

Sanyo Homes (1420)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2019		53,888	1,434	1,544	954	77.46	25.00	1,425.21
FY03/2020		56,351	412	415	359	29.78	25.00	1,537.65
FY03/2021CoE		59,600	900	750	500	46.56	25.00	-
FY03/2020	YoY	4.6%	(71.2%)	(73.1%)	(62.4%)	-	-	-
FY03/2021CoE	YoY	5.8%	118.1%	80.7%	39.2%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2020		23,782	143	109	34	-	-	-
Q3 to Q4 FY03/2020		32,568	268	305	324	-	-	-
Q1 to Q2 FY03/2021		16,235	(1,451)	(1,467)	(1,029)	-	-	-
Q3 to Q4 FY03/2021CoE		43,364	2,351	2,217	1,529	-	-	-
Q1 to Q2 FY03/2021	YoY	(31.7%)	-	-	-	-	-	-
Q3 to Q4 FY03/2021CoE	YoY	33.1%	774.5%	626.7%	371.9%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (26 January 2021)

Extreme Concentration


Sanyo Homes, which develops housing and condominiums for sale, is to see steadily increased sales and earnings for FY03/2021. Due to extreme concentration in H2 for properties to be newly completed on the Condos Business side, which is the key earnings pillar, the Company had to suffer from a major adjustment with its performance as a whole in Q1 to Q2. More importantly, however, the Company is going for sales and earnings substantially increased over the same period of the previous for H2, when it sees concentration of properties to be newly completed, resulting in increased sales and earnings also on a full-year basis. On the Condos Business side, the Company suggests that it will see 10 buildings of properties to be newly completed on a full-year basis, all of which will be newly completed in H2. In other words, since there were no newly completed properties in Q1 to Q2, the Company only sold so-called completed inventory and/or renovated properties. Meanwhile, the Company suggests that many of the properties to be newly completed in H2 are located in areas that are highly convenient and incoming order intake has been so firm for all those properties, implying that some 72% of prospective sales in H2 was fixed as of the end of Q2 with order intake by then, when that of the Housing Business side is included. Elsewhere, the Company, being keen on returning earnings to shareholders, is going for prospective annual dividend of ¥25.00 per share, implying payout ratio of 53.7%, for FY03/2021.

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2.0 Company Profile

Putting Forward a Comprehensive Proposal for “Housing Life”

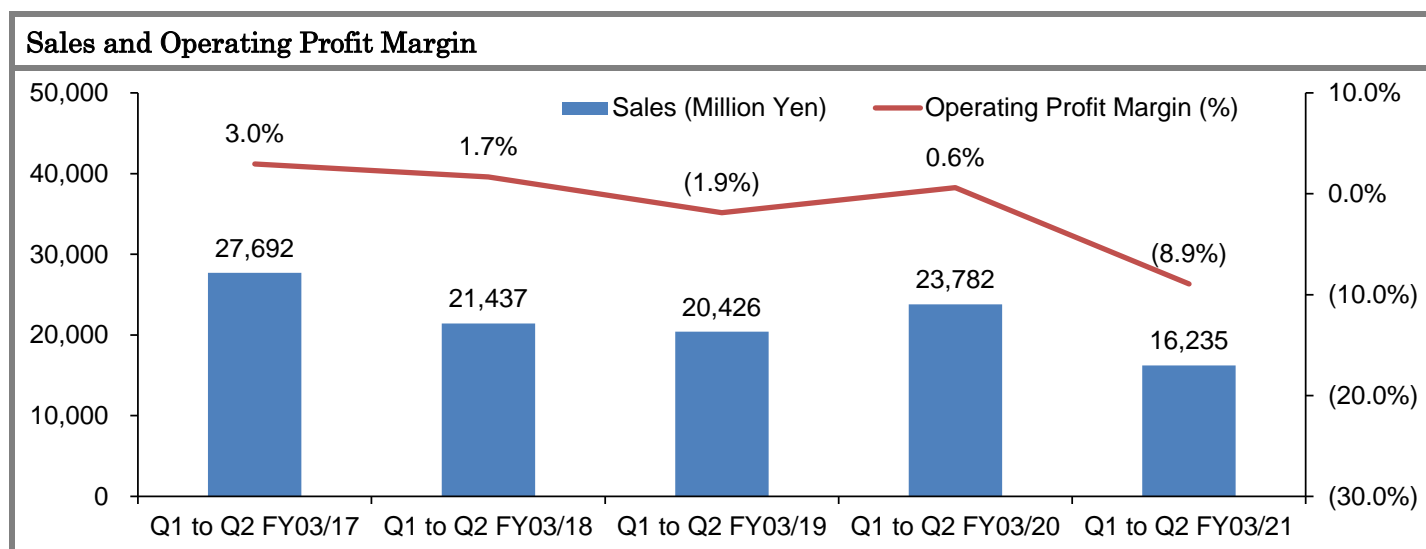
Company Name	Sanyo Homes Corporation Website IR Information Share Price (Japanese)	
Established	11 October 1996	
Listing	9 April 2014: Tokyo Stock Exchange 1st section (ticker: 1420) 9 April 2013: Tokyo Stock Exchange 2nd section	
Capital	¥5,945m (as of the end of September 2020)	
No. of Shares	12,620,000 shares, including 1,872,113 treasury shares (as of the end of Sep. 2020)	
Main Features	<ul style="list-style-type: none"> ● Rooted in (erstwhile) Kubota House Co. Ltd. or provider of custom-built house (steel-frame prefabrication) ● Operations mainly in Kinki region (Kansai) and Kanto region (the Tokyo metropolitan area, etc.) ● Condos Business to develop condos for sale, the key earnings pillar 	
Business Domains	<ul style="list-style-type: none"> • Detached Housing • Condos • Renewal Distribution • Renovation • Rental Welfare Housing • Life Support • Frontier 	
Top Management	President & Representative Director: Hisashi Matsuoka	
Shareholders	LIXIL Corp. 28.16%, ORIX Corp. 19.07%, Kansai Electric Power 13.90%, SECOM Co. 9.08% (as of the end September 2020, but for treasury shares)	
Headquarters	Nishi-ku, Osaka-city, JAPAN	
No. of Employees	Consolidated: 858, Parent: 462 (as of the end of September 2020)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 FY03/2021

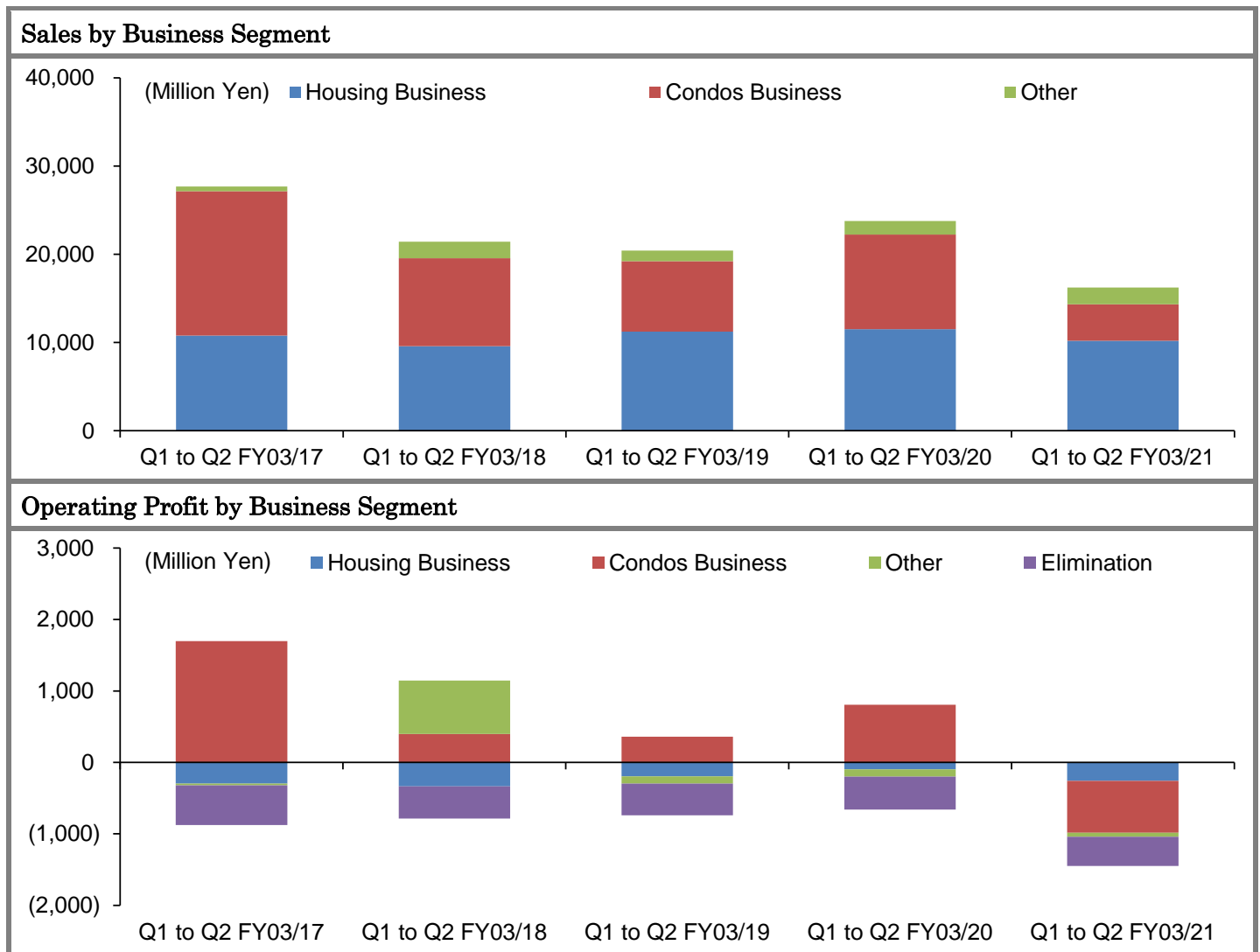
In Q1 to Q2 FY03/2021, sales came in at ¥16,235m (down 31.7% YoY), operating profit minus ¥1,451m (versus ¥143m during the same period of the previous year), recurring profit minus ¥1,467m (¥109m) and profit attributable to owners of parent minus ¥1,029m (¥34m), while operating profit margin minus 8.9% (down 9.5% points). Gross profit came in at ¥2,631m (down 44.4%) and SG&A expenses ¥4,083m (down 11.1%), implying gross profit margin of 16.2% (down 3.7% points) and sales to SG&A expenses ratio of 25.2% (up 5.8% points).



Source: Company Data, WRJ Calculation

The Company suggests that sales declined sharply and operating loss expanded a lot due to a temporary adjustment of performance on the Condos Business side, which has been the stable source of earnings for the Company, given a factor that there were no properties newly completed. Due to this factor, in Q1 to Q2, the Company only sold renovated properties and/or so-called completed inventory, which was completed but unsold as of the end of FY03/2020, on the Condos Business side, having inevitably resulted in sales less than halved from the level during the same period of the previous year. Meanwhile, the Company also suggests that it offered discounts for sale of completed inventory in some cases and this appears to have been one of the factors why gross profit margin declined as a whole for the Company.

More importantly, however, FY03/2021 Company forecasts (announced on 6 November 2020) are going for prospective sales of ¥59,600m (up 5.8% YoY), operating profit of ¥900m (up 118.1%) and operating profit margin of 1.5% (up 0.8% points). This is expected to realize due mainly to a major recovery in performance on the Condos Business side for H2. The number of buildings in properties to be newly completed is scheduled to reach as many as 10, while order intake related to all those properties has been so firm, according to the Company. Many of the properties to be newly completed in H2 are located in areas that are highly convenient, implying that they are cost efficient from consumers' perspective in the first place. Thus, the Company suggests a trend that it will be able to sell out all those properties at an early stage with no offering of discounts, while seeing gross profit margin as high as originally expected.

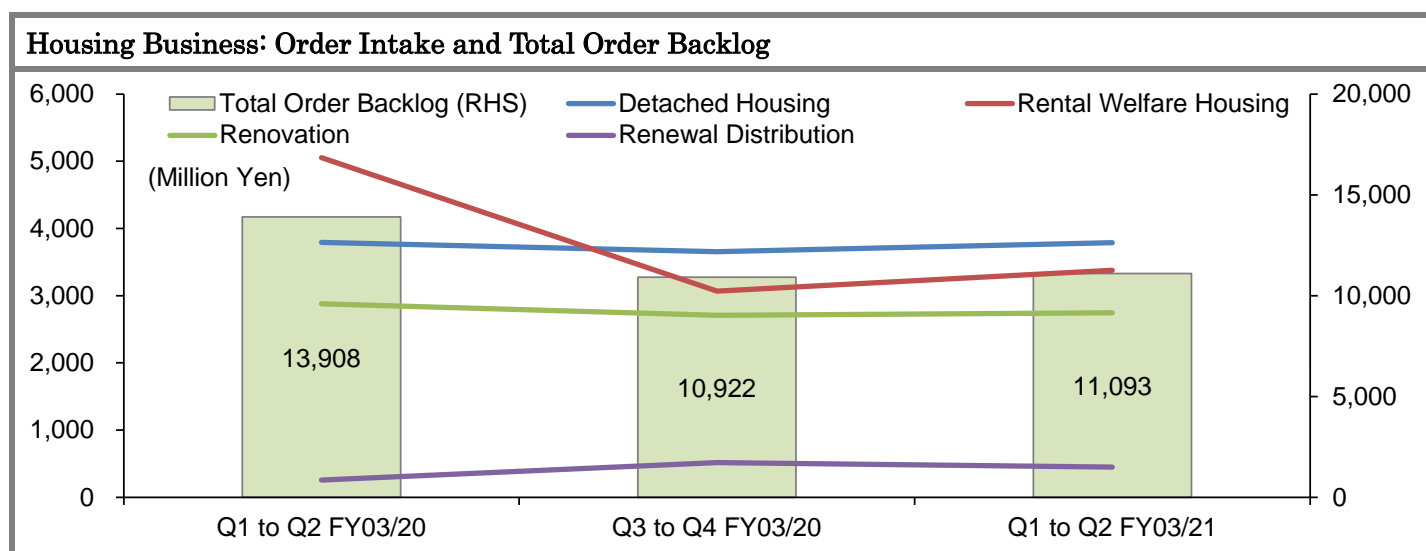


Source: Company Data, WRJ Calculation

Condos Business has a strong tendency to make a stable contribution to sales and operating profit as a whole for the Company, which is confirmed to have had been the case for the actual results in Q1 to Q2 over the past years. According to the Company, it is unprecedented that there are no properties newly completed on the Condos Business side in a period of Q1 to Q2 and thus the situations that the Company is facing for FY03/2021 is quite unusual in this respect. However, on a full-year basis, the situations will persist that sales and operating profit on the Condos Business side substantially contribute to performance as a whole for the Company.

Housing Business

On the Housing Business side, the Company sees sales by means of undertaking construction of Detached Housing and/or Rental Welfare Housing, while also seeing sales by means of undertaking Renovation and in a domain of Renewal Distribution. In Q1 to Q2, sales came in at ¥10,191m (down 11.5%), operating profit minus ¥260m (minus ¥98m) and operating profit margin minus 2.6% (down 1.7% points). Meanwhile, order intake came in at ¥10,363m (down 13.5%) and order backlog stood at ¥11,093m (down 20.2%). Nevertheless, FY03/2021 Company forecasts assume that order intake will recover as an overall trend for H2 and thus the level of order backlog likewise.



Source: Company Data, WRJ Calculation

With respect to Detached Housing, order intake came in at ¥3,789m (down 0.1%) and sales ¥3,650m (down 22.7%), while order backlog stood at ¥4,735m (down 4.4%). Order intake in Q1 (April to June) was sluggish due to the impacts stemming from COVID-19, but order intake in Q1 to Q2 (April to September) was almost as high as the level during the same period of the previous year. This is due partly to the fact that the level of order intake during the same period of the previous year was rather low, but it appears that the Company saw a major recovery in order intake in Q2 (July to September) over Q1 (April to June). Presumably, given this trend, Company forecasts assume ever-increasing trends of order intake for H2 (October to March). For example, in July, the Company launched "Family SOHO" with a SOHO space that makes it easy to work at home. On top of this, in October, the Company launched "MultiShelter" with an underground room that can be used for multiple purposes from those of "disaster prevention" to those of "regular life". It appears that all those new products are expected to be one of the factors to drive order intake.

During the same period of the previous year, i.e., Q1 to Q2 FY03/2020 (April to September 2019), the level of order intake was rather low because of the impacts stemming from introduction of consumption tax hike (October 2019). According to the Company, it was well known amongst consumers in advance that the consumption tax hike was to be applied for bulk of order intake placed during the said period on the Housing Business side where it takes a while for order intake to see sales.

Detached Housing : "MultiShelter"	Rental Welfare Housing
	
Renovation	Renewal Distribution
	

Source: Company Data

With respect to Rental Welfare Housing, order intake came in at ¥3,378m (down 33.2%) and sales ¥3,649m (up 15.6%), while order backlog stood at ¥4,899m (down 38.0%). Order intake declined sharply due to a factor that the impacts stemming from COVID-19 have turned out to be significant in particular for operations here. While above-mentioned Detached Housing is of undertaking for consumers, Rental Welfare Housing is of undertaking for corporations and/or land owners. In addition to the fact that it has become particularly difficult to meet with personnel in charge with respect to corporations, it has become more time-consuming than in the past to file various applications and obtain licenses and approvals, which is also suggested to have had impacts. Meanwhile, Company forecasts assume a recovery in order intake for H2. On top of existing rental housing and welfare housing, the Company is now expanding into large-sized facilities such as factory and warehouse as the business areas with which it should be involved. At the same time, the Company is beefing up its capability to propose matching between corporations to run the business and land owners.

With respect to Renovation, order intake came in at ¥2,745m (down 4.6%) and sales ¥2,524m (down 24.4%), while order backlog stood at ¥1,195m (up 22.2%). Order intake declined over the same period of the previous year due mainly to the issuance of the Emergency Declaration. In Q1 (April to June), it was difficult to meet with customers as before and the Company had to suffer from decreased opportunities to obtain order intake. However, the growing impacts stemming from COVID-19 are causing an increase of teleworking and the Company is seeing an increase in inquiries related to renovation in order to respond to this. Thus, it appears that Company forecasts assume such demand is to boost order intake for H2. The Company is now focusing on new proposal activities to promote sales by holding online seminar events to discuss "security painting work" and/or "insulation work".

With respect to Renewal Distribution, order intake came in at ¥449m (up 75.0%) and sales ¥366m (up 24.7%), while order backlog stood at ¥262m (up 280.2%). The Company is trying to persuade “secondhand distribution & renovation” as a new way of acquiring homes in the domain of Renewal Distribution. In other words, the Company is running operations to buy in secondhand detached housing for resale after renovation. The Company is now focusing on expanding capability of its proprietary real estate distribution organization “San Living Ring”, which could potentially make a significant leap forward into the future. So far, the size of sales has remained limited, but order intake has started to pick up sharply most recently.

Meanwhile, FY03/2021 Company forecasts are going for prospective sales of ¥21,855m (down 10.6%), operating profit of minus ¥455m (minus ¥282m) and operating profit margin of minus 2.1% (down 0.9% points) on the Housing Business side. Company forecasts assume a recovery in order intake across the board for H2, but it takes a while for order intake to see sales, according to the Company. It all depends on properties how long it will take to do so, while taking three months to 6 months generally speaking and taking more than 6 months for large-scale properties. In other words, the Company suggests that a prospective recovery in order intake in H2 is expected to contribute to performance in FY03/2022 to a large extent.

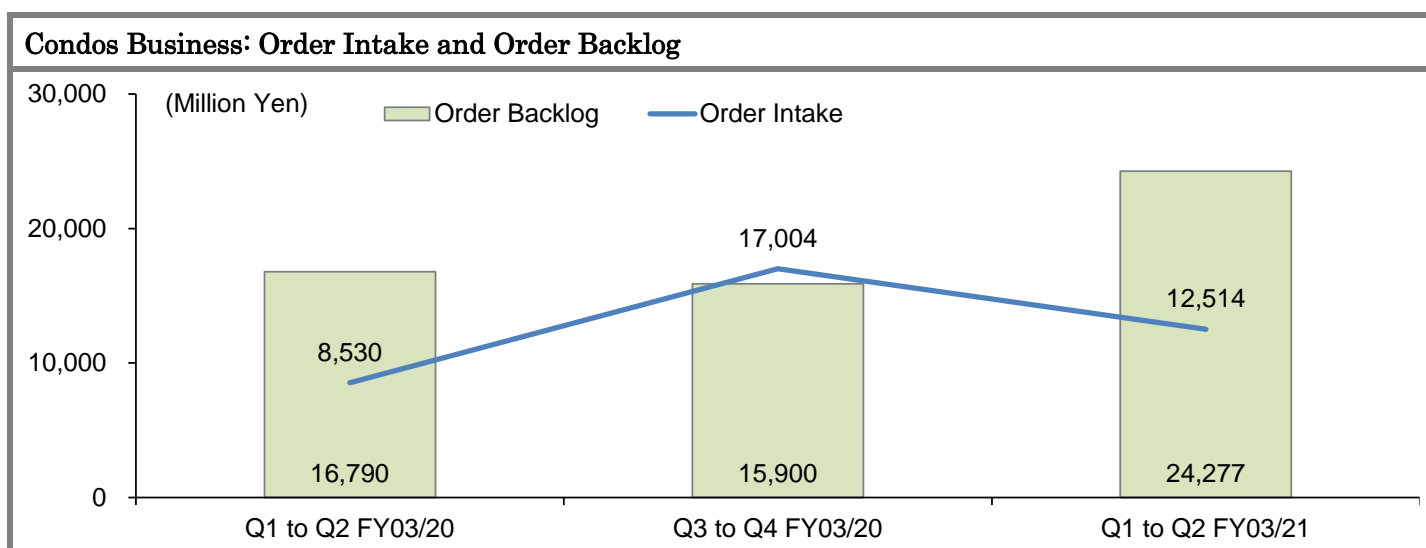
Elsewhere, the Company has begun working to streamline its sales structure for Detached Housing, which is the largest domain on the Housing Business side in terms of sales, with an objective to promote sales from a long-term perspective. In the first place, the Company's sales of Detached Housing are largely attributable to referrals through various routes, including purchasers of the Company's Detached Housing, accounting for some 80% out of the most recent order intake, according to the Company. This will remain as the mainstay going forward, while the Company is trying to improve efficiency of the operations by means of taking advantage of the web. Meanwhile, the Company has announced a policy of significantly reducing the number of participations in comprehensive housing exhibitions, accounting for the remainder or some 20% of total. Until recently, the Company used to participate in comprehensive housing exhibitions as many as 14 in the number for the sake of developing promotions of sales to visitors, while having started to cut back on the number since November 2020 and going for four in the number as of the end of FY03/2021. In the first place, it is rather out of date to promote sales by participating in comprehensive housing exhibitions, while this tendency has accelerated most recently, given the impacts stemming from COVID-19. In light of this, the Company has decided to reallocate its resources which have been allocated here to sales based on referrals in the form of taking advantage of the web in the pursuit of streamlining for sales promotions.

At the same time, the Company, which is deeply involved with Detached Housing, is also actively working to realize the "decarbonized society" in 2050 to combat global warming. With its business concept of "Eco & Safety", the Company prioritizes environment, security and safety. Thus, in light of the fact that some one third of greenhouse gasses are emitted from homes, the Company now focuses on so-called ZEH, standing for Zero Energy House in Japanese-English expression, so that it should pursue its business concept and its brand-building. The Company is going for a target of achieving the adoption rate of no less than 85% for ZEH, having achieved 79% in actual results in Q1 to Q2.

In other words, it appears that many of Detached Housing whose construction is undertaken by the Company are equipped with facilities that can generate energy through solar photovoltaics, etc. on top of responding to high-efficiency technology in facilities, including those of high thermal insulation, air conditioning, ventilating, lighting and hot water supply. More importantly, as a result, the unit selling price of Detached Housing is on the rise, while improvement in cost rate is taking place at the same time, according to the Company. In Q1 to Q2, the unit selling price came in at ¥39m (up 7% YoY) as disclosed by the Company.

Condos Business

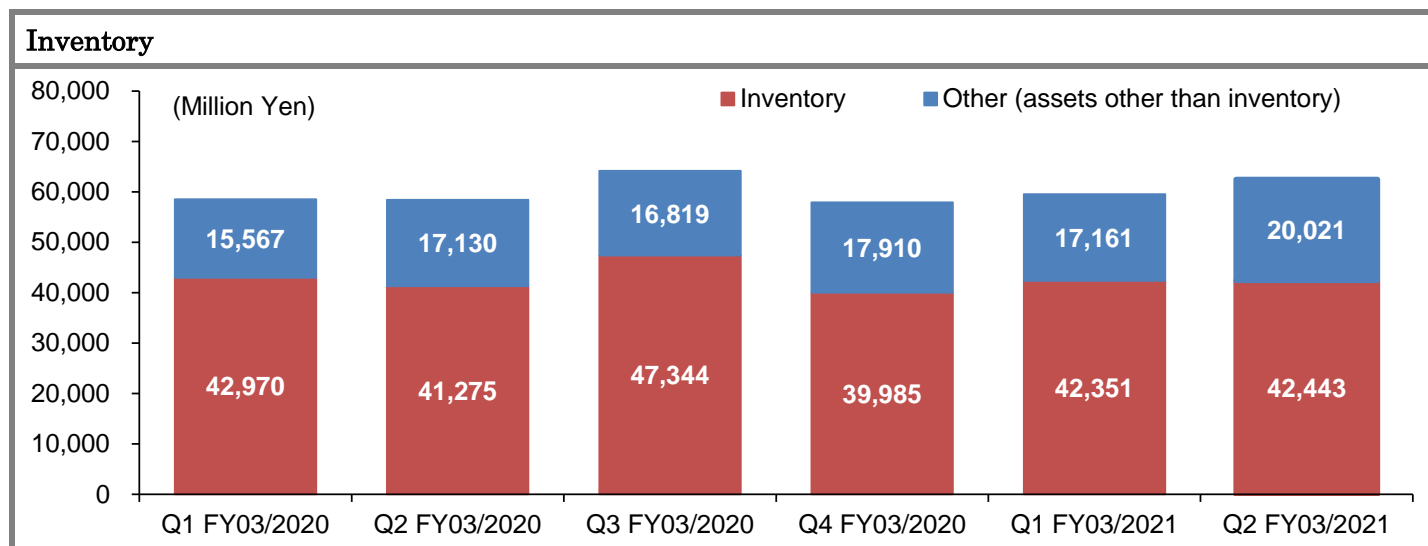
On the Condos Business side, sales came in at ¥4,137m (down 61.5%), operating profit minus ¥723m (¥805m) and operating profit margin minus 17.5% (down 25.0% points), while order intake came in at ¥12,514m (up 46.7%) and order backlog stood at ¥24,277m (up 44.6%). With the extreme concentration of newly completed properties in H2, the Company had to suffer from a major adjustment in performance on the Condos Business side in Q1 to Q2. More importantly, however, the Company is expected to see a major improvement in sales and earnings over the same period of the previous year for H2, resulting in increased sales and earnings on a full-year basis, according to the Company.



Source: Company Data, WRJ Calculation

On a full-year basis, the number is scheduled to be 10 for buildings to be newly completed and 10 for H2, i.e., there were no properties newly completed in Q1 to Q2. Thus, the Company only sold so-called completed inventory and renovated properties. Meanwhile, many of properties to be newly completed in H2 are located in areas that are highly convenient and order intake for all those properties has been trending so firm, according to the Company. As a result, FY03/2021 Company forecasts are going for prospective sales of ¥33,808m (up 18.1%), operating profit of ¥2,568m (up 39.0%) and operating profit margin of 7.6% (up 1.1% points) on the Condos Business side.

Meanwhile, total assets stood at ¥62,464m as a whole for the Company versus ¥42,443m (68% of total assets) for inventory as of the end of Q2 FY03/2021. Inventory increased by ¥2,458m, when compared with the level as of the end of FY03/2020, having comprised completed condominiums of ¥6,062m (decreased by ¥2,224m), condominiums in process of ¥33,598m (increased by ¥4,920m) and other of ¥2,783m (decreased by ¥237m). In other words, inventory associated with condominiums collectively accounted for 93% of total.



Source: Company Data, WRJ Calculation

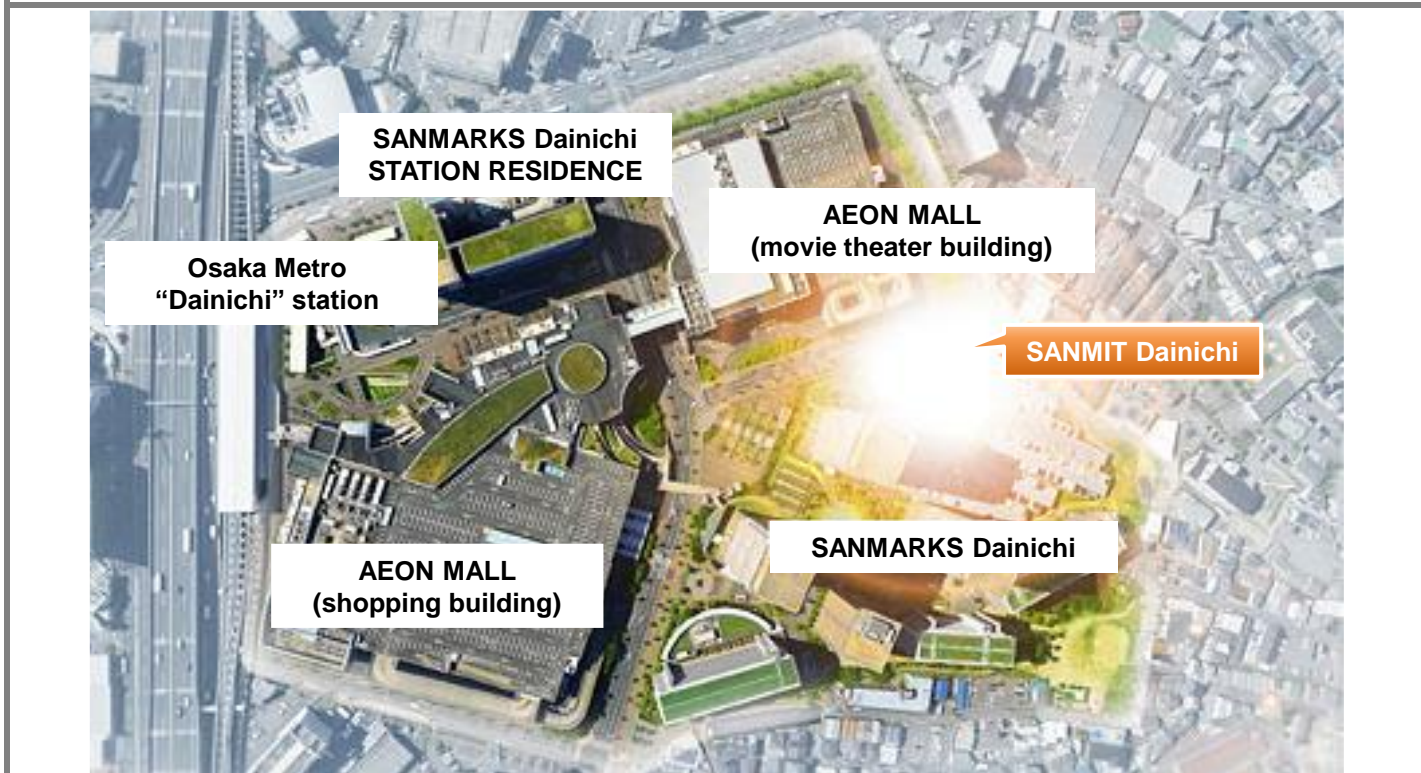
The balance of completed condominiums equates to collective contribution of expenses (cost of sales) for inventory of properties already completed. As mentioned earlier, the Company has made favorable progress in sale of completed inventory in Q1 to Q2, having resulted in steady decline in the balance of completed condominiums. Meanwhile, the balance of condominiums in process equates to collective contribution of expenses so far on properties to be completed from now on. In Q1 to Q2, the Company did not procure land for the sites, but saw ongoing progress in work to construct new properties to be completed, having resulted in increase in the balance of condominiums in process to the corresponding extent. Meanwhile, the sum of the balance of completed condominiums and the balance of condominiums in process is ¥39,660m, which is the collective balance associated with condominiums, equating to 93% of inventory as a whole for the Company as above-mentioned. Meanwhile, it appears that the remaining 7% equates to the balance of land and/or components for detached housing, etc., held for sale.

In light of the foregoing, the Company held completed inventory worth ¥6,062m on a cost of sales basis as of the end of Q2, while suggesting prospective sales of ¥76,00m to correspond to this. When simply calculated, the Company suggests gross profit of ¥1,538m and gross profit margin of 20.2%. On top of this, when the details of properties to be completed, belonging to condominiums in process, are also considered, the status of progress in inventory has reached being equal to booking sales of some ¥48,600m on the Condos Business side for FY03/2021, even when based on conservative assumptions, according to the Company. Here, the Company suggests that it is conservatively assumed that above-mentioned completed inventory will be sold at unit price rather lower than planned and the same applies to 10 buildings of properties to be completed by the end of the fiscal year. Still, FY03/2021 Company forecasts are going for prospective sales of ¥33,808m (up 18.1%) on the Condos Business side as mentioned earlier, presumably because it is just unlikely that the Company sees no completed inventory as of the end of any fiscal year in reality.

Meanwhile, the Company is now reviewing its organizational structure on the Condos Business side with the aim of achieving sustainable growth over a long-term perspective. Until recently, the Company was running the key operation bases in Kanto region (the Tokyo metropolitan area, etc.), Chubu region, Kinki (Kansai) region and Kyushu region as “branches” with some specific functions, while those of Chubu region and Kyushu region have changed to “local business offices” to date. This changeover has objectives to make settlement earlier and commercialization likewise, while trying to assure profitability for properties to sell.

<p>SANMAISON Shinkanaoka Residential</p>	<p>SANMAISON Fukuchiyama</p>
	

Dainichi Station Front Complex Development Project



Source: Company Data

In comparison with “branches”, “local sales offices” are characterized by their higher flexibility for the functions. Meanwhile, in “branches”, the Company used to have practice of increasing the number of properties they sell in order to achieve the target performance every fiscal year. However, the Company is now starting to abandon this practice, while trying to assure profitability as the priority. With respect to “local sales offices”, there has been no practice of setting performance target in the first place, according to the Company.

Elsewhere, the Company raises a topic on the Condos Business side that Dainichi Station Front Complex Development Project, in Moriguchi-city, Osaka-prefecture, will be completed in the near future, after some two decades since the startup of the development. The Company used the former plant site of SANYO Electric Co., Ltd. (10.1ha, 7.7 times Koshien Stadium), while advancing this development project with the aim of creating multi-generation interactive community. While AEON MALL Dainichi started its operations on the ground from a relatively early stage, a total of 1,459 units of condominiums developed by the Company have been occupied to date. Then, in February 2022, the Company plans to complete senior-oriented condominium SANMIT Dainichi (159 units) on vacant land that remained available until the end. The Company, which has been enhancing local child care facilities to make it more convenient for residents of family-oriented condominiums, plans to enhance facilities for rehabilitation and related services when it completes this senior-oriented condominium.

Other

On the business segment categorized as Other, sales came in at ¥1,906m (up 24.2%), operating profit minus ¥58m (minus ¥102m) and operating profit margin minus 3.1% (up 3.6% points). Meanwhile, by domain, sales of Life Support came in at ¥1,649m (up 17.1%) and sales of Frontier ¥244m (up 114.8%). With respect to Life Support, the Company provides lifestyle support services, comprising condominium management, nursing-care and/or child-care facility management and development and sale of caretaking robots for the elderly. With respect to Frontier, the Company is mainly involved with sale of facilities associated with ecology and/or energy, represented by (residential-use) photovoltaics and storage battery as well as steel frame structural frames and/or lightweight steel frame warehouses to utilize own lightweight steel frame technology.

Income Statement (Cumulative/Quarterly)

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021		
Sales	7,738	23,782	32,242	56,351	6,458	16,235	-	-	-	(7,547)
Cost of Sales	6,447	19,047	26,101	46,656	5,499	13,603	-	-	-	(5,443)
Gross Profit	1,291	4,735	6,140	9,694	958	2,631	-	-	-	(2,103)
SG&A Expenses	2,181	4,591	6,831	9,281	2,142	4,083	-	-	-	(508)
Operating Profit	(890)	143	(691)	412	(1,183)	(1,451)	-	-	-	(1,595)
Non Operating Balance	(4)	(33)	(67)	2	11	(15)	-	-	-	+17
Recurring Profit	(895)	109	(758)	415	(1,172)	(1,467)	-	-	-	(1,577)
Extraordinary Balance	(11)	(11)	(11)	149	0	0	-	-	-	+11
Profit before Income Taxes	(906)	98	(769)	564	(1,172)	(1,467)	-	-	-	(1,566)
Total Income Taxes	(262)	63	(187)	205	(352)	(438)	-	-	-	(502)
Profit Attributable to Owners of Parent	(644)	34	(582)	359	(819)	(1,029)	-	-	-	(1,064)
Sales YoY	(9.5%)	+16.4%	+2.3%	+4.6%	(16.5%)	(31.7%)	-	-	-	-
Operating Profit YoY	-	-	-	(71.2%)	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	(73.1%)	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	(62.4%)	-	-	-	-	-	-
Gross Profit Margin	16.7%	19.9%	19.0%	17.2%	14.8%	16.2%	-	-	-	(3.7%)
Sales to SG&A Expenses Ratio	28.2%	19.3%	21.2%	16.5%	33.2%	25.2%	-	-	-	+5.8%
Operating Profit Margin	(11.5%)	0.6%	(2.1%)	0.7%	(18.3%)	(8.9%)	-	-	-	(9.5%)
Recurring Profit Margin	(11.6%)	0.5%	(0.3%)	0.7%	(18.2%)	(9.0%)	-	-	-	(9.5%)
Profit Attributable to Owners of Parent Margin	(8.3%)	0.1%	(1.8%)	0.6%	(12.7%)	(6.3%)	-	-	-	(6.5%)
Total Income Taxes/Profit before Income Taxes	-	64.5%	-	36.4%	-	-	-	-	-	-

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021		
Sales	7,738	16,044	8,459	24,108	6,458	9,777	-	-	-	(6,267)
Cost of Sales	6,447	12,599	7,054	20,554	5,499	8,104	-	-	-	(4,495)
Gross Profit	1,291	3,444	1,404	3,553	958	1,673	-	-	-	(1,771)
SG&A Expenses	2,181	2,410	2,239	2,449	2,142	1,941	-	-	-	(469)
Operating Profit	(890)	1,034	(835)	1,104	(1,183)	(268)	-	-	-	(1,302)
Non Operating Balance	(4)	(29)	(33)	69	11	(27)	-	-	-	+1
Recurring Profit	(895)	1,005	(868)	1,173	(1,172)	(295)	-	-	-	(1,300)
Extraordinary Balance	(11)	0	0	160	0	0	-	-	-	(0)
Profit before Income Taxes	(906)	1,005	(868)	1,334	(1,172)	(295)	-	-	-	(1,300)
Total Income Taxes	(262)	326	(250)	392	(352)	(85)	-	-	-	(411)
Profit Attributable to Owners of Parent	(644)	679	(617)	941	(819)	(209)	-	-	-	(889)
Sales YoY	(9.5%)	+35.1%	(23.7%)	+7.8%	(16.5%)	(39.1%)	-	-	-	-
Operating Profit YoY	-	+828.7%	-	(45.0%)	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	(46.1%)	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	(35.0%)	-	-	-	-	-	-
Gross Profit Margin	16.7%	21.5%	16.6%	14.7%	14.8%	17.1%	-	-	-	(4.4%)
Sales to SG&A Expenses Ratio	28.2%	15.0%	26.5%	10.2%	33.2%	19.9%	-	-	-	+4.8%
Operating Profit Margin	(11.5%)	6.4%	(9.9%)	4.6%	(18.3%)	(2.7%)	-	-	-	(9.2%)
Recurring Profit Margin	(11.6%)	6.3%	(10.3%)	4.9%	(18.2%)	(3.0%)	-	-	-	(9.3%)
Profit Attributable to Owners of Parent Margin	(8.3%)	4.2%	(7.3%)	3.9%	(12.7%)	(2.1%)	-	-	-	(6.4%)
Total Income Taxes/Profit before Income Taxes	-	32.4%	-	29.4%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	
Housing Business	4,957	11,511	17,443	24,441	4,517	10,191	-	-	-	(1,319)
Condos Business	2,048	10,735	12,403	28,629	1,012	4,137	-	-	-	(6,598)
Other	732	1,535	2,395	3,279	928	1,906	-	-	-	+371
Sales	7,738	23,782	32,242	56,351	6,458	16,235	-	-	-	(7,547)
Housing Business	(328)	(98)	(322)	(282)	(412)	(260)	-	-	-	(162)
Condos Business	(252)	805	477	1,847	(463)	(723)	-	-	-	(1,528)
Other	(51)	(102)	(121)	(151)	(59)	(58)	-	-	-	+43
Total	(633)	605	34	1,412	(934)	(1,042)	-	-	-	(1,647)
Elimination	(257)	(461)	(725)	(999)	(248)	(409)	-	-	-	+52
Operating Profit	(890)	143	(691)	412	(1,183)	(1,451)	-	-	-	(1,595)
Housing Business	(6.6%)	(0.9%)	(1.8%)	(1.2%)	(9.1%)	(2.6%)	-	-	-	(1.7%)
Condos Business	(12.3%)	7.5%	3.9%	6.5%	(45.7%)	(17.5%)	-	-	-	(25.0%)
Other	(7.1%)	(6.7%)	(5.1%)	(4.6%)	(6.4%)	(3.1%)	-	-	-	+3.6%
Elimination	(3.3%)	(1.9%)	(2.3%)	(1.8%)	(3.9%)	(2.5%)	-	-	-	(0.6%)
Operating Profit Margin	(11.5%)	0.6%	(2.1%)	0.7%	(18.3%)	(8.9%)	-	-	-	(9.5%)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	
Housing Business	4,957	6,554	5,932	6,997	4,517	5,674	-	-	-	(880)
Condos Business	2,048	8,687	1,667	16,226	1,012	3,125	-	-	-	(5,561)
Other	732	803	859	884	928	978	-	-	-	+175
Sales	7,738	16,044	8,459	24,108	6,458	9,777	-	-	-	(6,267)
Housing Business	(328)	230	(223)	39	(412)	151	-	-	-	(79)
Condos Business	(252)	1,058	(327)	1,369	(463)	(260)	-	-	-	(1,318)
Other	(51)	(50)	(19)	(30)	(59)	0	-	-	-	+51
Total	(633)	1,238	(571)	1,378	(934)	(107)	-	-	-	(1,346)
Elimination	(257)	(204)	(264)	(274)	(248)	(160)	-	-	-	+43
Operating Profit	(890)	1,034	(835)	1,104	(1,183)	(268)	-	-	-	(1,302)
Housing Business	(6.6%)	3.5%	(3.8%)	0.6%	(9.1%)	2.7%	-	-	-	(0.9%)
Condos Business	(12.3%)	12.2%	(19.7%)	8.4%	(45.7%)	(8.3%)	-	-	-	(20.5%)
Other	(7.1%)	(6.3%)	(2.2%)	(3.4%)	(6.4%)	0.1%	-	-	-	+6.4%
Elimination	(3.3%)	(1.3%)	(3.1%)	(1.1%)	(3.9%)	(1.6%)	-	-	-	(0.4%)
Operating Profit Margin	(11.5%)	6.4%	(9.9%)	4.6%	(18.3%)	(2.7%)	-	-	-	(9.2%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021		
Cash and Deposit	7,557	8,921	7,265	8,220	8,085	10,665	-	-	-	+1,743
Accounts Receivables	1,718	1,985	2,461	2,734	1,920	1,912	-	-	-	(72)
Inventory	42,970	41,275	47,344	39,985	42,351	42,443	-	-	-	+1,167
Other	1,689	1,900	2,490	2,430	2,245	2,402	-	-	-	+501
Current Assets	53,935	54,083	59,562	53,371	54,602	57,423	-	-	-	+3,340
Tangible Assets	2,077	2,064	2,046	2,183	2,162	2,168	-	-	-	+103
Intangible Assets	33	31	94	85	97	93	-	-	-	+61
Investments and Other Assets	2,491	2,226	2,461	2,256	2,651	2,779	-	-	-	+553
Fixed Assets	4,603	4,323	4,601	4,525	4,910	5,041	-	-	-	+718
Total Assets	58,538	58,406	64,163	57,896	59,513	62,464	-	-	-	+4,058
Accounts Payables	4,346	6,180	4,100	6,989	3,874	3,417	-	-	-	(2,762)
Short Term Debt	21,380	19,920	26,520	21,080	27,286	30,624	-	-	-	+10,704
Advances Re. on Uncompleted Contracts	1,253	2,148	1,867	1,026	1,353	1,236	-	-	-	(912)
Advances Received	2,628	1,106	1,536	1,009	1,205	1,606	-	-	-	+500
Other	1,562	1,723	1,431	1,988	1,391	1,388	-	-	-	(334)
Current Liabilities	31,171	31,078	35,454	32,094	35,112	38,272	-	-	-	+7,194
Long Term Debt	8,870	8,150	10,140	7,364	7,078	7,090	-	-	-	(1,060)
Other	1,883	1,889	1,888	1,939	1,918	1,889	-	-	-	+0
Fixed Liabilities	10,753	10,039	12,028	9,303	8,996	8,979	-	-	-	(1,059)
Total Liabilities	41,924	41,117	47,483	41,397	44,108	47,252	-	-	-	+6,135
Shareholders' Equity	16,614	17,300	16,682	16,491	15,396	15,201	-	-	-	(2,098)
Other	(0)	(11)	(2)	6	8	10	-	-	-	+21
Net Assets	16,613	17,288	16,680	16,498	15,405	15,212	-	-	-	(2,076)
Total Liabilities and Net Assets	58,538	58,406	64,163	57,896	59,513	62,464	-	-	-	+4,058
Equity Capital	16,600	17,275	16,667	16,485	15,392	15,199	-	-	-	(2,076)
Interest Bearing Debt	30,250	28,070	36,660	28,444	34,364	37,714	-	-	-	+9,644
Net Debt	22,692	19,148	29,394	20,223	26,278	27,048	-	-	-	+7,900
Equity Ratio	28.4%	29.6%	26.0%	28.5%	25.9%	24.3%	-	-	-	-
Net Debt Equity Ratio	136.7%	110.8%	176.4%	122.7%	170.7%	178.0%	-	-	-	-
ROE (12 months)	4.1%	7.9%	5.3%	2.1%	1.1%	(4.3%)	-	-	-	-
ROA (12 months)	2.1%	3.8%	2.4%	0.7%	0.2%	(1.9%)	-	-	-	-
Days for Inventory Turnover	608	299	612	178	703	478	-	-	-	-
Quick Ratio	30%	35%	27%	34%	28%	33%	-	-	-	-
Current Ratio	173%	174%	168%	166%	156%	150%	-	-	-	-

Source: Company Data, WRJ Calculation

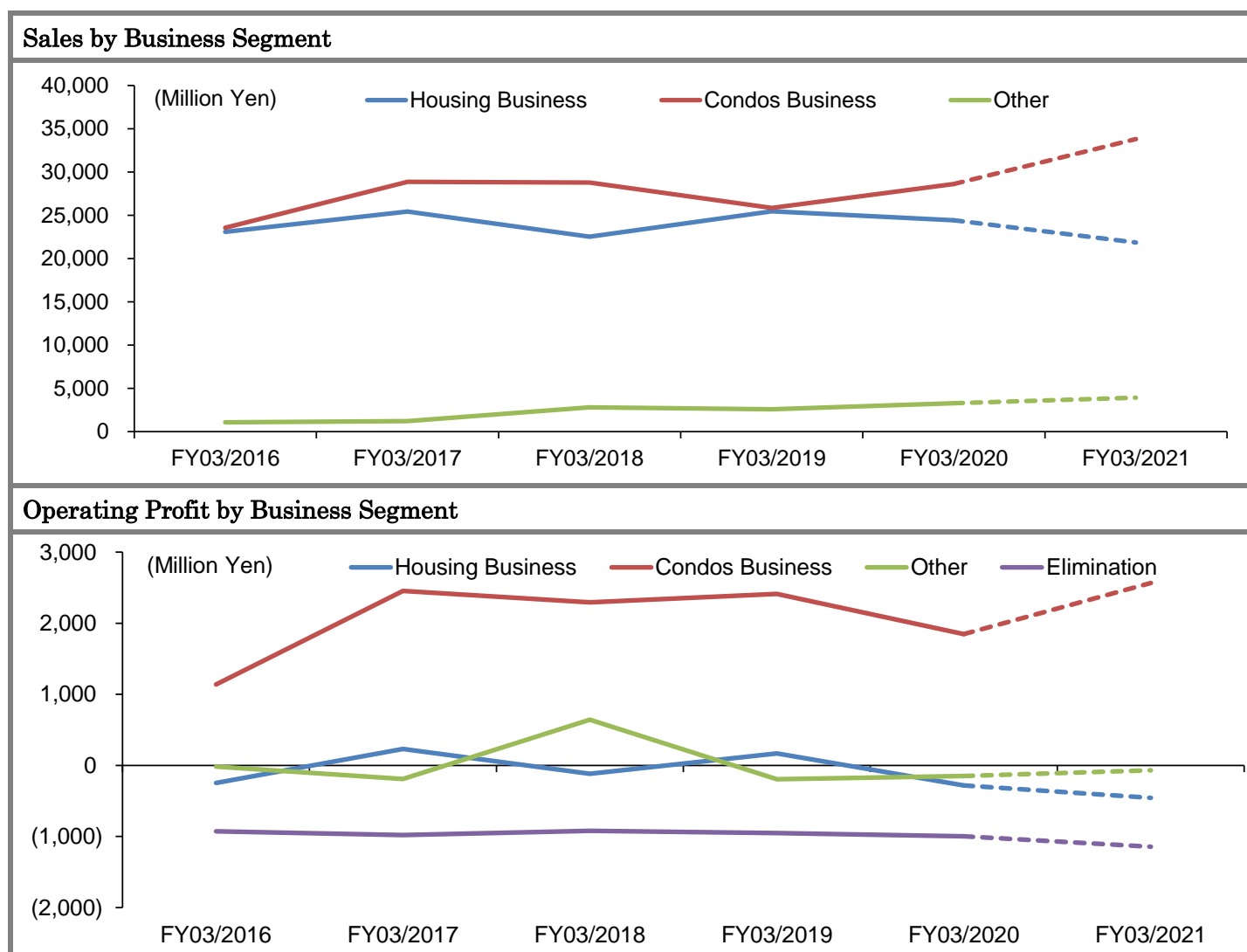
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021		
Operating Cash Flow	-	(5,823)	-	(5,634)	-	(6,478)	-	-	-	(654)
Investing Cash Flow	-	115	-	984	-	(72)	-	-	-	(187)
Operating CF and Investing CF	-	(5,708)	-	(4,649)	-	(6,550)	-	-	-	(841)
Financing Cash Flow	-	5,934	-	5,175	-	8,994	-	-	-	+3,060

Source: Company Data, WRJ Calculation

FY03/2021 Company Forecasts

FY03/2021 Company forecasts (announced on 6 November 2020) are going for prospective sales of ¥59,600m (up 5.8% YoY), operating profit of ¥900m (up 118.1%), recurring profit of ¥750m (up 80.7%) and profit attributable to owners of parent of ¥500m (up 39.2%), while operating profit margin of 1.5% (up 0.8% points). At the same time, Company forecasts assume gross profit of ¥11,000m (up 13.5%) and SG&A expenses of ¥10,100m (up 8.8%), implying gross profit margin of 18.5% (up 1.3% points) and sales to SG&A expenses ratio of 16.9% (up 0.5% points). Meanwhile, Company forecasts are going for prospective annual dividend of ¥25.00 per share, implying payout ratio of 53.7%.



Source: Company Data, WRJ Calculation

The Company suggests that performance on the Condos Business side will contribute to improved gross profit margin. While gross profit margin is expected to be 18.5% as a whole for the Company, it is suggested that properties to be completed in H2 to have booked order backlog as of the end of Q2 carry gross profit margin of some 26% on average, which is higher than usual. Given a factor that many of them are located in areas that are highly convenient, demand for them has been so firm and the Company does not have to offer discounts, which has a key positive impact. Meanwhile, the rise in SG&A expenses is largely due to startup of sales promotion expenses related to properties to be newly completed, which will be launched (or start accepting order intake) in H2. As far as all those properties are concerned, none of them are to be completed by the end of H2 and thus sales are all to be booked in FY03/2022.

The impacts stemming from COVID-19 are expected to be prolonged and the outlook for the future continues being uncertain, but the Company has announced the above-mentioned Company forecasts, including prospective dividend, in line with the release of Q1 to Q2 results. Until then, Company forecasts and prospective dividend had not been decided. Meanwhile, the Company claims the above-mentioned Company forecasts are rationally formulated based on the most recent performance trends and order intake trends.

For H2, Company forecasts are going for prospective sales of ¥43,364m (up 33.1% YoY), operating profit of ¥2,351m (up 774.5%) and operating profit margin of 5.4% (up 4.6% points). According to the Company, some 72% of sales assumed here is already fixed as of the end of Q2. Order backlog at this stage to see sales by the end of the fiscal year, comprising that of Condos Business and Housing Business, has reached as much as ¥31,000m (72%) on a sales basis, according to the Company. Meanwhile, the remainder or sales of some ¥12,200m (28%) will be mainly booked by incoming new order intake to be gained in H2. On the Housing Business side, sales are to be additionally booked mainly in the domain of Renovation. On the Condos Business side, sales will be additionally booked by sale of completed inventory and by additional order intake on properties to be completed in H2.

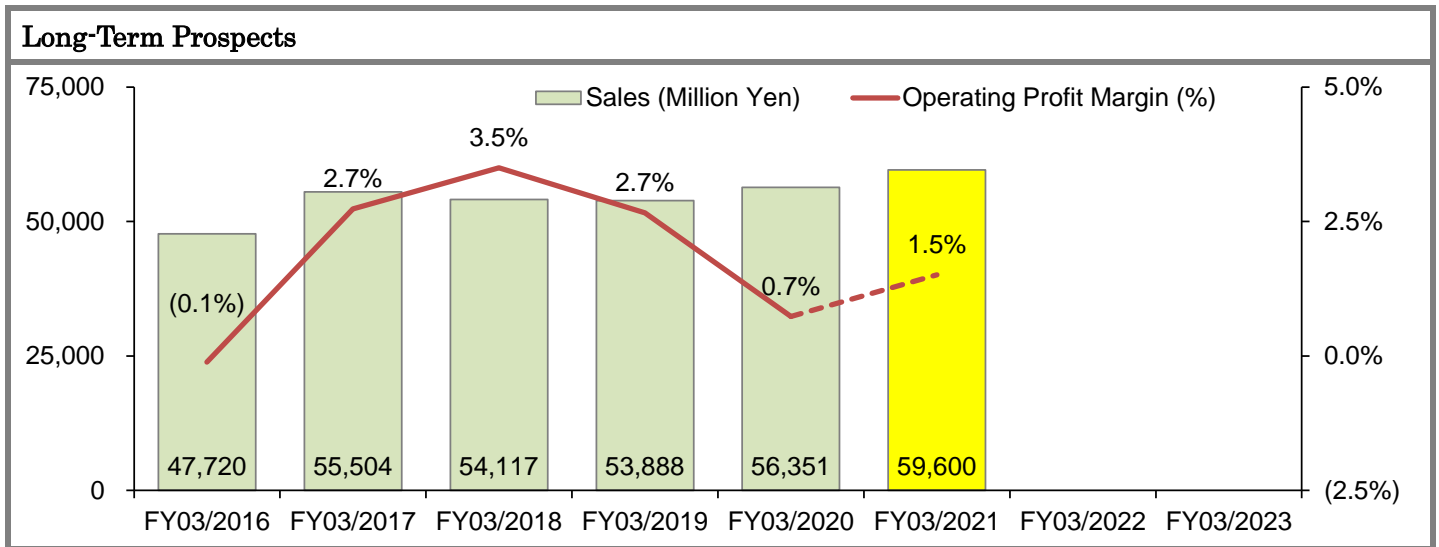
FY03/2021 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
FY03/2021CoE	31-Jul-20	Q1 Results	-	-	-	-
FY03/2021CoE	06-Nov-20	Q2 Results	59,600	900	750	500
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
FY03/2021CoE	06-Nov-20	Q2 Results	59,600	900	750	500
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2021CoE	31-Jul-20	Q1 Results	-	-	-	-
Q1 to Q2 FY03/2021Act	06-Nov-20	Q2 Results	16,235	(1,451)	(1,467)	(1,029)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2021Act	06-Nov-20	Q2 Results	16,235	(1,451)	(1,467)	(1,029)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	31-Jul-20	Q1 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	06-Nov-20	Q2 Results	43,365	2,351	2,217	1,529
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY03/2021CoE	15-May-20	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2021CoE	06-Nov-20	Q2 Results	43,365	2,351	2,217	1,529
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation

Long-Term Prospects

The Company has revealed that it is making proactive efforts to achieve sustainable growth from a long-term perspective. Details are as have already been described. As prospects for FY03/2022, the Company suggests that the number of buildings will be 7 (four in Q1 to Q2 and three in H2) on a full-year basis for properties to be newly completed on the Condos Business side, which is the key earnings pillar for the Company as a whole. Meanwhile, the Company suggests that it will see increased sales on the Housing Business side as implied earlier.



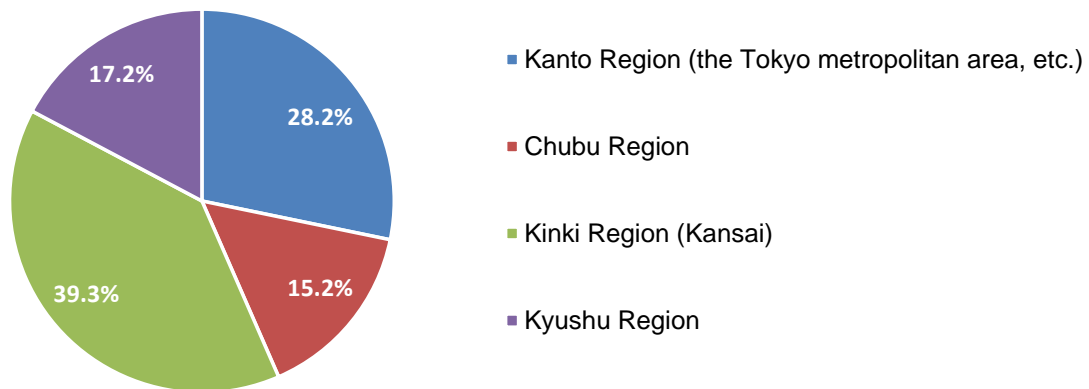
Source: Company Data, WRJ Calculation

4.0 Business Model

Putting Forward a Comprehensive Proposal for “Housing Life”

The Company puts forward a comprehensive proposal for “housing life”. On top of being involved with development of housing and condominiums for sale mainly in Kinki region (Kansai) and Kanto region (the Tokyo metropolitan area, etc.), the Company is also involved with provisions of lifestyle support services, comprising condominium management, nursing-care and/or child-care facility management and development and sale of caretaking robots for the elderly. In fact, the Company focus on putting forward a comprehensive proposal for “Housing Life”, being also involved with sale of facilities associated with ecology and/or energy, represented by (residential) photovoltaics and storage battery at the same time.

Sales Composition Ratio by Region (Q1 to Q2 FY03/2021)



Source: Company Data, WRJ Calculation

5.0 Financial Statements

Income Statement

Income Statement	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Sales	47,720	55,504	54,117	53,888	56,351	59,600	+3,248
Cost of Sales	38,642	44,115	42,699	43,248	46,656	48,600	+1,943
Gross Profit	9,077	11,388	11,417	10,639	9,694	11,000	+1,305
SG&A Expenses	9,133	9,871	9,522	9,205	9,281	10,100	+818
Operating Profit	(55)	1,517	1,894	1,434	412	900	+487
Non Operating Balance	(21)	37	16	110	2	(150)	(152)
Recurring Profit	(76)	1,554	1,911	1,544	415	750	+334
Extraordinary Balance	(146)	(106)	(37)	(23)	149	-	-
Profit before Income Taxes	(222)	1,447	1,874	1,521	564	750	+185
Total Income Taxes	75	475	631	567	205	250	+44
Profit Attributable to Owners of Parent	(297)	972	1,243	954	359	500	+140
Sales YoY	(9.6%)	+16.3%	(2.5%)	(0.4%)	+4.6%	+5.8%	-
Operating Profit YoY	-	-	+24.8%	(24.3%)	(71.2%)	+118.1%	-
Recurring Profit YoY	-	-	+22.9%	(19.2%)	(73.1%)	+80.7%	-
Profit Attributable to Owners of Parent YoY	-	-	+27.8%	(23.2%)	(62.4%)	+39.2%	-
Gross Profit Margin	19.0%	20.5%	21.1%	19.7%	17.2%	18.5%	+1.3%
Sales to SG&A Expenses Ratio	19.1%	17.8%	17.6%	17.1%	16.5%	16.9%	+0.5%
Operating Profit Margin	(0.1%)	2.7%	3.5%	2.7%	0.7%	1.5%	+0.8%
Recurring Profit Margin	(0.2%)	2.8%	3.5%	2.9%	0.7%	1.3%	+0.5%
Profit Attributable to Owners of Parent Margin	(0.6%)	1.8%	2.3%	1.8%	0.6%	0.8%	+0.2%
Total Income Taxes/Profit before Income Taxes	-	32.8%	33.7%	37.3%	36.4%	33.3%	(3.1%)

Source: Company Data, WRJ Calculation

19

Segmented Information

Segmented Information	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Housing Business	23,088	25,421	22,534	25,461	24,441	21,855	(2,586)
Condos Business	23,559	28,870	28,777	25,850	28,629	33,808	+5,178
Other	1,072	1,212	2,805	2,576	3,279	3,937	+657
Sales	47,720	55,504	54,117	53,888	56,351	59,600	+3,248
Housing Business	(246)	232	(118)	170	(282)	(455)	(172)
Condos Business	1,138	2,455	2,293	2,412	1,847	2,568	+720
Other	(18)	(190)	642	(195)	(151)	(67)	+84
Total	872	2,497	2,817	2,386	1,412	2,046	+633
Elimination	(927)	(979)	(922)	(952)	(999)	(1,144)	(144)
Operating Profit	(54)	1,517	1,894	1,434	412	900	+487
Housing Business	(1.1%)	0.9%	(0.5%)	0.7%	(1.2%)	(2.1%)	(0.9%)
Condos Business	4.8%	8.5%	8.0%	9.3%	6.5%	7.6%	+1.1%
Other	(1.7%)	(15.7%)	22.9%	(7.6%)	(4.6%)	(1.7%)	+2.9%
Elimination	(1.9%)	(1.8%)	(1.7%)	(1.8%)	(1.8%)	(1.9%)	(0.1%)
Operating Profit Margin	(0.1%)	2.7%	3.5%	2.7%	0.7%	1.5%	+0.8%

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)	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Cash and Deposit	8,291	7,767	7,836	8,895	8,220	-	-
Accounts Receivables	1,025	1,130	1,541	1,807	2,734	-	-
Inventory	38,362	37,731	34,536	38,032	39,985	-	-
Other	1,307	965	853	1,437	2,430	-	-
Current Assets	48,986	47,595	44,768	50,173	53,371	-	-
Tangible Assets	841	675	758	2,032	2,183	-	-
Intangible Assets	18	26	26	36	85	-	-
Investments and Other Assets	1,906	2,379	2,490	2,285	2,256	-	-
Fixed Assets	2,767	3,081	3,275	4,354	4,525	-	-
Total Assets	51,753	50,676	48,043	54,527	57,896	-	-
Accounts Payables	7,524	5,430	7,375	7,200	6,989	-	-
Short Term Debt	10,660	12,420	10,640	16,210	21,080	-	-
Advances Re. on Uncompleted Contracts	843	774	1,046	1,154	1,026	-	-
Advances Received	1,178	660	2,201	2,198	1,009	-	-
Other	1,606	2,706	2,492	2,703	1,988	-	-
Current Liabilities	21,812	21,992	23,756	29,466	32,094	-	-
Long Term Debt	13,050	11,170	5,760	5,610	7,364	-	-
Other	1,707	1,697	1,583	1,880	1,939	-	-
Fixed Liabilities	14,757	12,867	7,343	7,490	9,303	-	-
Total Liabilities	36,569	34,859	31,100	36,957	41,397	-	-
Shareholders' Equity	15,143	15,751	16,809	17,574	16,491	-	-
Other	40	65	133	(4)	6	-	-
Net Assets	15,183	15,817	16,943	17,570	16,498	-	-
Total Liabilities and Net Assets	51,753	50,676	48,043	54,527	57,896	-	-
Equity Capital	15,183	15,817	16,930	17,557	16,485	-	-
Interest Bearing Debt	23,710	23,590	16,400	21,820	28,444	-	-
Net Debt	15,418	15,822	8,563	12,924	20,223	-	-
Equity Ratio	29.3%	31.2%	35.2%	32.2%	28.5%	-	-
Net Debt Equity Ratio	101.6%	100.0%	50.6%	73.6%	122.7%	-	-
ROE (12 months)	(1.9%)	6.3%	7.6%	5.5%	2.1%	-	-
ROA (12 months)	(0.2%)	3.0%	3.9%	3.0%	0.7%	-	-
Days for Inventory Turnover	362	312	295	321	313	-	-
Quick Ratio	43%	40%	39%	36%	34%	-	-
Current Ratio	225%	216%	188%	170%	166%	-	-

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)	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Operating Cash Flow	(9,306)	604	7,671	(3,789)	(5,634)	-	-
Investing Cash Flow	(804)	456	(236)	(782)	984	-	-
Operating CF and Investing CF	(10,111)	1,061	7,435	(4,571)	(4,649)	-	-
Financing Cash Flow	9,903	(484)	(7,366)	5,230	5,175	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
No. of Shares FY End (thousand shares)	12,620	12,620	12,620	12,620	12,620	-	-
Earnings/ EPS (thousand shares)	12,619	12,488	12,317	12,271	12,060	-	-
Treasury Shares FY End (thousand shares)	-	308	301	301	1,899	-	-
Earnings per Share	(23.61)	77.87	100.93	77.76	29.78	46.56	-
Earnings per Share (fully diluted)	-	-	-	-	-	-	-
Book Value per Share	1,203.13	1,284.70	1,374.32	1,425.21	1,537.65	-	-
Dividend per Share	15.00	15.00	15.00	25.00	25.00	25.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings per Share	(23.61)	77.87	100.93	77.76	29.78	46.56	-
Book Value per Share	1,203.13	1,284.70	1,374.32	1,425.21	1,537.65	-	-
Dividend per Share	15.00	15.00	15.00	25.00	25.00	25.00	-
Payout Ratio	-	19.3%	14.9%	32.2%	83.9%	53.7%	-

Source: Company Data, WRJ Calculation

6.0 Other Information

Housing and living conceived for people and the Earth

The Company, going for “Housing and living conceived for people and the Earth (becoming a company that is indispensable to society)” as corporate philosophy, advocates CSV (Creating Shared Value) management. In other words, the Company is trying to create both social and economic value by seeing social problems as business opportunities and solve them by leveraging the Company's strengths and assets.

The Company was set up on 11 October 1996 as a 100% owned subsidiary of KUBOTA Corporation. In October 2000, it acquired prefabricated housing business from (erstwhile) Kubota House Co. Ltd., which was followed by acquisition of condominium business in December 2003 from SANYO Estate Co., Ltd. (established in November 1987 to start up condominium business by means of utilizing idle assets of SANYO Electric Co., Ltd.). The former corresponds to operations on the Housing Business side and the latter operations on the Condos Business side by business segment at the moment.

Meanwhile, in light of the ongoing slump in consumer spending due to the impacts stemming from COVID-19 on a global basis, the Company recognizes that society is entering a period of historical transformation. As conventional wisdom has become less commonplace, it has become more important than ever for the future to grasp things from a new perspective in accordance with the times and social conditions. In the housing market, there have been changes in the value of “housing” and “living”, as found in diversification of living at home and behaviors that are conscious of health and/or prevention of infectious diseases, due to the impacts stemming from COVID-19, according to the Company.

The Company intends to capture all those changes in the market and customer needs in responsive manner, while providing products and/or services with meaningful value to be felt being suitable and attractive to each single consumer on top of functional value offered by conventional “ECO & SAFETY” for the sake of realizing the Company’s corporate philosophy of “Housing and living conceived for people and the Earth” and sustainable growth from a long-term perspective.

Disclaimer

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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