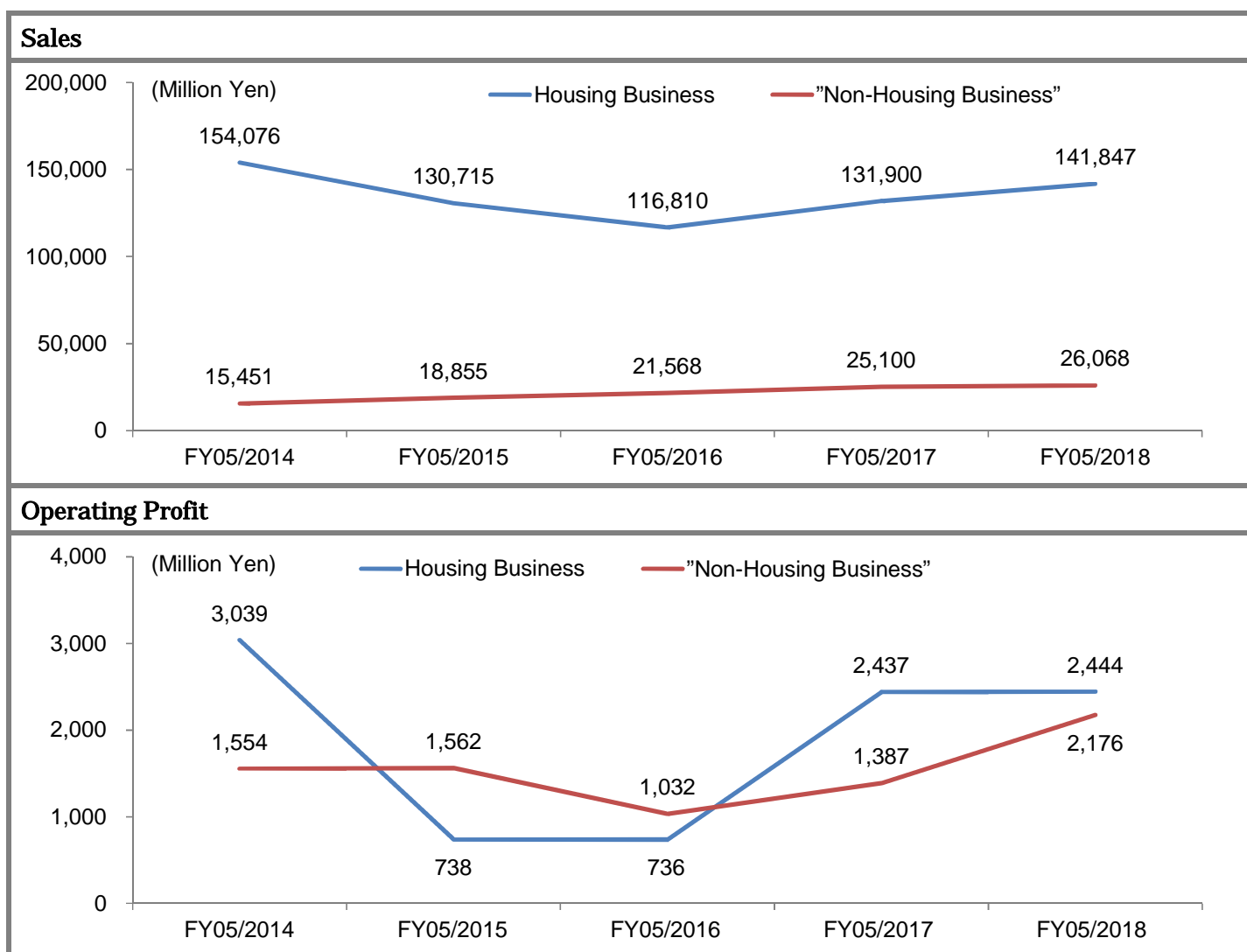


Source: Company Data, WRJ Calculation

Meanwhile, midterm management plan "Tama Step 2021" (FY05/2019 to FY05/2021) is calling for prospective sales of ¥240,000m, operating profit of ¥12,000m and operating profit margin of 5.0% in the last year of the plan, i.e., FY05/2021. When based on FY05/2018 results, the Company goes for CAGR of 12.6% and 37.1% for earnings through FY05/2019 to FY05/2021. At the same time, operating profit margin is to improve by 2.2% points during the said period.

On top of this, the Company pursues prospective profit attributable to owners of parent as much as ¥7,000m in FY05/2021, suggesting funds for dividend are to see CAGR of 50.7%. The Company, keen on sharing earnings with shareholders as found in its plan to pay ¥30.0 per share (payout ratio: 44.0%) in FY05/2018 and ¥45.0 (56.4%) in FY05/2019, is to see good opportunities to further increase dividend in the foreseeable future. In FY05/2018, the Company recorded loss on withdrawal of business equating to ¥802m, etc. at the extraordinary level, but this is unlikely to persist going forward, which is one of the reasons why profit attributable to owners of parent is to rise sharply.

In FY05/2018 results, sales came in at ¥167,915m (up 7.0% YoY), having generated gross profit of ¥41,214m (up 3.1%), while SG&A expenses came in at ¥36,560m (up 1.4%), implying gross profit margin of 24.5% (down 1.0% point) and the ratio of SG&A expenses to sales of 21.8% (down 1.2% points). Given that sales of “region-specific” merchandises, whose prices are set at levels lower than those of the largest peers region to region, are increasing fast as expected, gross profit margin is marginally under pressure. Meanwhile, the Company states that SG&A expenses are on the rise due to increased human resources to propel sales promotions on “region-specific” merchandises, but SG&A expenses as a whole for the Company has not increased much due to decreases stemming from suspensions of operations that incurred losses.



Source: Company Data, WRJ Calculation

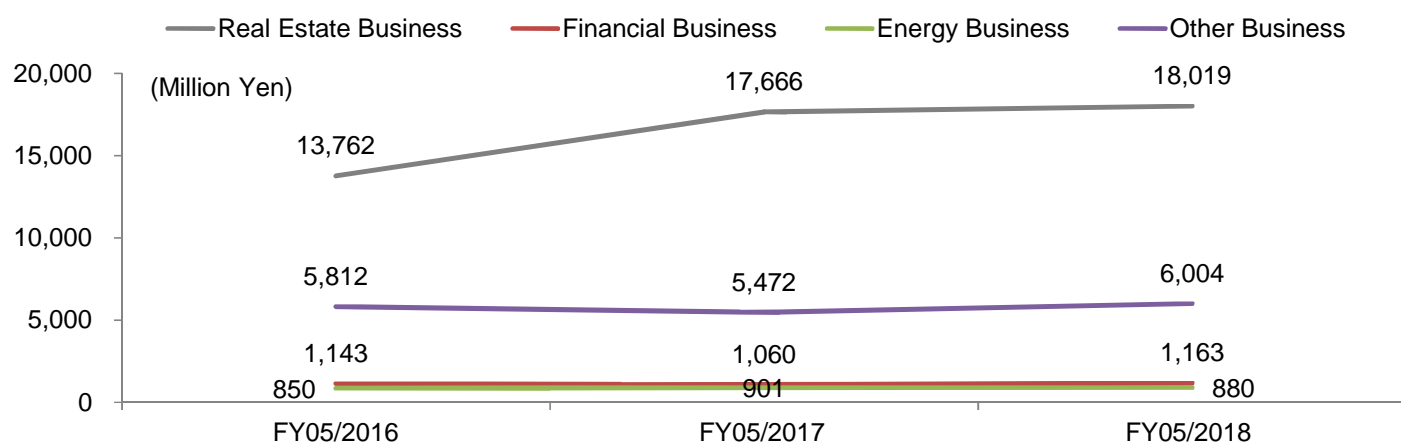
According to segmented information, Housing Business saw sales of ¥141,847m (up 7.5%), operating profit of ¥2,444m (up 0.3%) and operating profit margin of 1.7% (down 0.1% point). Meanwhile, “Non-Housing Business”, comprising Real Estate Business, Financial Business, Energy Business and Other Business, saw sales of ¥26,068m (up 3.9%), operating profit of ¥2,176m (up 56.9%) and operating profit margin of 8.3% (up 2.8% points).

In Housing Business (including intragroup transactions), sales of custom-build homes came in at ¥135,410m (up 7.1%), sales of renovation ¥5,312m (up 16.8%) and sales of other ¥1,385m (up 20.0%). In regards to custom-build homes, order intake came in at 9,386 units (up 5.7%), comprising 6,317 units (up 3.4 times) for “*region-specific*” merchandises belonging to the Standard Line and 1,100 units (up 22.5%) for *Shifukunoie* or the contents of the Low-end Line, while the remaining 1,969 units were basically of *Daianshinnoie* belonging to the Standard Line. That is to say, “*region-specific*” merchandises accounted for no less than 67.3% of total. Meanwhile, according to “Orders Bulletin” disclosed by the Company, cumulative order intake in May 2018 was 107% over the same period in the previous year, which is followed by monthly order intake of 109% in June and 107% in July, suggesting the strengths persisting.

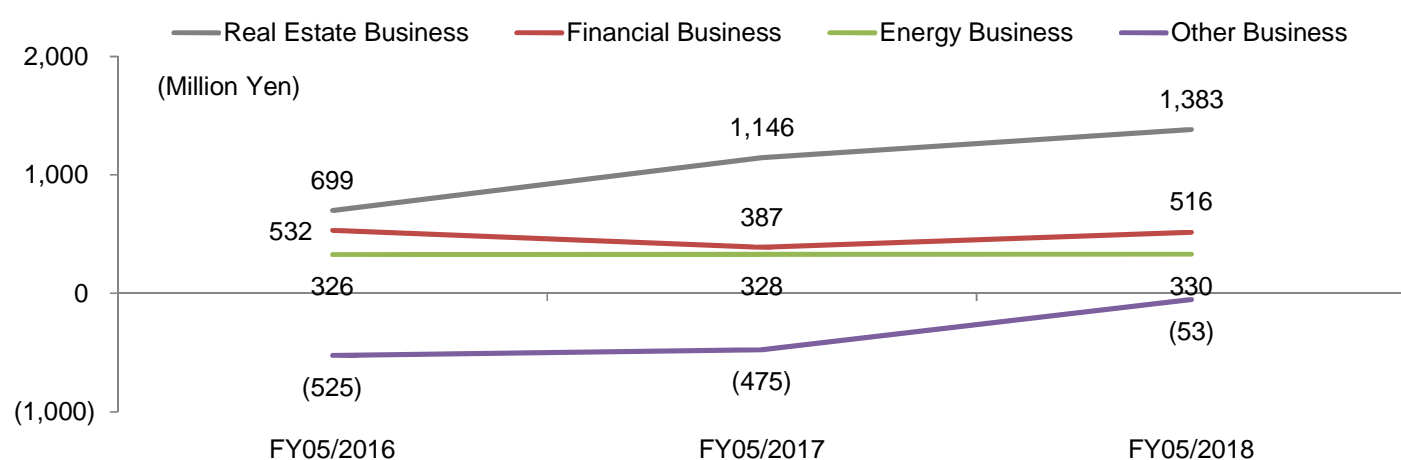
Meanwhile, the Company saw sales volume of 7,913 units (up 8.8%), comprising 7,144 units (up 4.3%) for the Standard Line, 767 units (up 81.3%) for the Low-end Line and 2 units for the High-end Line. *Daianshinnoie* used to account for the bulk of the Standard Line, but it should be the case now that a dramatic changeover is taking place to “*region-specific*” merchandises from *Daianshinnoie*, when aforementioned state of volume on an order intake basis taken into account. At the same time, average unit selling prices came in at ¥17.1m (down 1.5%), implying a trend of marginal decreases over the previous year. Still, this was more than compensated for by increasing sales volume, having resulted in steady increases of sales for custom-build homes.

Elsewhere, it should be noted that sales of renovation, far smaller than custom-build homes but carrying gross profit margin higher, increased faster than custom-build homes, having resulted in sales mix improvement for Housing Business. In regards to custom-build homes, gross profit margin is under pressure and SG&A expenses are on the rise stemming from increased involvement with “*region-specific*” merchandises, but sales mix improvement due to increased exposure to renovation is also taking place at the same time, having resulted in operating profit margin almost stable as a whole for Housing Business. The number of units for 10-year-elapsed custom-build homes after delivery is on the rise, driving needs for renovation and thus sales of renovation, according to the Company. Now, given the prospective increases in the number of units for 10-year-elapsed custom build homes after delivery faster than custom-build homes, improving sales mix as a result of this should also persist going forward. The Company expects 56,000 units in FY05/2021 versus 27,495 units in FY05/2018, implying CAGR of 26.8% during the same period.

## Sales of "Non-Housing Business"



## Operating Profit of "Non-Housing Business"



Source: Company Data, WRJ Calculation

In "Non-Housing Business", Real Estate Business accounts for the bulk of sales and operating profit. Financial Business and Other Business at the moment have a tendency to perform in line with sales volume of custom-build homes, given high exposure to sales associated with them, while the Company runs photovoltaic power generation facilities on a commercial basis in Energy Business. By FY05/2017, the Company used to be involved with a few operations that incurred losses in Other Business, but has written off the bulk of them by the end of FY05/2018. This is the key reason why Other Business saw operating loss massively reduced over the previous year, which was the key driver for increases of operating profit as a whole for "Non-Housing Business" at the same time.

Real Estate Business saw sales of ¥18,019m (up 2.0%), operating profit of ¥1,383m (up 20.6%) and operating profit margin of 7.7% (up 1.2% points). When intragroup transactions included, sales of detached homes came in at ¥12,596m (up 15.4%), sales of condos ¥1,472m (down 54.5%), sales of sublease ¥2,180m (down 35.0%) and sales of other ¥1,924m (up 6.5 times). The mainstay detached homes saw buoyant sales due mainly to booking of sales on large-scale projects with the number of compartments as many as 30 or more, driving operating profit margin at the same time. This is the key reason for increasing sales and earnings in Real Estate Business.

Real Estate Business accounted for 69.1% of sales as a whole for “Non-Housing Business” and 63.6% of operating profit, implying this is the key driver for sales and earnings here, which is also the earnings pillar as a whole for the Company second only to Housing Business at the same time. More importantly, this business segment is getting increasingly more important for earnings as a whole for the Company in the future, because new operations to sell “a floor ownership of commercial buildings” are kicking in.

Compared with no sales in FY05/2018, FY05/2019 Company forecasts are going for prospective sales considerably significant on operations to sell “a floor ownership of commercial buildings”, while sales here are expected to further increase considerably towards FY05/2021, i.e., the last year of midterm management plan “Tama Step 2021”.

Meanwhile, Housing Business saw operating profit margin of 1.7% versus 7.7% for Real Estate Business. This could suggest a probability that the operations to sell “a floor ownership of commercial buildings” also exceed Housing Business in terms of operating profit margin. The operations to sell “a floor ownership of commercial buildings” to quick take off are the key driver for major improvements of operating profit margin assumed in midterm management plan “Tama Step 2021”.

## Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	05/2014	05/2015	05/2016	05/2017	05/2018	05/2019	Net Chg.
<b>Sales</b>	<b>169,528</b>	<b>149,570</b>	<b>138,379</b>	<b>157,001</b>	<b>167,915</b>	<b>182,800</b>	<b>+14,885</b>
CoGS	128,733	112,223	102,776	117,036	126,701	-	-
Gross Profit	40,795	37,347	35,602	39,964	41,214	-	-
SG&A Expenses	36,214	35,062	33,799	36,063	36,560	-	-
<b>Operating Profit</b>	<b>4,580</b>	<b>2,284</b>	<b>1,803</b>	<b>3,901</b>	<b>4,653</b>	<b>5,300</b>	<b>+647</b>
Non Operating Balance	(71)	(268)	(787)	(426)	(624)	(600)	+24
<b>Recurring Profit</b>	<b>4,509</b>	<b>2,016</b>	<b>1,016</b>	<b>3,475</b>	<b>4,029</b>	<b>4,700</b>	<b>+671</b>
Extraordinary Balance	(358)	(1,615)	(414)	(905)	(993)	-	-
Profit before Income Taxes	4,151	401	602	2,570	3,036	-	-
Total Income Taxes	2,444	1,068	994	1,671	1,165	-	-
NP Belonging to Non-Controlling SHs	(10)	(25)	53	(2)	(176)	-	-
<b>Profit Attributable to Owners of Parent</b>	<b>1,717</b>	<b>(641)</b>	<b>(446)</b>	<b>901</b>	<b>2,047</b>	<b>2,400</b>	<b>+353</b>
Sales YoY	+11.3%	(11.8%)	(7.5%)	+13.5%	+7.0%	+8.9%	-
Operating Profit YoY	(13.4%)	(50.1%)	(21.1%)	+116.3%	+19.3%	+13.9%	-
Recurring Profit YoY	(9.9%)	(55.3%)	(49.6%)	+242.0%	+15.9%	+16.6%	-
Profit Attributable to Owners of Parent YoY	(35.2%)	-	-	-	+127.1%	+17.2%	-
Gross Profit Margin	24.1%	25.0%	25.7%	25.5%	24.5%	-	-
(SG&A / Sales)	21.4%	23.4%	24.4%	23.0%	21.8%	-	-
Operating Profit Margin	2.7%	1.5%	1.3%	2.5%	2.8%	2.9%	+0.1%
Recurring Profit Margin	2.7%	1.3%	0.7%	2.2%	2.4%	2.6%	+0.2%
Profit Attributable to Owners of Parent Margin	1.0%	(0.4%)	(0.3%)	0.6%	1.2%	1.3%	+0.1%
Total Income Taxes / Profit before Income Taxes	58.9%	266.3%	165.1%	65.0%	38.4%	-	-

Source: Company Data, WRJ Calculation

## Segmented Information

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	05/2014	05/2015	05/2016	05/2017	05/2018	05/2019	Net Chg.
Housing Business	154,076	130,715	116,810	131,900	141,847	-	-
"Non-Housing Business"	15,451	18,855	21,568	25,100	26,068	-	-
<b>Sales</b>	<b>169,527</b>	<b>149,570</b>	<b>138,379</b>	<b>157,001</b>	<b>167,915</b>	<b>182,800</b>	<b>+14,885</b>
Housing Business	-	(15.2%)	(10.6%)	+12.9%	+7.5%	-	-
"Non-Housing Business"	-	+22.0%	+14.4%	+16.4%	+3.9%	-	-
<b>Sales (YoY)</b>	<b>+11.3%</b>	<b>(11.8%)</b>	<b>(7.5%)</b>	<b>+13.5%</b>	<b>+7.0%</b>	<b>+8.9%</b>	<b>-</b>
Housing Business	90.9%	87.4%	84.4%	84.0%	84.5%	-	-
"Non-Housing Business"	9.1%	12.6%	15.6%	16.0%	15.5%	-	-
<b>Sales (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
Housing Business	3,039	738	736	2,437	2,444	-	-
"Non-Housing Business"	1,554	1,562	1,032	1,387	2,176	-	-
<b>Segment profit</b>	<b>4,594</b>	<b>2,301</b>	<b>1,768</b>	<b>3,824</b>	<b>4,621</b>	-	-
Elimination	(13)	(16)	34	76	31	-	-
<b>Operating Profit</b>	<b>4,580</b>	<b>2,284</b>	<b>1,803</b>	<b>3,901</b>	<b>4,653</b>	<b>5,300</b>	<b>+647</b>
Housing Business	-	(75.7%)	(0.3%)	+231.1%	+0.3%	-	-
"Non-Housing Business"	-	+0.5%	(33.9%)	+34.4%	+56.9%	-	-
<b>Segment profit (YoY)</b>	<b>-</b>	<b>(49.9%)</b>	<b>(23.2%)</b>	<b>+116.3%</b>	<b>+20.8%</b>	<b>-</b>	<b>-</b>
Housing Business	66.2%	32.1%	41.6%	63.7%	52.9%	-	-
"Non-Housing Business"	33.8%	67.9%	58.4%	36.3%	47.1%	-	-
<b>Segment profit (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Housing Business	2.0%	0.6%	0.6%	1.8%	1.7%	-	-
"Non-Housing Business"	10.1%	8.3%	4.8%	5.5%	8.3%	-	-
Elimination	(0.0%)	(0.0%)	0.0%	0.0%	0.0%	-	-
<b>Operating Profit Margin</b>	<b>2.7%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>+0.1%</b>

Source: Company Data, WRJ Calculation



## Balance Sheet

Balance Sheet	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	05/2014	05/2015	05/2016	05/2017	05/2018	05/2019	Net Chg.
Cash and Deposit	29,475	27,119	26,566	26,706	31,627	-	-
Accounts Receivables	2,246	1,001	1,466	1,517	1,284	-	-
Loans Receivables	2,317	2,305	2,142	2,971	3,124	-	-
Real Estate for Sale	1,817	6,092	3,825	4,682	7,717	-	-
Cost of Uncompleted Constructs	8,522	5,434	5,397	5,905	7,692	-	-
Real Estate for Sale In-process	8,852	8,439	9,377	9,055	7,672	-	-
Other inventory	363	418	453	441	573	-	-
Other	6,571	4,503	3,414	2,760	2,326	-	-
<b>Current Assets</b>	<b>60,163</b>	<b>55,311</b>	<b>52,640</b>	<b>54,037</b>	<b>62,015</b>	-	-
Tangible Assets	21,792	25,476	25,432	23,705	23,377	-	-
Intangible Assets	581	536	418	232	160	-	-
Investments and Other Assets	3,871	5,746	5,373	5,375	5,231	-	-
<b>Fixed Assets</b>	<b>26,245</b>	<b>31,760</b>	<b>31,225</b>	<b>29,313</b>	<b>28,769</b>	-	-
<b>Total Assets</b>	<b>86,408</b>	<b>87,071</b>	<b>83,866</b>	<b>83,350</b>	<b>90,785</b>	-	-
Accounts Payables	27,643	21,806	19,149	12,174	12,793	-	-
Short Term Debt	4,797	10,987	12,877	12,308	14,739	-	-
Corporate Bond (Less than 1 Year)	400	200	200	200	100	-	-
Advances Received on Uncompleted Contracts	18,017	12,388	12,649	13,921	17,255	-	-
Other	9,866	9,764	7,037	9,022	8,216	-	-
<b>Current Liabilities</b>	<b>60,723</b>	<b>55,145</b>	<b>51,912</b>	<b>47,625</b>	<b>53,103</b>	-	-
Corporate Bond	700	500	300	100	-	-	-
Long Term Debt	7,482	14,771	15,546	18,709	19,087	-	-
Other	2,741	2,760	2,876	2,927	3,081	-	-
<b>Fixed Liabilities</b>	<b>10,223</b>	<b>17,531</b>	<b>18,422</b>	<b>21,636</b>	<b>22,168</b>	-	-
<b>Total Liabilities</b>	<b>70,947</b>	<b>72,677</b>	<b>70,334</b>	<b>69,261</b>	<b>75,272</b>	-	-
<b>Shareholders' Equity</b>	<b>15,103</b>	<b>13,680</b>	<b>12,968</b>	<b>13,570</b>	<b>15,161</b>	-	-
Other	357	713	563	518	352	-	-
<b>Net Assets</b>	<b>15,460</b>	<b>14,393</b>	<b>13,531</b>	<b>14,088</b>	<b>15,513</b>	-	-
<b>Total Liabilities and Net Assets</b>	<b>86,408</b>	<b>87,071</b>	<b>83,866</b>	<b>83,350</b>	<b>90,785</b>	-	-
Equity Capital	15,247	14,059	13,313	13,919	15,487	-	-
Interest Bearing Debt	13,379	26,458	28,923	31,317	33,926	-	-
Net Debt	(16,096)	(661)	2,357	4,611	2,299	-	-
Equity Ratio	17.6%	16.1%	15.9%	16.7%	17.1%	-	-
Net Debt Equity Ratio	(105.6%)	(4.7%)	17.7%	33.1%	14.8%	-	-
ROE (12 months)	11.6%	(4.4%)	(3.3%)	6.6%	13.9%	-	-
ROA (12 months)	5.8%	2.3%	1.2%	4.2%	4.6%	-	-
Days for Inventory Turnover	31	49	48	44	46	-	-
Quick Ratio	52%	51%	54%	59%	62%	-	-
Current Ratio	99%	100%	101%	113%	117%	-	-

Source: Company Data, WRJ Calculation

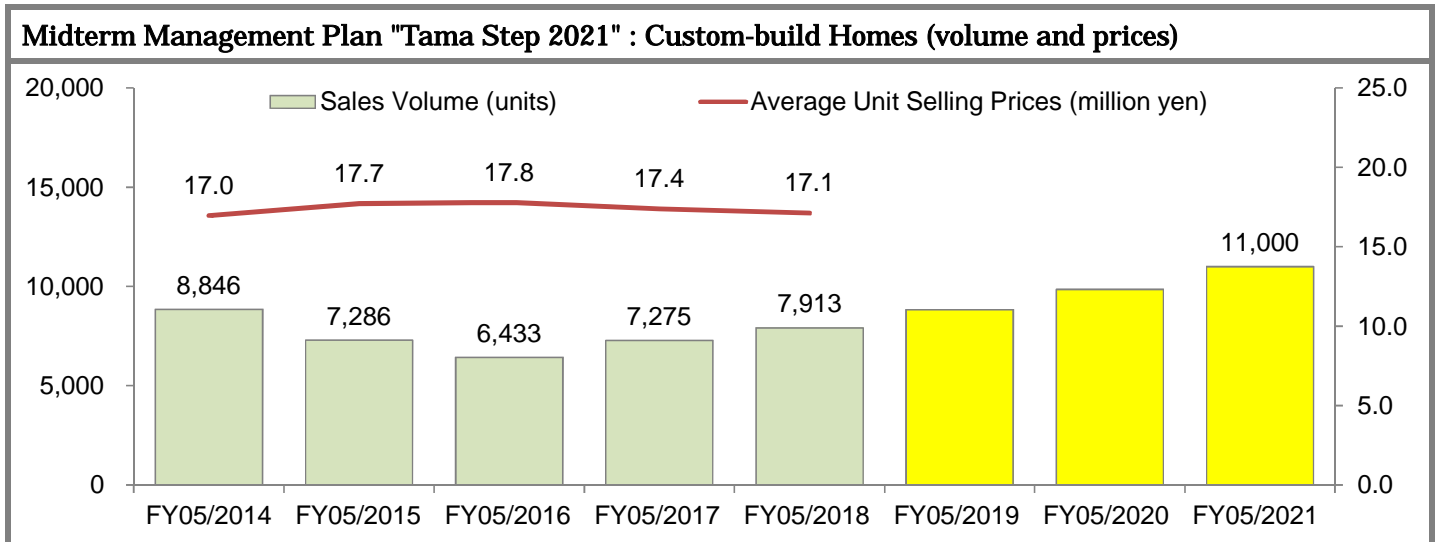
## Cash Flow Statement

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
(Million Yen)	05/2014	05/2015	05/2016	05/2017	05/2018	05/2019	Net Chg.
Operating Cash Flow	5,891	(7,809)	36	(1,100)	4,501	-	-
Investing Cash Flow	(4,872)	(9,177)	(2,220)	(555)	(1,494)	-	-
<b>Operating CF and Investing CF</b>	<b>1,019</b>	<b>(16,986)</b>	<b>(2,184)</b>	<b>(1,655)</b>	<b>3,007</b>	-	-
Financing Cash Flow	5,256	12,028	1,681	1,750	1,918	-	-

Source: Company Data, WRJ Calculation

## Long-Term Prospects

The Company disclosed the contents of midterm management plan “Tama Step 2021” (FY05/2019 to FY05/2021) in its results meeting held on 13 July 2018, mentioning to “aim at No.1 sales volume of custom-build homes, while building new earnings pillars through business reform” as basic policy, while also mentioning to “go for sales of ¥1 trillion by 2030 with business expansion” at the same time. The Company, aiming at No.1 shares in every region, sees consistent sales volume increases in regards to the mainstay custom-build homes going forward. Meanwhile, average unit selling prices are expected to remain stable, generally speaking, leading to a situation that sales volume increases directly drive sales of custom-build homes.



Source: Company Data, WRJ Calculation

10

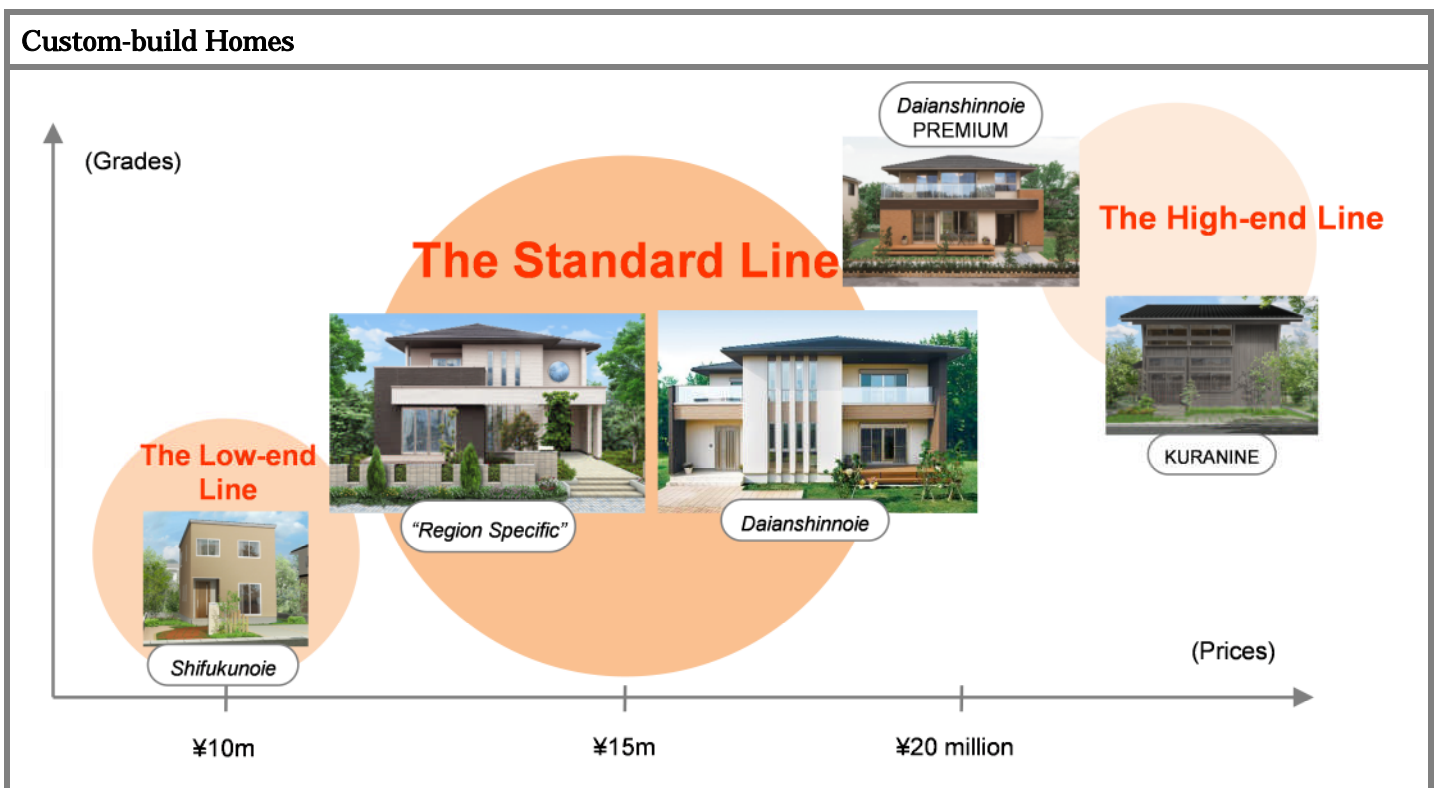
Midterm management plan “Tama Step 2021” (FY05/2019 to FY05/2021) is calling for prospective sales volume of 11,000 units in the last year of plan, i.e., FY05/2021. When based on 7,913 units (up 8.8% YoY) in FY05/2018, CAGR is 11.6% during the same period.

Meanwhile, in order to build new earnings pillars, the Company is quite keen on operations to sell “a floor ownership of commercial buildings”, representing those of value creation or renovation of small-&-mid-sized commercial buildings. Procuring properties located in the central five wards of Tokyo, including Chiyoda, Chuo, Minato, Shinjuku and Shibuya, the Company sells a floor ownership of the said properties after own value creation, i.e., high-grade commercial buildings to actual-demand-oriented corporates as well as to investment-oriented corporates and individuals. The Company has hired well-experienced specialist in this business domain, trying to get at efficient use of own funds power. So far in FY05/2019, the Company has started to see sales on the said new operations, while currently being in the stage of setting up operational structure to cope with procurement of four office buildings per annum and to sell them all as soon as possible.

## 4.0 Business Model

### Custom-build Homes, Low-price and Good-quality

Advocating corporate motto “Striving to be a Socially Responsible Company Leading the Housing Industry”, the Company runs operations as building contractor of low-price and good-quality custom-build homes, while being keen on development and provision of those to cope with long-term security and durability. For example, it has been proven that the Company’s standard homes can withstand a series of tremors up to maximum level 7 (Japanese seismic scale standard). Meanwhile, the founding of the Company in June 1998 was followed by establishment of sales offices in all the 47 prefectures in Japan in January 2011. Then, the Company started up changeover of “*horizontal* expansion to *vertical* growth”. The launch of “*region-specific*” merchandises is the best success for “*vertical* growth”, which is expected to be followed by operations to sell “a floor ownership of commercial buildings”.



Source: Company Data

**Disclaimer**

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Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage etc.

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