

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)
FY03/2023	40,970	(149)	(191)	(245)	(22.15)	25.00	1,308.19
FY03/2024	45,860	952	935	648	58.31	25.00	1,338.62
FY03/2025CoE	53,000	1,350	1,200	800	71.85	25.00	-
FY03/2024	YoY	11.9%	-	-	-	-	-
FY03/2025CoE	YoY	15.6%	41.7%	28.3%	23.4%	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (9 July 2024)


Phase of Recovery

Sanyo Homes, running operations to build houses on a contract basis and develop condos for sale, is beginning to see a full-fledged recovery for its performance, having had suffered from loss caused by the Corona disaster. The Company has newly adopted a vision statement, saying that we will continue to be an absolutely essential presence in society, while calling for a soaring performance during the period of its midterm management plan (FY03/2025 to FY03/2027), i.e., sales to rise 12.3% and operating profit 36.1% in terms of CAGR. For FY03/2027, the final year of the plan, the Company is calling for ROE of 10.0% (versus 4.4% for the actual results of FY03/2024) at the same time. There is an aspect that the Company used to refrain from purchasing lands to build condos for some time in light of uncertainty associated with the Corona disaster, which resulted in the number of condos completed only two for FY03/2023, which was however followed by seven for FY03/2024, when therefore the Company has returned to profitability. Meanwhile, the Company is now going for seven newly completed also for FY03/2025, while anticipating a recovery of profitability in its operations to build detached houses, residential apartments and welfare facilities at the same time. Sales of residential apartments and welfare facilities have declined sharply due to one-time factors for FY03/2024, which is to result in a recovery of sales for FY03/2025. Further, the Company is calling for a trend of soaring also in sales associated with detached houses, etc. for the foreseeable future.

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2.0 Company Profile

Putting forward a Comprehensive Proposal for Housing Life

Company Name	Sanyo Homes Corporation Company Website IR Information Share price (Japanese)	
Founded	11 October 1996	
Listing	4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1420) 9 April 2014: Tokyo Stock Exchange 1st section 9 April 2013: Tokyo Stock Exchange 2nd section	
Capital	¥5,945m (as of the end of March 2024)	
No. of Shares	12,620,000 shares, including 1,485,386 treasury shares (as of the end of March 2024)	
Main Features	<ul style="list-style-type: none"> ● Rooted in Kubota House Co. Ltd. or provider of custom-built houses (steel-framed and prefabricated) ● Operations mainly in the Kinki region (Kansai) and the Kanto region (the Tokyo metropolitan area, etc.) ● Condos Business to develop condos for sale, the key earnings pillar 	
Business Segments	I . Housing Business (operations to build houses on a contract basis: detached houses, real estate solution, renovation, renewal distribution and frontier) II . Condos Business (development of condos for sale) III . Other (life support, etc.)	
Representative	President & Representative Director: Hisashi Matsuoka	
Shareholders	LIXIL Corp. 26.05%, ORIX Corp. 16.17%, Kansai Electric Power 12.44%, SECOM Co. 10.92%, Custody Bank of Japan 6.79% (as of the end of March 2024, but for treasury shares)	
Head Office	Nishi-ku, Osaka-city, JAPAN	
No. of Personnel	Consolidated: 794, Parent: 340 (as of the end of March 2024)	

Source: Company Data

3.0 Corporate Philosophy

A Lifelong Partner

In October 2023, the Company has newly adopted a vision statement, saying that we will continue to be an absolutely essential presence in society, having had adopted a slogan, going Homes to Please People and the Earth since some time ago. The Company is saying that we aim at becoming a lifelong partner to provide our clients with solutions in regards to their homes and day-to-day lives together with them as well as corresponding to changes of their lifestyles as a presence being near and dear without reluctance.

Meanwhile, the Company is also saying that we will strive to contribute to society as a company to put forward a comprehensive proposal for Housing Life in order to realize decarbonized society by 2050, together with its policy to offer a variety of proposals for building Eco-Friendly and Safe homes that preserve the global environment and protect people's safety and security and that of creating a new joy in lives via own operations to meet social needs as well. With all those measures, the Company is to pursue sustainable enhancement of its business valuation at the same time. Furthermore, the Company has introduced a stock-based compensation program for its employees as an investment in human capital and will continue to create an environment in which its employees can fully demonstrate their performance, going forward.

The Company has been ahead of its peers in its efforts to shift to so-called ZEH houses (Net Zero Energy Houses, i.e., houses that generate more energy than they consume in daily life by generating electricity through solar power generation, installing energy-saving equipment, using high-performance thermal insulating materials, etc.). On top of this, the Company has been keen on implementing all kinds of measures as found in this report, which makes it convincing enough that the Company is aggressively pushing forward with ESG management aimed at creating a recycling-oriented society and pursuing sustainability.

On 11 October 1996, the Company, rooted in Kubota House Co. Ltd. which had a change in business name from Econ Housing KK in February 1969, was founded as Nishi Nippon Kosan KK (wholly owned by Kubota Corporation). Then, the Company had a change in business name to Sanyo (三洋) Homes Corporation in April 2002, which was followed by acquisition of condos business from Sanyo Estate KK (established in November 1987 with main objectives of utilizing idle assets of SANYO Electric Co., Ltd. and developing condos) in December 2003. Then, the Company had another change in business name to the current Sanyo((サンヨー) Homes Corporation in December 2012.

Company History

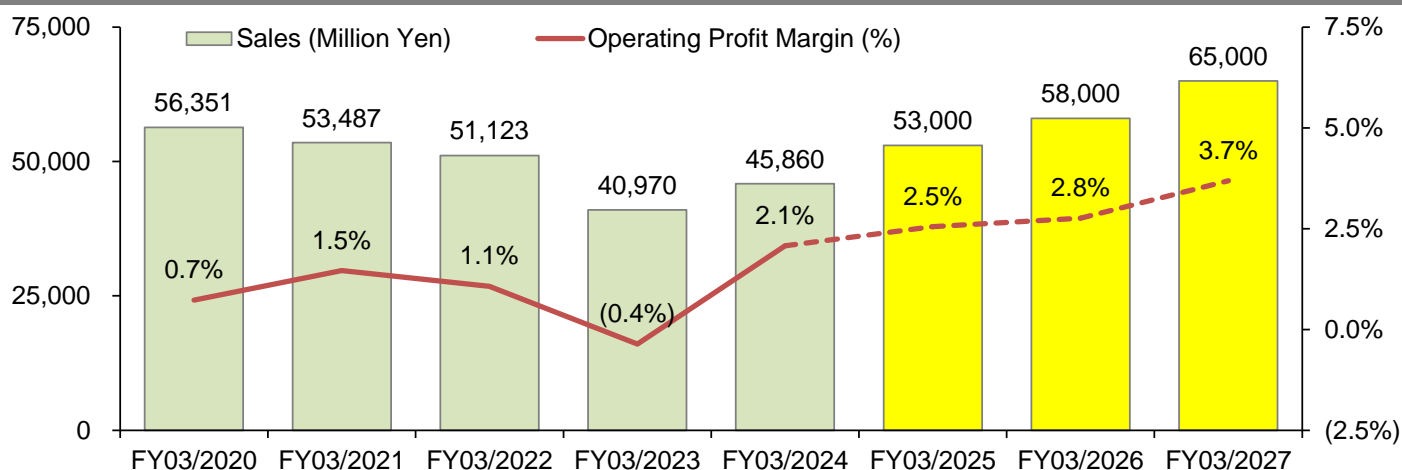
Date	Event
October 1996	Nishi Nippon Kosan KK (wholly owned by Kubota Corporation), commenced operations in Naniwa-ku, Osaka-city, with capital of ¥250m, aimed at building repair and contract maintenance services as well as sale, lease and management of real estate
June 2000	Business name changed to Takara Sangyo KK
October 2000	Acquired prefabricated housing business of erstwhile Kubota House Co. Ltd. and business name changed to Kubota House Co. Ltd.
April 2002	Business name changed to Sanyo (三洋) Homes Corporation (wholly owned by Sanyo Electric Co. Ltd., capital of ¥3,000m) Kubota Reform Kansai KK, business name changed to Sanyo (三洋) Reform Corporation Kansai Kubota House Builder KK, business name changed to Sanyo Homes Builder KK
April 2003	Sanyo SUMAIRU KK, acquired Sanyo Reform Corporation and business name changed to Sanyo Reform Corporation
December 2003	Acquired condos business from Sanyo Estate KK
October 2008	Established consolidated subsidiary Sanyo Community Service KK with an aim of condos management
March 2009	Sanyo Community Service KK, business name changed to Sanyo Homes Community Corporation
April 2009	Sanyo Homes Community Corporation, acquired contract condos management business from Sanyo Creative Service KK
April 2011	Head office, relocated to Nishi-ku, Osaka-city Sanyo Reform Corporation and Sanyo Homes Builder KK merged (the surviving company: Sanyo Reform Corporation) Established the brand logo, the brand mark and corporate slogan "For the Best Life"
December 2012	Business name changed to Sanyo (サンヨー) Homes Corporation Sanyo (三洋) Reform Corporation, business name changed to Sanyo (サンヨー) Reform Corporation (currently, consolidated subsidiary) Sanyo (三洋) Homes Community Corporation, business name changed to Sanyo (サンヨー) Homes Community Corporation
April 2013	Listed on Tokyo Stock Exchange 2nd section Established San Advance KK, with an aim of running nursing-care operations
April 2014	Listing change to Tokyo Stock Exchange 1st section
May 2014	Established e-kurashi Co., Ltd. (affiliate)
April 2016	Sanyo Homes Community Corporation (currently, consolidated subsidiary), merged with San Advance KK (surviving company; Sanyo Homes Community Corporation)
January 2017	Acquired equity in NK Property Limited Liability Company
March 2017	Merged with NK Properties Limited Liability Company (surviving company: the Company)
January 2021	Established Sanyo Architec Corporation (currently, consolidated subsidiary)
April 2022	Listing change to Standard Market from 1st section on Tokyo Stock Exchange due to its review of market classification

3.0 Recent Trading and Prospects

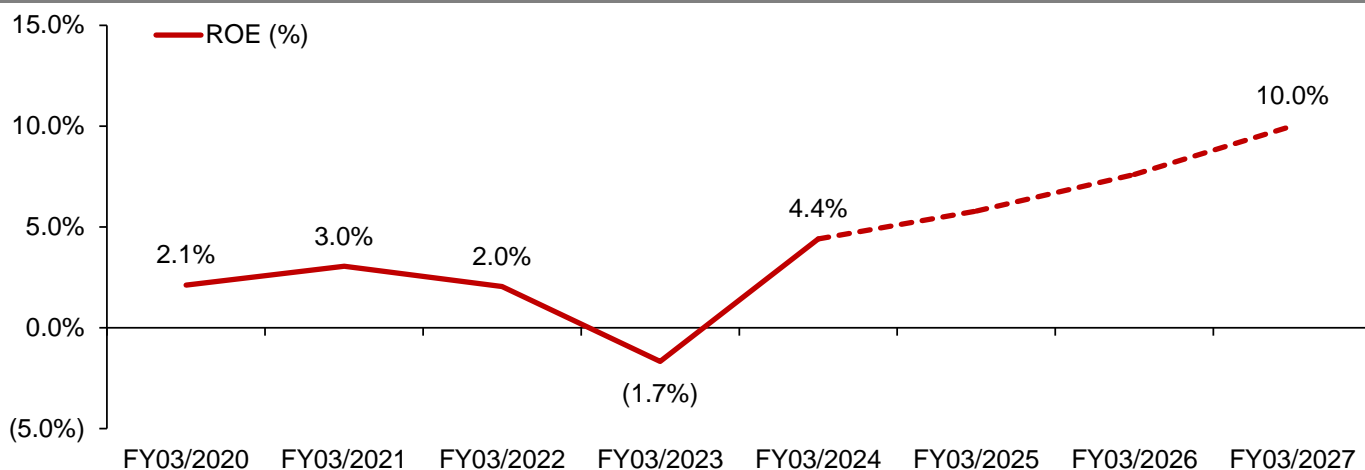
FY03/2024

For FY03/2024, sales came in at ¥45,860m (up 11.9% YoY), operating profit ¥952m (versus minus ¥149m in the previous year), recurring profit ¥935m (minus ¥191m) and profit attributable to owners of parent ¥648m (minus ¥245m). Meanwhile, gross profit came in at ¥9,137m (up 22.0%) and SG&A expenses ¥8,184m (up 7.1%), implying gross profit margin of 19.9% (up 1.6% points), SG&A ratio of 17.8% (down 0.8% points) and thus operating profit margin of 2.1% (up 2.4% points).

Sales and Operating Profit Margin

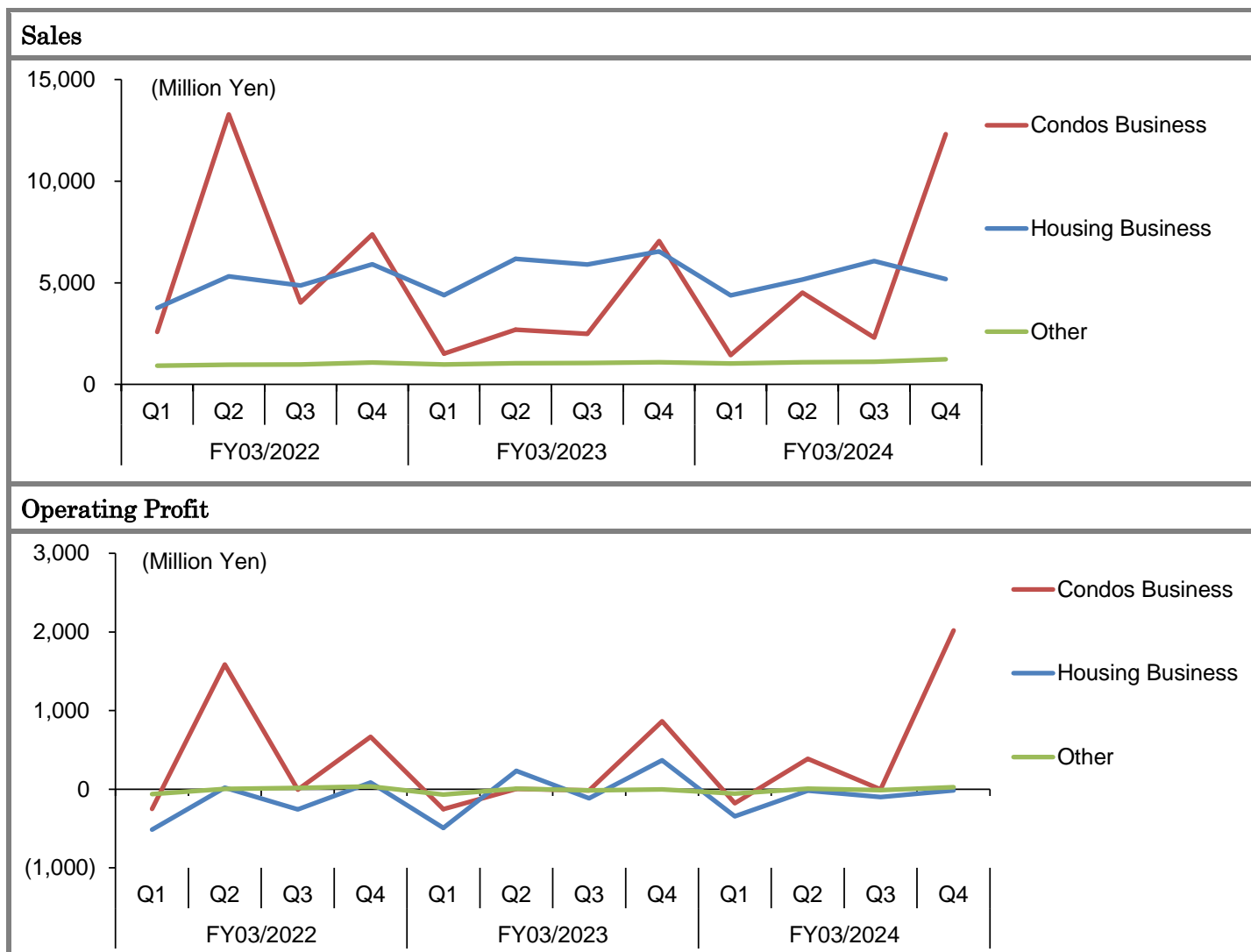


ROE



Source: Company Data, WRJ Calculation

On 30 May 2024, the Company has announced that it had formulated its midterm management plan (FY03/2025 to FY03/2027). The Company is calling for prospective sales of ¥65,000m, operating profit of ¥2,400m, recurring profit of ¥2,300m and profit attributable to owners of parent of ¥1,500m for FY03/2027, the final year of the plan. When setting the actual results of FY03/2024 as the point of origin, the Company is calling for CAGR of 12.3% in sales, 36.1% in operating profit, 35.0% in recurring profit and 32.3% in profit attributable to owners of parent. During the relevant period, operating profit margin is to rise by 1.6% points, from 2.1% to 3.7%, while the Company plans to see ROE of 10.0% for FY03/2027 (versus 4.4% for the actual results of FY03/2024).



Source: Company Data, WRJ Calculation

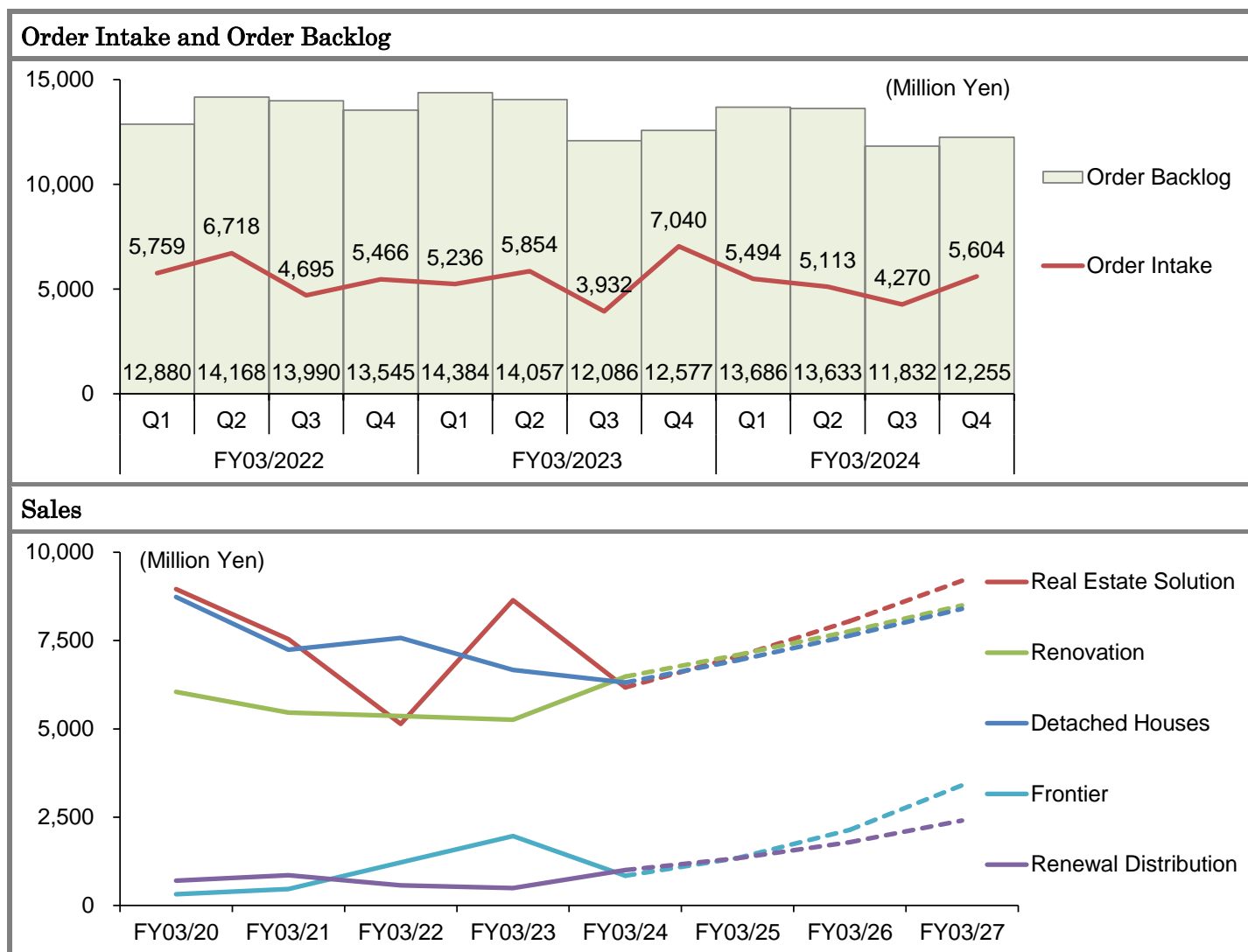
Putting forward a Comprehensive Proposal for Housing Life

The Company, which advocates its operations as those of putting forward a comprehensive proposal for Housing Life, engages in those of building houses on a contract basis and development of condos for sale, mainly in the Kinki Region (Kansai) and the Kanto Region (the Tokyo metropolitan area, etc.). In terms of the actual results of FY03/2024, the Kinki region (Kansai) accounted for 59.9% of order intake as a whole, the Kanto region (the Tokyo metropolitan area, etc.) 15.6%, the Chubu region 12.7% and the Kyushu region 11.8%. By segment, meanwhile, the Company's sales comprise those of the Housing Business side (45.4%) in charge of building houses on a contract basis, i.e., detached houses, real estate solutions, renovation, renewal distribution and frontier and those of the Condos Business side (44.9%) in charge of development of condos for sale and the Other side (9.8%) in charge of life support, etc. Thus, the Company is literally putting forward a comprehensive proposal for Housing Life.

In terms of earnings, the Company has been inclined to rely on the Condos Business side. Meanwhile, sales on the Condos Business have a trend of being posted intensively at the time of delivery to occur subsequent to each property being newly completed, which is true also of trend of earnings as is taken for granted. For FY03/2022, the Company saw a concentration in the period of Q2 and another one in the period of Q4, while a remarkable concentration in the period of Q4 for FY03/2023 and it was also the case for FY03/2024. The Company saw two for the number of properties newly completed for FY03/2023 (two for Q4) and seven for FY03/2024 (one for Q2 and six for Q4), while going for seven for FY03/2025, out of which the bulk will see the timing of completion and delivery for Q4.

Housing Business

On the Housing Business side, sales came in at ¥20,803m (down 9.7%), operating profit minus ¥483m (versus minus ¥5m in the previous year) and operating profit margin minus 2.3% (down 2.3% points) for FY03/2024. Meanwhile, order intake came in at ¥20,481m (down 7.2%) and order backlog stood at ¥12,255m (down 2.6%). With respect to the midterm management plan, the Company is calling for prospective sales of ¥31,900m for FY03/2027, the final year of the plan, implying CAGR of 15.3%, when setting the actual results of FY03/2024 as the point of origin.



Source: Company Data, WRJ Calculation

On the Housing Business side, the Company is running operations to build detached house on a contract basis as well as residential apartments and welfare facilities which are the component elements of real estate solution. Further, the Company is also running operations of renovation, frontier (mainly sale of green energy equipment associated with solar power and storage battery as well as lightweight steel-structure building frames) and renewal distribution (purchase and resale of pre-owned houses). By the way, the midterm management plan assumes a soaring trend for sales of all those categories by operation during the relevant period. Meanwhile, with respect to operations to build detached houses, residential apartments and welfare facilities on a contract basis, the Company sees sales for each property after processes comprising order intake, groundbreaking & construction and completion & delivery. Generally speaking, it takes some six months on average of detached houses from order intake to groundbreaking & construction, for example, according to the Company. In the same way, it takes some three months from groundbreaking & construction to completion & delivery. During the said period of some three months, the Company sees sales on a monthly basis in line with progress of the construction. With respect to residential apartments and welfare facilities, it takes time rather longer from order intake to sales, which is attributable to that they have a size larger as an architectural structure.

Detached Houses

For sales of detached houses, the midterm management plan is calling for CAGR of 10.0% during the relevant period, while the contribution ratio to net increase in sales on the Housing Business side equates 19% (net increase in sales of detached houses, divided by net increase in sales on the Housing Business side). Over the past five years, sales have been on the decline and order intake for FY03/2024 was lower than the previous year. However, the Company is looking to an increasing benefit from its measures to have launched flood protection product, Flood-Resistant Safe Living, in July 2023, as well as having introduced a scheme of real model house, Owner's Living, where prospective clients are allowed to have a look around the actual detached houses, built under contract with the Company, currently being occupied so that they could hear a story from actual inhabitants and an experience of actual atmosphere on top of just looking around. This is expected to be a key policy to drive sales, replacing the conventional way of sales promotions via exhibition sites.

Real Estate Solution

For sales of real estate solution, the midterm management plan is calling for CAGR of 14.2% during the relevant period, while the contribution ratio to net increase in sales on the Housing Business side equates 27%. It was also the case here that the sentiment was unfavorable for FY03/2024, i.e., that of operations to build residential apartments and welfare facilities on a contract basis, the component elements. In other words, sales and order intake have declined over the previous year. More importantly, however, the Company suggests that order intake has declined partly due to a change in the way of seeing order intake and that order intake has begun picking up effectively since some time ago and thus sales are expected to see a V-shaped recovery for FY03/2025. Prior to the change, the Company used to see order intake per project in a lump sum, while it has been the case since some time ago that it initially sees order intake on design contract, which is followed by an add-on of order intake on main body contract after a while, as far as large-sized projects are concerned. Further, the Company suggests that it saw a number of projects simply delayed in terms of the timing of seeing sales and order intake.

Renovation

For sales of renovation, the midterm management plan is calling for CAGR of 9.5% during the relevant period, while the contribution ratio to net increase in sales on the Housing Business side equates 18 %. For FY03/2024, the Company saw a steady increase in order intake and sales, which was driven by government subsidization to stimulate demand for renovation. Another factor is the Company's active efforts to improve the environmental performance of existing houses. With respect to the government subsidization, the Company benefits from Green Life Point program, promoted and adopted by the Ministry of the Environment, as well as Residential Energy Conservation 2024 Campaign, promoted by the three ministries, i.e., Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry and Ministry of the Environment.

Renewal Distribution

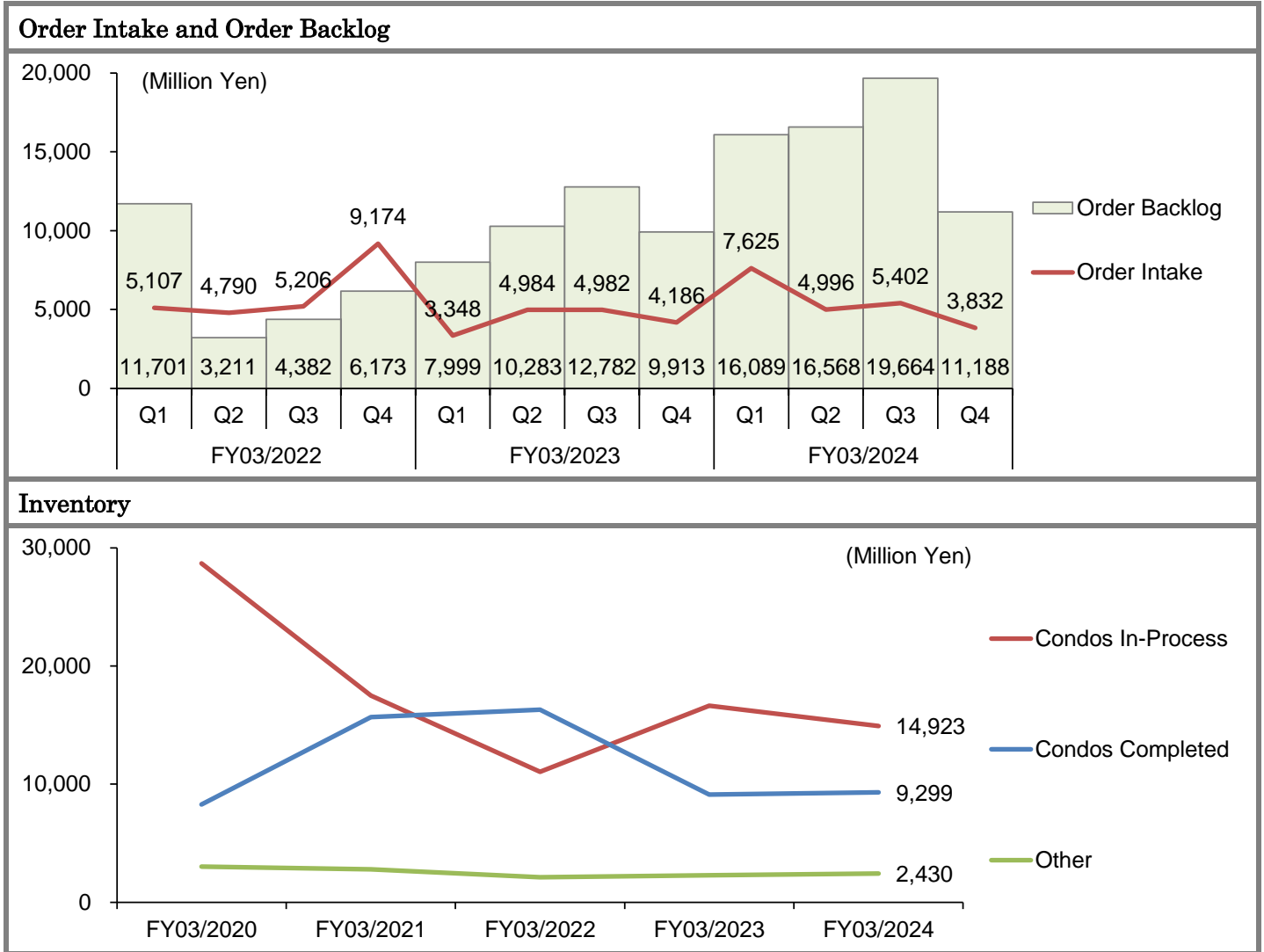
For sales of renewal distribution, the midterm management plan is calling for CAGR of 34.1% during the relevant period, while the contribution ratio to net increase in sales on the Housing Business side equates 13 %. The Company has begun to see a full-fledged takeoff of both order intake and sales for FY03/2024. It should be the case that its attempt is now paying off to promote a realization of sustainable housing cycle by solving the problem of vacant houses, which has become a social issue, as well as encouraging a departure from the traditional scrap-and-build scheme. The Company's business model in renewal distribution is to purchase detached houses that it has built under contract in the past after a certain degree of age-related deterioration, renovate them based on the concept of Renewal Cycle Carbon Minus (RCCM) housing and resell them. RCCM is the name of the Company's project, which introduces leading technologies adopted under Leading CO2 Saving Project 2022 by the Ministry of Land, Infrastructure, Transport and Tourism. In the concept, the Company states that it will promote the longevity of each detached house by implementing CO2 saving through the introduction of high-efficiency equipment in addition to retrofitting for optimal high-performance thermal insulation in light of various calculation sheets and maintenance histories since the time of initial building.

Frontier

For sales of frontier, the midterm management plan is calling for CAGR of 59.3% during the relevant period, while the contribution ratio to net increase in sales on the Housing Business side equates 23 %. Both sales and order intake of frontier have plunged for FY03/2024, mainly comprising those of green energy equipment associated with solar power and storage battery as well as lightweight steel-structure building frames, i.e., the component elements. According to the Company, this is due largely to a temporary slump in demand from a large client for lightweight steel-structure building frames. Meanwhile, recent trading suggests that order intake and sales are now beginning to pick up. The Company is currently in the process of diversifying its sale destinations in order to break away from its dependence on a few large clients. Through all those efforts, the Company hopes to achieve a trend of soaring in sales with a stability in the near future. By the way, the Company manufactures its proprietary lightweight steel-structure building frames at its own factory and uses them in the building of detached houses, residential apartments, etc., while selling all those products on an OEM basis to other companies in the same industry at the same time, which corresponds to the above-mentioned sales of lightweight steel-structure building frames.

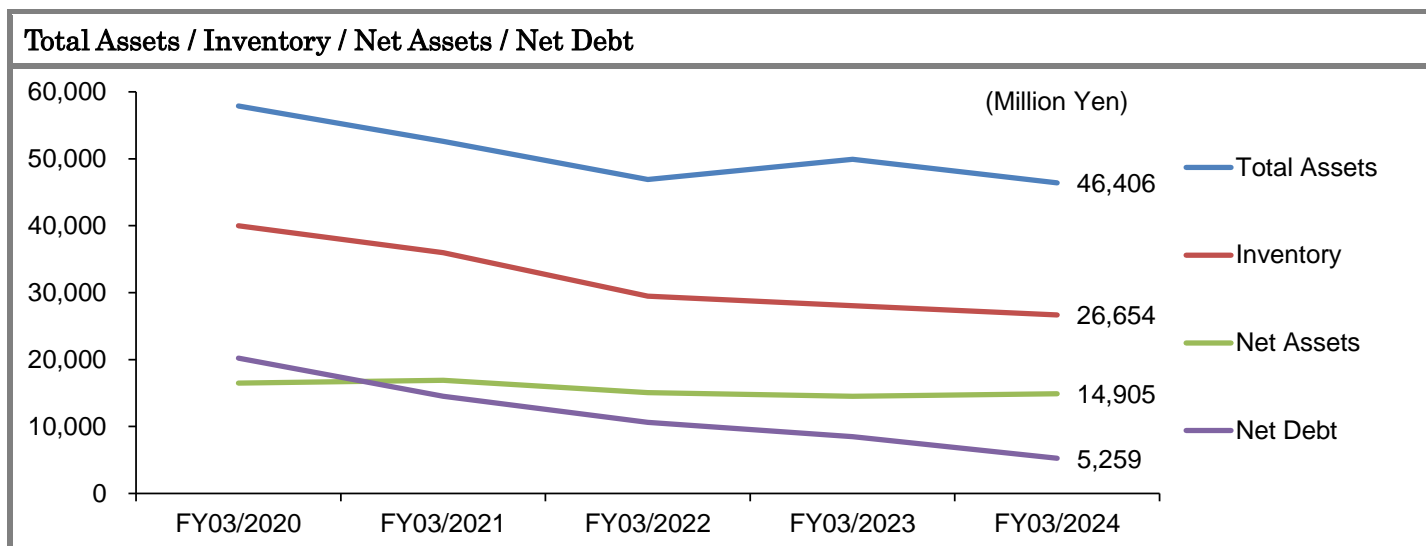
Condos Business

On the Condos Business side, sales came in at ¥20,582m (up 49.6%), operating profit ¥2,224m (up 271.4%) and operating profit margin 10.8% (up 6.5% points) for FY03/2024. Meanwhile, order intake came in at ¥21,856m (up 24.9%) and order backlog stood at ¥11,188m (up 12.9%). With respect to the midterm management plan, the Company is calling for prospective sales of ¥29,100m for FY03/2027, the final year of the plan, implying CAGR of 12.2%, when setting the actual results of FY03/2024 as the point of origin.



Source: Company Data, WRJ Calculation

On the Condos Business side, the Company begins its process to see sales with acquisition of lands for condos in anticipation of future sales. In other words, sales are posted by going through design & construction of properties on the acquired sites, launch & order intake and completion & delivery. Meanwhile, the balance is capitalized for costs of acquiring the sites and those of being associated with design & construction as a part of inventory, i.e., condos in-process until launch. For condos in outstanding locations, the Company sees order intake for all units at the time of launch, which is followed by delivery of all units at the time of completion and sales of all units are posted at the time of the latter. However, it is often the case that some portion of units of properties remains with no order intake placed at the time of completion, whose corresponding costs of acquiring the sites and those of being associated with design & construction are capitalized as a part of inventory, i.e., condos completed.



Source: Company Data, WRJ Calculation

For FY03/2021, the balance of condos in-process declined, which was followed by another decline for FY03/2022. According to the Company, this is largely attributable to the fact that there is a period for the Company to have refrained from purchasing lands to build condos in light of uncertainty associated with the Corona disaster. However, the Company has since changed course and the balance of condos in-process has shown a trend of recovery for FY03/2023. Then, this was followed by a significant increase in order intake and sales for the actual results of FY03/2024, as above-mentioned. At the same time, the balance of condos in-process has once declined in line with steady posting of sales, while the Company intends to continue actively acquiring lands for condos for FY03/2025 and thereafter.

As it turned out, the Company sees inventory having declined consistently over the past five years and a corresponding strengthening of solidity in financial position. For example, this is one of the backgrounds for free cashflow to have come in at ¥2,428m for FY03/2023 and ¥3,521m for FY03/2024, implying a trend of increase in the amount of net inflow. In other words, the Company is now in a financial position to be able to acquire lands for condos more aggressively than before.

By the way, it is reported that there is currently no problem of excess retention of condos completed. The balance of condos completed has edged up from FY03/2023 to FY03/2024 in terms of changes of the levels as of the end of the year, which is attributable to a new capitalization of condos completed associated with portion with not yet order placed out of properties newly completed for FY03/2024. On the other hand, the Company suggests that it saw a steady trend for sale of so-called retention inventory (properties retained as condos completed for an excessively long time) toward the end of the year. Inventory stood at ¥26,654m as of the end of FY03/2024, down 5.0% from the level as of the end of FY03/2023, comprising the balance of condos completed of ¥9,299m (up 1.9%), the balance of condos in-process of ¥14,923m (down 10.3%) and the balance of other of ¥2,430m (up 5.7%).

For the balance of condos in-process, there is an aspect to increase in line with future progress made for acquisition of lands for condos and related design & construction, etc. and another aspect to increase in line with future progress made for construction related to the existing properties under construction. Upon completion for each of new property, the relevant portion is transferred to condos completed, which becomes cost of sales for the property, while sales of the property equates this plus gross profit.

According to the Company's estimates, prospective amount of sales on the Condos Business side collectively equates ¥59,700m as of the end of FY03/2024, comprising ¥12,000m, which is the estimated amount on a sales basis for the balance of condos completed as of the end of the year and ¥47,600m, which is the estimated amount on a sales basis for the balance of condos in-process as of the end of the year. Out of the balance of condos in-process, the Company suggests ¥18,500m to be able to see sales (to be completed) for FY03/2025 and ¥29,100m to see sales (to be completed) thereafter. In conclusion, there is a possibility to see sales of ¥30,500m (¥12,000m plus ¥18,500m) for FY03/2025. On top of this, the Company also suggests that it is to see sales of some ¥1,200m to ¥1,300m, stemming from sale of renovation properties for FY03/2025. All in all, FY03/2025 Company forecasts assume prospective sales of ¥25,742m (up 25.1%), including a certain balance of condos completed as of the end of the year.

Other

On the Other side, sales came in at ¥4,474m (up 7.1%), operating profit minus ¥38m (versus minus ¥80m in the previous year) and operating profit margin minus 0.9% (up 1.1% points) for FY03/2024. With respect to the midterm management plan, the Company is calling for prospective sales of ¥3,800m for FY03/2027, the final year of the plan, implying CAGR of minus 5.3%, when setting the actual results of FY03/2024 as the point of origin. On the Other side, the Company runs operations mainly of life support that refers to those of introducing Snuggling Robots to medical care facilities and/or nursing homes and those of running nursery schools. With respect to the former, the Company is trying to promote sales by means of taking advantage of leasing on top of sale, while running nursery schools at 30 locations and one short-term child-rearing facility, collectively, in the Kinki region (Kansai) and the Chubu region with respect to the latter.

FY03/2024 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2024CoE	12-May-23	Q4 Results	56,800	1,200	1,100	700
FY03/2024CoE	04-Aug-23	Q1 Results	56,800	1,200	1,100	700
FY03/2024CoE	06-Nov-23	Q2 Results	49,100	800	750	480
		Amount of Gap	(7,700)	(400)	(350)	(220)
		Rate of Gap	(13.6%)	(33.3%)	(31.8%)	(31.4%)
FY03/2024CoE	05-Feb-24	Q3 Results	49,100	800	750	480
FY03/2024Act	10-May-24	Q4 Results	45,860	952	935	648
		Amount of Gap	(3,239)	152	185	168
		Rate of Gap	(6.6%)	19.1%	24.7%	35.1%
FY03/2024CoE	12-May-23	Q4 Results	56,800	1,200	1,100	700
FY03/2024Act	10-May-24	Q4 Results	45,860	952	935	648
		Amount of Gap	(10,940)	(248)	(165)	(52)
		Rate of Gap	(19.3%)	(20.7%)	(15.0%)	(7.4%)
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2024CoE	12-May-23	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2024CoE	04-Aug-23	Q1 Results	-	-	-	-
Q1 to Q2 FY03/2024Act	06-Nov-23	Q2 Results	17,641	(549)	(573)	(382)
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY03/2024CoE	12-May-23	Q4 Results	-	-	-	-
Q1 to Q2 FY03/2024Act	06-Nov-23	Q2 Results	17,641	(549)	(573)	(382)
		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 FY03/2024CoE	12-May-23	Q4 Results	-	-	-	-
Q3 to Q4 FY03/2024CoE	04-Aug-23	Q1 Results	-	-	-	-
Q3 to Q4 FY03/2024CoE	06-Nov-23	Q2 Results	31,459	1,349	1,323	862
Q3 to Q4 FY03/2024CoE	05-Feb-24	Q3 Results	31,459	1,349	1,323	862
Q3 to Q4 FY03/2024Act	10-May-24	Q4 Results	28,219	1,501	1,508	1,030
		Amount of Gap	(3,239)	152	185	168
		Rate of Gap	(10.3%)	11.3%	14.0%	19.5%
Q3 to Q4 FY03/2024CoE	06-Nov-23	Q2 Results	31,459	1,349	1,323	862
Q3 to Q4 FY03/2024Act	10-May-24	Q4 Results	28,219	1,501	1,508	1,030
		Amount of Gap	(3,240)	152	185	168
		Rate of Gap	(10.3%)	11.3%	14.0%	19.5%

Source: Company Data, WRJ Calculation

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	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Sales	6,899	16,822	26,269	40,970	6,860	17,641	27,139	45,860	+4,889	
Cost of Sales	5,902	13,942	21,779	33,479	5,694	14,252	21,998	36,722	+3,243	
Gross Profit	996	2,880	4,490	7,491	1,165	3,389	5,140	9,137	+1,646	
SG&A Expenses	1,994	3,774	5,696	7,641	1,946	3,938	6,004	8,184	+543	
Operating Profit	(997)	(894)	(1,206)	(149)	(781)	(549)	(863)	952	+1,102	
Non Operating Balance	3	(12)	(30)	(41)	(21)	(24)	(38)	(17)	+23	
Recurring Profit	(993)	(906)	(1,237)	(191)	(802)	(573)	(901)	935	+1,126	
Extraordinary Balance	-	-	-	(81)	(0)	(0)	(0)	(14)	+67	
Profit before Income Taxes	(993)	(906)	(1,237)	(272)	(802)	(573)	(901)	921	+1,193	
Total Income Taxes	(297)	(260)	(347)	(27)	(242)	(191)	(279)	272	+299	
Profit Attributable to Owners of Parent	(696)	(646)	(890)	(245)	(559)	(382)	(622)	648	+894	
Sales YoY	(5.2%)	(37.3%)	(28.5%)	(19.9%)	(0.6%)	+4.9%	+3.3%	+11.9%	-	
Operating Profit YoY	-	-	-	-	-	-	-	-	-	
Recurring Profit YoY	-	-	-	-	-	-	-	-	-	
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-	-	
Gross Profit Margin	14.5%	17.1%	17.1%	18.3%	17.0%	19.2%	18.9%	19.9%	+1.6%	
SG&A Ratio	28.9%	22.4%	21.7%	18.7%	28.4%	22.3%	22.1%	17.8%	(0.8%)	
Operating Profit Margin	(14.5%)	(5.3%)	(4.6%)	(0.4%)	(11.4%)	(3.1%)	(3.2%)	2.1%	+2.4%	
Recurring Profit Margin	(14.4%)	(5.4%)	(4.7%)	(0.5%)	(11.7%)	(3.3%)	(3.3%)	2.0%	+2.5%	
Profit Attributable to Owners of Parent Margin	(10.1%)	(3.8%)	(3.4%)	(0.6%)	(8.2%)	(2.2%)	(2.3%)	1.4%	+2.0%	
Total Income Taxes / Profit before Income Taxes	-	-	-	-	-	-	-	29.6%	-	

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	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Sales	6,899	9,923	9,446	14,701	6,860	10,781	9,497	18,720	+4,019	
Cost of Sales	5,902	8,040	7,836	11,700	5,694	8,557	7,746	14,724	+3,024	
Gross Profit	996	1,883	1,609	3,001	1,165	2,223	1,751	3,996	+995	
SG&A Expenses	1,994	1,780	1,921	1,944	1,946	1,991	2,065	2,180	+235	
Operating Profit	(997)	102	(312)	1,056	(781)	232	(313)	1,816	+759	
Non Operating Balance	3	(15)	(18)	(10)	(21)	(3)	(13)	20	+30	
Recurring Profit	(993)	87	(330)	1,046	(802)	228	(327)	1,836	+790	
Extraordinary Balance	-	-	-	(81)	(0)	-	(0)	(13)	+67	
Profit before Income Taxes	(993)	87	(330)	964	(802)	228	(327)	1,822	+857	
Total Income Taxes	(297)	36	(86)	320	(242)	51	(87)	551	+231	
Profit Attributable to Owners of Parent	(696)	50	(244)	644	(559)	177	(239)	1,270	+626	
Sales YoY	(5.2%)	(49.3%)	(4.5%)	+2.2%	(0.6%)	+8.6%	+0.5%	+27.3%	-	
Operating Profit YoY	-	(92.6%)	-	+62.9%	-	+125.8%	-	+71.9%	-	
Recurring Profit YoY	-	-	-	+59.1%	-	-	-	+75.5%	-	
Profit Attributable to Owners of Parent YoY	-	(94.8%)	-	+53.7%	-	+251.9%	-	+97.1%	-	
Gross Profit Margin	14.5%	19.0%	17.0%	20.4%	17.0%	20.6%	18.4%	21.3%	+0.9%	
SG&A Ratio	28.9%	17.9%	20.3%	13.2%	28.4%	18.5%	21.7%	11.6%	(1.6%)	
Operating Profit Margin	(14.5%)	1.0%	(3.3%)	7.2%	(11.4%)	2.2%	(3.3%)	9.7%	+2.5%	
Recurring Profit Margin	(14.4%)	0.9%	(3.5%)	7.1%	(11.7%)	2.1%	(3.4%)	9.8%	+2.7%	
Profit Attributable to Owners of Parent Margin	(10.1%)	0.5%	(2.6%)	4.4%	(8.2%)	1.6%	(2.5%)	6.8%	+2.4%	
Total Income Taxes / Profit before Income Taxes	-	42.2%	-	33.2%	-	22.5%	-	30.3%	(2.9%)	

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 Net Chg.
	Q1 03/2023	Q1 to Q2 03/2023	Q1 to Q3 03/2023	Q1 to Q4 03/2023	Q1 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024		
Housing Business	4,397	10,579	16,482	23,032	4,384	9,550	15,622	20,803		(2,229)
Condos Business	1,522	4,222	6,706	13,761	1,449	5,967	8,273	20,582		+6,820
Other	979	2,021	3,080	4,176	1,026	2,123	3,243	4,474		+297
Sales	6,899	16,822	26,269	40,970	6,860	17,641	27,139	45,860		+4,889
Housing Business	(492)	(258)	(373)	(5)	(346)	(366)	(467)	(483)		(478)
Condos Business	(255)	(251)	(265)	598	(178)	209	205	2,224		+1,625
Other	(69)	(62)	(77)	(80)	(57)	(50)	(63)	(38)		+41
Total	(816)	(572)	(716)	513	(583)	(207)	(325)	1,702		+1,189
Elimination	(180)	(321)	(490)	(663)	(197)	(342)	(537)	(749)		(86)
Operating Profit	(997)	(894)	(1,206)	(149)	(781)	(549)	(863)	952		+1,102
Housing Business	(11.2%)	(2.4%)	(2.3%)	(0.0%)	(7.9%)	(3.8%)	(3.0%)	(2.3%)		(2.3%)
Condos Business	(16.8%)	(5.9%)	(4.0%)	4.4%	(12.3%)	3.5%	2.5%	10.8%		+6.5%
Other	(7.1%)	(3.1%)	(2.5%)	(1.9%)	(5.6%)	(2.4%)	(2.0%)	(0.9%)		+1.1%
Elimination	(2.6%)	(1.9%)	(1.9%)	(1.6%)	(2.9%)	(1.9%)	(2.0%)	(1.6%)		(0.0%)
Operating Profit Margin	(14.5%)	(5.3%)	(4.6%)	(0.4%)	(11.4%)	(3.1%)	(3.2%)	2.1%		+2.4%

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2023	Q2 03/2023	Q3 03/2023	Q4 03/2023	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024		
Housing Business	4,397	6,181	5,903	6,550	4,384	5,166	6,071	5,181		(1,368)
Condos Business	1,522	2,699	2,484	7,054	1,449	4,518	2,306	12,308		+5,253
Other	979	1,041	1,058	1,096	1,026	1,096	1,120	1,231		+134
Sales	6,899	9,923	9,446	14,701	6,860	10,781	9,497	18,720		+4,019
Housing Business	(492)	233	(114)	367	(346)	(19)	(101)	(15)		(383)
Condos Business	(255)	4	(14)	864	(178)	388	(4)	2,019		+1,155
Other	(69)	6	(14)	(2)	(57)	7	(12)	25		+27
Total	(816)	244	(143)	1,229	(583)	376	(118)	2,028		+798
Elimination	(180)	(141)	(168)	(173)	(197)	(144)	(195)	(212)		(39)
Operating Profit	(997)	102	(312)	1,056	(781)	232	(313)	1,816		+759
Housing Business	(11.2%)	3.8%	(1.9%)	5.6%	(7.9%)	(0.4%)	(1.7%)	(0.3%)		(5.9%)
Condos Business	(16.8%)	0.2%	(0.6%)	12.2%	(12.3%)	8.6%	(0.2%)	16.4%		+4.2%
Other	(7.1%)	0.6%	(1.4%)	(0.2%)	(5.6%)	0.7%	(1.1%)	2.0%		+2.2%
Elimination	(2.6%)	(1.4%)	(1.8%)	(1.2%)	(2.9%)	(1.3%)	(2.1%)	(1.1%)		+0.0%
Operating Profit Margin	(14.5%)	1.0%	(3.3%)	7.2%	(11.4%)	2.2%	(3.3%)	9.7%		+2.5%

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 03/2023	Q1 to Q2 03/2023	Q1 to Q3 03/2023	Q1 to Q4 03/2023	Q1 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024		
Operating Cash Flow	-	(1,114)	-	2,555	-	(429)	-	3,538		+982
Investing Cash Flow	-	(60)	-	(117)	-	(9)	-	(16)		+101
Operating CF and Investing CF	-	(1,175)	-	2,438	-	(438)	-	3,521		+1,083
Financing Cash Flow	-	1,261	-	1,776	-	(2,500)	-	(5,134)		(6,910)

Source: Company Data, WRJ Calculation

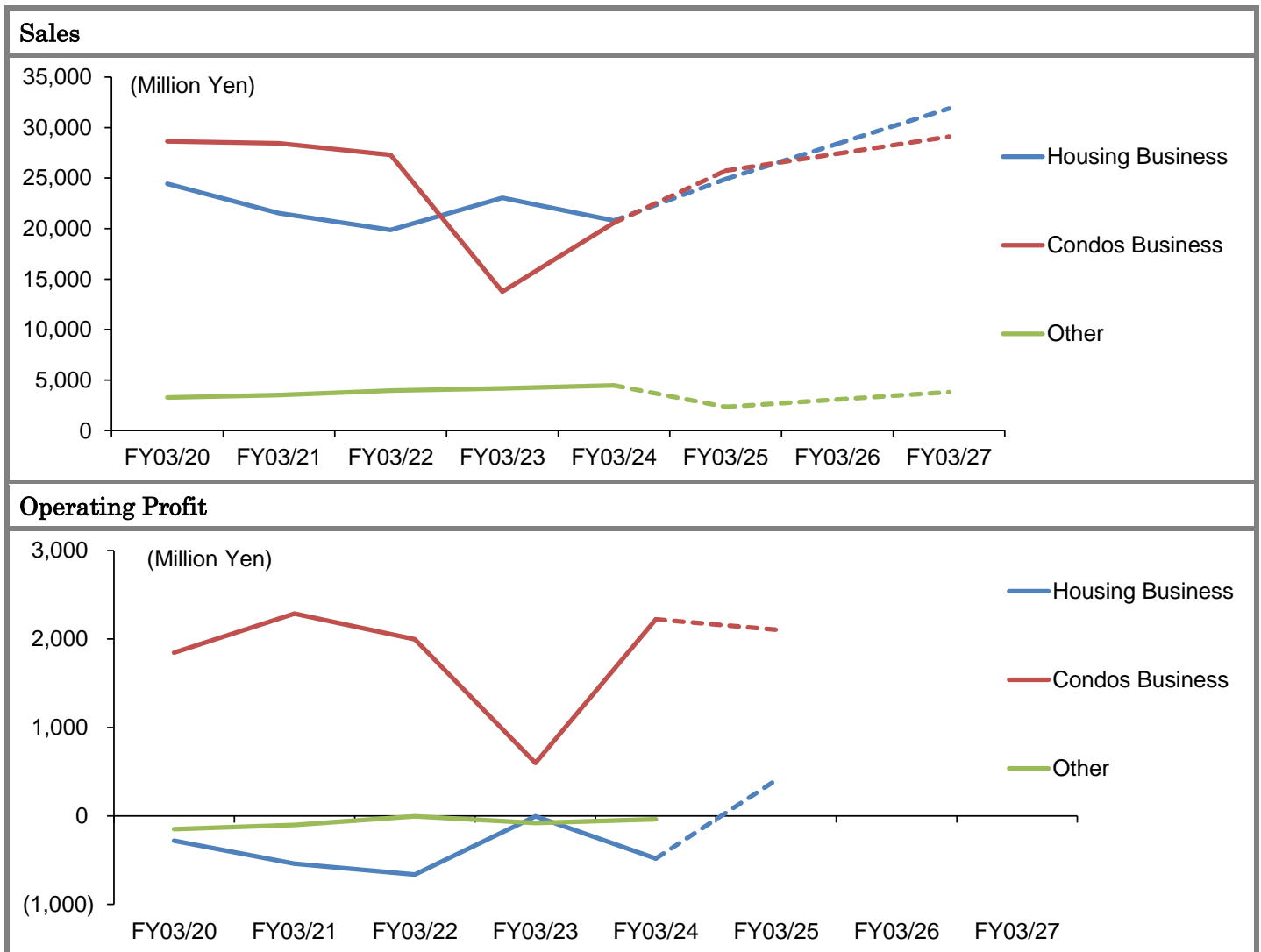
Balance Sheet (Quarterly)

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 03/2023	Q2 03/2023	Q3 03/2023	Q4 03/2023	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024		
Cash and Deposit	7,930	9,123	9,062	13,252	8,915	10,313	7,539	11,639	(1,612)	
Accounts Receivables	1,507	1,720	1,983	1,962	2,430	2,134	2,710	1,566	(395)	
Inventory	28,529	29,152	29,713	28,067	30,168	31,288	32,355	26,654	(1,413)	
Other	803	817	843	777	876	1,121	1,497	847	+70	
Current Assets	38,771	40,815	41,602	44,059	42,390	44,858	44,102	40,708	(3,351)	
Tangible Assets	2,699	3,440	3,425	3,364	3,337	3,309	3,287	3,239	(124)	
Intangible Assets	84	83	78	61	54	49	44	80	+18	
Investments and Other Assets	2,616	2,627	2,729	2,428	2,665	2,669	2,759	2,378	(50)	
Fixed Assets	5,401	6,151	6,234	5,854	6,057	6,028	6,091	5,698	(156)	
Total Assets	44,172	46,966	47,837	49,913	48,448	50,886	50,193	46,406	(3,507)	
Accounts Payables	3,149	3,937	4,313	5,964	3,491	7,068	3,943	6,615	+650	
Short Term Debt	8,130	9,872	9,141	10,291	14,146	10,695	15,746	10,778	+487	
Corporate Bond (Less Than 1 Year)	100	100	100	100	100	100	100	100	0	
Advances Re. on Uncompleted Contracts	3,860	3,947	3,781	3,343	3,450	4,032	3,473	3,425	+81	
Advances Received	360	416	579	378	587	569	935	270	(108)	
Other	1,355	1,346	1,464	1,960	1,302	3,834	2,076	2,354	+394	
Current Liabilities	16,956	19,619	19,380	22,038	23,077	26,300	26,275	23,543	+1,505	
Long Term Debt	10,806	10,905	12,250	11,051	9,396	8,488	8,057	5,821	(5,230)	
Corporate Bond	400	350	350	300	300	250	250	200	(100)	
Other	1,950	1,966	1,974	2,006	2,008	1,980	1,983	1,936	(70)	
Fixed Liabilities	13,156	13,221	14,574	13,357	11,704	10,718	10,290	7,957	(5,400)	
Total Liabilities	30,112	32,841	33,955	35,396	34,781	37,018	36,566	31,501	(3,894)	
Shareholders' Equity	14,073	14,138	13,894	14,539	13,688	13,889	13,649	14,920	+381	
Other	(13)	(13)	(13)	(21)	(21)	(21)	(22)	(15)	+6	
Net Assets	14,060	14,125	13,881	14,517	13,666	13,867	13,627	14,905	+387	
Total Liabilities and Net Assets	44,172	46,966	47,837	49,913	48,448	50,886	50,193	46,406	(3,507)	
Equity Capital	14,060	14,125	13,881	14,517	13,666	13,867	13,627	14,905	+388	
Interest Bearing Debt	19,436	21,227	21,841	21,742	23,942	19,533	24,153	16,899	(4,843)	
Net Debt	11,505	12,103	12,778	8,489	15,026	9,219	16,613	5,259	(3,230)	
Equity Ratio	31.8%	30.1%	29.0%	29.1%	28.2%	27.3%	27.2%	32.1%	-	
Net Debt Equity Ratio	81.8%	85.7%	92.1%	58.5%	110.0%	66.5%	121.9%	35.3%	-	
ROE (12 months)	2.7%	(3.7%)	(3.3%)	(1.7%)	(0.8%)	0.1%	0.2%	4.4%	-	
ROA (12 months)	1.3%	(1.5%)	(1.2%)	(0.4%)	0.0%	0.3%	0.3%	1.9%	-	
Days for Inventory Turnover	441	331	346	219	483	334	381	165	-	
Quick Ratio	56%	55%	57%	69%	49%	47%	39%	56%	-	
Current Ratio	229%	208%	215%	200%	184%	171%	168%	173%	-	

Source: Company Data, WRJ Calculation

Long-Term Prospects

FY03/2025 Company forecasts, announced on 10 May 2024, are going for prospective sales of ¥53,000m (up 15.6% YoY), operating profit of ¥1,350m (up 41.7%), recurring profit of ¥1,200m (up 28.3%) and profit attributable to owners of parent of ¥800m (up 23.4%). Meanwhile, Company forecasts assume gross profit of ¥10,000m (up 9.4%) and SG&A expenses of ¥8,650m (up 5.7%), implying gross profit margin of 18.9% (down 1.1% points), SG&A ratio of 16.3% (down 1.5% points) and thus operating profit margin of 2.5% (up 0.5% points). At the same time, Company forecasts are going for planned annual dividend of ¥25.00 per share for FY03/2025, implying payout ratio of 34.8%.



Source: Company Data, WRJ Calculation

For FY03/2025, the Company's sales are expected to be driven by strengths both of the Housing Business side and Condos Business side. Meanwhile, the Company's earnings are expected to be driven by the Housing Business side, which is to return to profitability at the operating level. On the Condos Business side, sales are to continue to rise, but operating profit is to decline. Meanwhile, the midterm management plan assumes strengths to persist for the Company's performance for FY03/2026 and FY03/2027. Setting the FY03/2024 Company forecasts as the point of origin, the midterm management plan assumes CAGR of 10.7% in sales and 33.3% in operating profit. The details of assumptions for prospective sales have been already discussed, while it is probably the case that the Company assumes an effect of increased sales for future strengths in its operating profit as a whole.

Housing Business

For FY03/2025, Company forecasts are going for prospective sales of ¥24,903m (up 19.7%), operating profit of ¥406m (versus minus ¥483m in the previous year) and operating profit margin of 1.6% (up 4.0% points), while the midterm management plan assumes sales of ¥31,900m for FY03/2027, the final year of the plan. When setting the FY03/2025 Company forecasts as the point of origin, the plan assumes CAGR of 13.2% in sales.

The Company is going for a steady increase in sales of detached houses, real estate solution, renovation, renewal distribution and frontier, i.e., across the board for all the component elements on the Housing Business side, as discussed in depth earlier, which is expected to increase operating profit margin with an effect of increased sales for FY03/2025. In other words, an increase in gross profit margin will have a significant impact. For example, in the operations to build detached houses on a contract basis, an increase in sales is to lead to an improvement in volume efficiency with an aspect that the Company manufactures the foundations for them, i.e., lightweight steel-structure building frames, proprietarily developed, in its own factory. It is taken for granted that the production volume will rise in line with increased sales volume of detached houses, etc. and thus an exposure to fixed costs is to decline. On top of this, recent trading of detached houses suggests that the Company has been seeing order intake at prices after reflecting the latest rise in prices of materials, which is another factor to look to an improvement in gross profit margin, according to the Company.

Condos Business

For FY03/2025, Company forecasts are going for prospective sales of ¥25,742m (up 25.1%), operating profit of ¥2,105m (down 5.3%) and operating profit margin of 8.2% (down 2.6% points), while the midterm management plan assumes sales of ¥29,100m for FY03/2027, the final year of the plan. When setting the FY03/2025 Company forecasts as the point of origin, the plan assumes CAGR of 6.3% in sales.

The Company is looking to posting sales stemming from The Yasu Station South Exit Area Development Private-Public Initiative, which is based on the business concept of Well-being Future. Collectively, the Company estimates sales of no less than some ¥15,000m to be posted. On the local land or total site area equating no less than 10,818 square meters, this project is to build one condo with 102 units, another one for seniors with 110 units and one hotel with 180 guest rooms in the Zone A, one commerce facility, one food supermarket, etc. in the Zone B and one citizen square in the Zone C. However, since the Company has not yet completed acquisition of the land so far, this has not yet had any impact on the balance of condos in-process as of the end of FY03/2024.

Meanwhile, Company forecasts are going for operating profit margin being under pressure for FY03/2025, which is attributable to an assumption that gross profit margin is to decline, albeit not much. It is estimated that the balance of condos completed as of the end of FY03/2024 equates to ¥12,000m, comprising cost of sales of ¥9,299m and gross profit of ¥2,701m (gross profit margin of 22.5%), when evaluated on a sales basis. In contrast, it is estimated that the balance of condos in-process to be on sale (completed) by the end of FY03/2025 equates to ¥18,500m, comprising cost of sales of ¥14,800m and gross profit of ¥3,700m (gross profit margin of 20.0%), when evaluated on a sales basis. The Company suggests that it conservatively assumes gross profit margin lower by some 2.5% points for the balance of the condos in-process, when compared with the condos completed, in the evaluation on a sales basis, in light of the fact that the levels are higher in the condos in-process for purchasing costs of lands to build condos and costs to build and that demand may slow down for the future in line with a potential rise in housing loan rate.

Given an indication that sales on the Condos Business side will be concentrated for Q4 also in the period of FY03/2025, it should be the case that the Company is to basically see sales of condos completed carrying gross profit margin rather higher through Q1 to Q3, which is followed by posting of concentrated sales of properties newly completed carrying gross profit margin rather lower for Q4. In conclusion, the Company is going for a gradual decline in gross profit margin for FY03/2025 from FY03/2024.

5.0 Financial Statements

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
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Sales	56,351	53,487	51,123	40,970	45,860	53,000	+7,139
Cost of Sales	46,656	43,362	41,815	33,479	36,722	43,000	+6,277
Gross Profit	9,694	10,125	9,307	7,491	9,137	10,000	+862
SG&A Expenses	9,281	9,343	8,758	7,641	8,184	8,650	+465
Operating Profit	412	782	548	(149)	952	1,350	+397
Non Operating Balance	2	90	(3)	(41)	(17)	(150)	(132)
Recurring Profit	415	872	545	(191)	935	1,200	+264
Extraordinary Balance	149	(64)	(24)	(81)	(14)	-	-
Profit before Income Taxes	564	807	521	(272)	921	-	-
Total Income Taxes	205	298	195	(27)	272	-	-
Profit Attributable to Owners of Parent	359	509	326	(245)	648	800	+151
Sales YoY	+4.6%	(5.1%)	(4.4%)	(19.9%)	+11.9%	+15.6%	-
Operating Profit YoY	(71.2%)	+89.5%	(29.8%)	-	-	+41.7%	-
Recurring Profit YoY	(73.1%)	+110.2%	(37.5%)	-	-	+28.3%	-
Profit Attributable to Owners of Parent YoY	(62.4%)	+41.8%	(35.9%)	-	-	+23.4%	-
Gross Profit Margin	17.2%	18.9%	18.2%	18.3%	19.9%	18.9%	(1.1%)
SG&A Ratio	16.5%	17.5%	17.1%	18.7%	17.8%	16.3%	(1.5%)
Operating Profit Margin	0.7%	1.5%	1.1%	(0.4%)	2.1%	2.5%	+0.5%
Recurring Profit Margin	0.7%	1.6%	1.1%	(0.5%)	2.0%	2.3%	+0.2%
Profit Attributable to Owners of Parent Margin	0.6%	1.0%	0.6%	(0.6%)	1.4%	1.5%	+0.1%
Total Income Taxes / Profit before Income Taxes	36.4%	36.9%	37.4%	-	29.6%	-	-

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
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Housing Business	24,441	21,527	19,869	23,032	20,803	24,903	+4,099
Condos Business	28,629	28,449	27,288	13,761	20,582	25,742	+5,159
Other	3,279	3,510	3,964	4,176	4,474	2,353	(2,121)
Sales	56,351	53,487	51,123	40,970	45,860	53,000	+7,139
Housing Business	(282)	(542)	(665)	(5)	(483)	406	+889
Condos Business	1,847	2,288	1,996	598	2,224	2,105	(119)
Other	(151)	(104)	(5)	(80)	(38)	-	-
Total	1,412	1,642	1,325	513	1,702	-	-
Elimination	(999)	(860)	(776)	(663)	(749)	-	-
Operating Profit	412	782	548	(149)	952	1,350	+397
Housing Business	(1.2%)	(2.5%)	(3.4%)	(0.0%)	(2.3%)	1.6%	+4.0%
Condos Business	6.5%	8.0%	7.3%	4.4%	10.8%	8.2%	(2.6%)
Other	(4.6%)	(3.0%)	(0.1%)	(1.9%)	(0.9%)	-	-
Elimination	(1.8%)	(1.6%)	(1.5%)	(1.6%)	(1.6%)	-	-
Operating Profit Margin	0.7%	1.5%	1.1%	(0.4%)	2.1%	2.5%	+0.5%

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)	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Cash and Deposit	8,220	8,884	9,038	13,252	11,639	-	-
Accounts Receivables	2,734	1,888	2,572	1,962	1,566	-	-
Inventory	39,985	35,969	29,481	28,067	26,654	-	-
Other	2,430	1,358	697	777	847	-	-
Current Assets	53,371	48,100	41,790	44,059	40,708	-	-
Tangible Assets	2,183	2,249	2,701	3,364	3,239	-	-
Intangible Assets	85	81	85	61	80	-	-
Investments and Other Assets	2,256	2,180	2,308	2,428	2,378	-	-
Fixed Assets	4,525	4,510	5,096	5,854	5,698	-	-
Total Assets	57,896	52,611	46,886	49,913	46,406	-	-
Accounts Payables	6,989	6,445	4,038	5,964	6,615	-	-
Short Term Debt	21,080	17,410	9,103	10,291	10,778	-	-
Corporate Bond (Less Than 1 Year)	-	-	100	100	100	-	-
Advances Re. on Uncompleted Contracts	1,026	883	4,091	3,343	3,425	-	-
Advances Received	1,009	631	190	378	270	-	-
Other	1,988	2,375	1,905	1,960	2,354	-	-
Current Liabilities	32,094	27,745	19,427	22,038	23,543	-	-
Long Term Debt	7,364	5,989	10,071	11,051	5,821	-	-
Corporate Bond	-	-	400	300	200	-	-
Other	1,939	1,954	1,939	2,006	1,936	-	-
Fixed Liabilities	9,303	7,943	12,410	13,357	7,957	-	-
Total Liabilities	41,397	35,689	31,838	35,396	31,501	-	-
Shareholders' Equity	16,491	16,936	15,062	14,539	14,920	-	-
Other	6	(14)	(13)	(21)	(15)	-	-
Net Assets	16,498	16,922	15,048	14,517	14,905	-	-
Total Liabilities and Net Assets	57,896	52,611	46,886	49,913	46,406	-	-
Equity Capital	16,485	16,922	15,048	14,517	14,905	-	-
Interest Bearing Debt	28,444	23,399	19,674	21,742	16,899	-	-
Net Debt	20,223	14,514	10,635	8,489	5,259	-	-
Equity Ratio	28.5%	32.2%	32.1%	29.1%	32.1%	-	-
Net Debt Equity Ratio	122.7%	85.8%	70.7%	58.5%	35.3%	-	-
ROE (12 months)	2.1%	3.0%	2.0%	(1.7%)	4.4%	-	-
ROA (12 months)	0.7%	1.6%	1.2%	(0.4%)	1.9%	-	-
Days for Inventory Turnover	313	303	257	306	265	-	-
Quick Ratio	34%	39%	60%	69%	56%	-	-
Current Ratio	166%	173%	215%	200%	173%	-	-

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)	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Operating Cash Flow	(5,634)	6,107	4,179	2,555	3,538	-	-
Investing Cash Flow	984	(106)	462	(117)	(16)	-	-
Operating CF and Investing CF	(4,649)	6,001	4,642	2,438	3,521	-	-
Financing Cash Flow	5,175	(5,137)	(3,988)	1,776	(5,134)	-	-

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
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
No. of Shares FY End (thousand shares)	12,620	12,620	12,620	12,620	12,620	-	-
Earnings/ EPS (thousand shares)	12,060	10,841	11,065	11,091	11,121	-	-
Treasury Shares FY End (thousand shares)	1,899	1,572	1,544	1,523	1,485	-	-
Earnings per Share	29.78	46.98	29.49	(22.15)	58.31	71.85	-
Earnings per Share (fully diluted)	-	-	-	-	-	-	-
Book Value per Share	1,537.65	1,531.73	1,358.62	1,308.19	1,338.62	-	-
Dividend per Share	25.00	25.00	25.00	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
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings per Share	29.78	46.98	29.49	(22.15)	58.31	71.85	-
Book Value per Share	1,537.65	1,531.73	1,358.62	1,308.19	1,338.62	-	-
Dividend per Share	25.00	25.00	25.00	25.00	25.00	25.00	-
Payout Ratio	83.9%	53.2%	84.8%	-	42.9%	34.8%	-

Source: Company Data, WRJ Calculation

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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