

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%	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2024		6,860	(781)	(802)	(559)	-	-	-
Q2 FY03/2024		10,781	232	228	177	-	-	-
Q3 FY03/2024		9,497	(313)	(327)	(239)	-	-	-
Q4 FY03/2024		18,720	1,816	1,836	1,270	-	-	-
Q1 FY03/2025		7,059	(582)	(593)	(417)	-	-	-
Q1 FY03/2025	YoY	2.9%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (22 August 2024)

Rising Gross Profit Margin

On 6 August 2024, Sanyo Homes, running operations to build houses on a contract basis and develop condos for sale, released its Q1 FY03/2025 results. It has been revealed that gross profit margin has risen to a level that exceeds assumptions of Company forecasts. FY03/2025 Company forecasts assume gross profit margin of 18.9%, while the Company saw 20.2% (up 3.2% points YoY) for the actual results of Q1. With respect to the operations to build houses on a contract basis, sales are starting to get posted for properties that saw order intake after price revision aimed at reflecting rising costs of materials and labor, while it appears being the case for the operations to develop condos for sale that the Company benefits from a tight supply-demand balance in sale of completed condos, backed by ongoing strengths in the market for condos, although there were no completions and thus no sales in regards to properties newly completed. Meanwhile, the Company, having newly adopted a vision statement, saying that we will continue to be “an absolutely essential presence in society”, won Japan Resilience Award for the fourth consecutive year during the period of Q1, as well as having won the House of the Year in Energy Award for the ninth consecutive year at the same time.

The Company’s business model and so on: [Sanyo Homes \(1420\) Phase of Recovery \(9 July 2024\)](#).

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2.0 Company Profile

Putting forward a Comprehensive Proposal for Housing Life

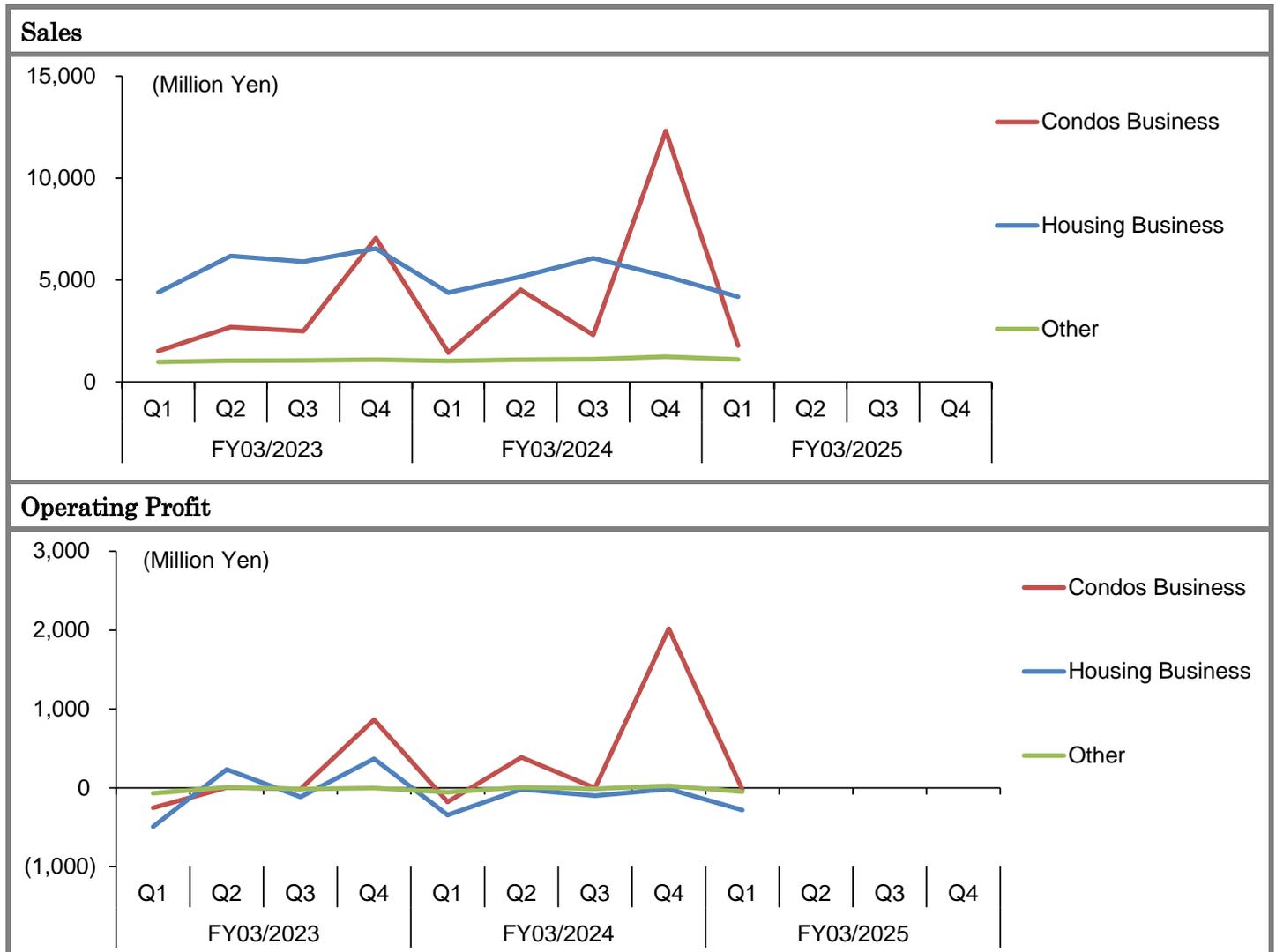
Company Name	Sanyo Homes Corporation Company Website IR Information Share price (Japanese)	
Founded	11 October 1996	
Listing	4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1420) 9 April 2014: Tokyo Stock Exchange 1st section 9 April 2013: Tokyo Stock Exchange 2nd section	
Capital	¥5,945m (as of the end of June 2024)	
No. of Shares	12,620,000 shares, including 1,485,386 treasury shares (as of the end of June 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 (operations to develop 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: 782, Parent: 346 (as of the end of June 2024)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY03/2025

For Q1 FY03/2025, sales came in at ¥7,059m (up 2.9% YoY), operating profit minus ¥582m (versus minus ¥781m during same period of the previous year), recurring profit minus ¥593m (minus ¥802m) and profit attributable to owners of parent minus ¥417m (minus ¥559m), while operating profit margin minus 8.2% (up 3.1% points).

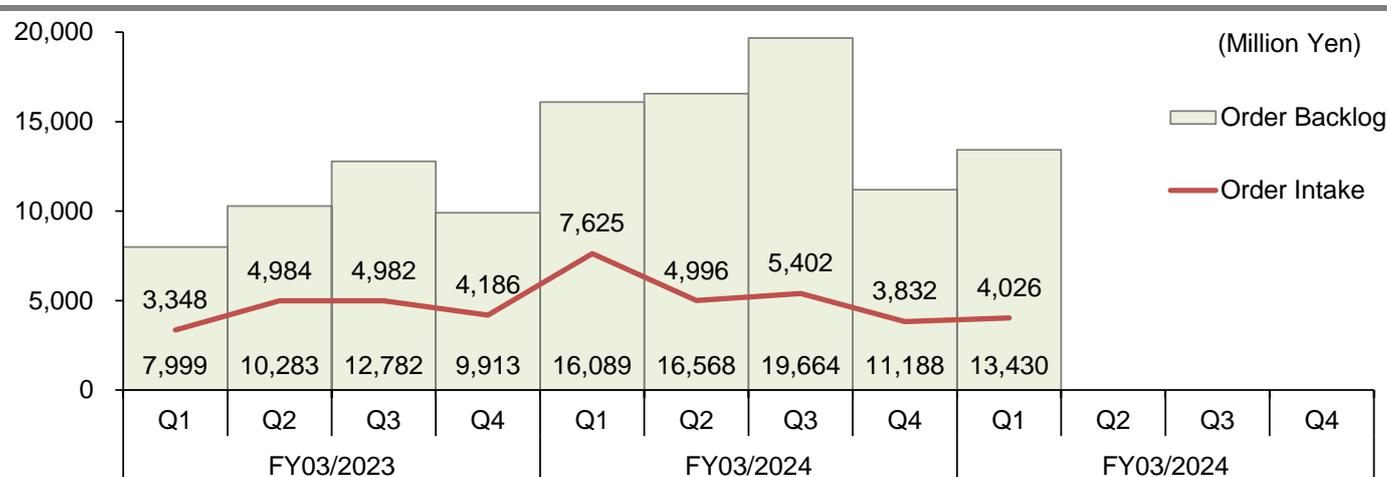


Source: Company Data, WRJ Calculation

Condos Business (25.3% of sales)

On the Condos Business side in charge of operations to develop condos for sale, sales came in at ¥1,784m (up 23.1%), operating profit minus ¥22m (minus ¥178m) and operating profit margin minus 1.2% (up 11.1% points). Meanwhile, order intake came in at ¥4,026m (down 47.2%) and order backlog stood at ¥13,430m (down 16.5%). Sales on the Condos Business side have a tendency to be intensively posted in line with completion and delivery of each new property. In the actual results of FY03/2023, the Company saw two new properties completed for Q4 (two on a full-year basis), which was followed by one new property for Q2 and six new properties for Q4 (seven on a full-year basis) in the actual results of FY03/2024. Meanwhile, the Company is going for seven new properties for FY03/2025, while none was newly completed for the Q1 results, having resulted in the amount of sales rather limited. However, sales of completed condos have risen over the same period of the previous year.

Condos Business: Order Intake and Order Backlog



Housing Business: Order Intake and Order Backlog



Source: Company Data, WRJ Calculation

Housing Business (59.1% of sales)

On the Housing Business side in charge of operations to build houses on a contract basis, sales came in at ¥4,173m (down 4.8%), operating profit minus ¥281m (versus minus ¥346m during the same period of the previous year) and operating profit margin minus 6.7% (up 1.2% points). Meanwhile, order intake came in at ¥3,939m (down 28.3%) and order backlog stood at ¥12,021m (down 12.2%). Sales of real estate solution (operations to build residential apartments and welfare facilities on a contract basis) are declining over the same period of the previous year, which is mentioned as the key reason for the decline for the Q1 results on this side as a whole. More importantly, however, the Company suggests that a phase of recovery is already starting with respect to order intake, going for a V-shaped recovery in terms of trends on a full-year basis. For the actual results of Q1, this side saw a sluggishness in order intake, which was mainly attributable to a weakness of detached houses, according to the Company.

FY03/2025 Company Forecasts

FY03/2025 Company forecasts, announced on 10 May 2024, have remained unchanged, 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%), while operating profit margin of 2.5% (up 0.5% points). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥25.00 per share for FY03/2025, implying payout ratio of 34.8%.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	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.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025	03/2025	
Sales	6,860	17,641	27,139	45,860	7,059	-	-	-	-	+199
Cost of Sales	5,694	14,252	21,998	36,722	5,635	-	-	-	-	(59)
Gross Profit	1,165	3,389	5,140	9,137	1,424	-	-	-	-	+258
SG&A Expenses	1,946	3,938	6,004	8,184	2,006	-	-	-	-	+59
Operating Profit	(781)	(549)	(863)	952	(582)	-	-	-	-	+199
Non Operating Balance	(21)	(24)	(38)	(17)	(11)	-	-	-	-	+9
Recurring Profit	(802)	(573)	(901)	935	(593)	-	-	-	-	+208
Extraordinary Balance	(0)	(0)	(0)	(14)	-	-	-	-	-	+0
Profit before Income Taxes	(802)	(573)	(901)	921	(593)	-	-	-	-	+208
Total Income Taxes	(242)	(191)	(279)	272	(175)	-	-	-	-	+67
Profit Attributable to Owners of Parent	(559)	(382)	(622)	648	(417)	-	-	-	-	+141
Sales YoY	(0.6%)	+4.9%	+3.3%	+11.9%	+2.9%	-	-	-	-	-
Operating Profit YoY	-	-	-	-	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-	-	-
Gross Profit Margin	17.0%	19.2%	18.9%	19.9%	20.2%	-	-	-	-	+3.2%
SG&A Ratio	28.4%	22.3%	22.1%	17.8%	28.4%	-	-	-	-	+0.0%
Operating Profit Margin	(11.4%)	(3.1%)	(3.2%)	2.1%	(8.2%)	-	-	-	-	+3.1%
Recurring Profit Margin	(11.7%)	(3.3%)	(3.3%)	2.0%	(8.4%)	-	-	-	-	+3.3%
Profit Attributable to Owners of Parent Margin	(8.2%)	(2.2%)	(2.3%)	1.4%	(5.9%)	-	-	-	-	+2.2%
Total Income Taxes / Profit before Income Taxes	-	-	-	29.6%	-	-	-	-	-	-
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025	03/2025	
Sales	6,860	10,781	9,497	18,720	7,059	-	-	-	-	+199
Cost of Sales	5,694	8,557	7,746	14,724	5,635	-	-	-	-	(59)
Gross Profit	1,165	2,223	1,751	3,996	1,424	-	-	-	-	+258
SG&A Expenses	1,946	1,991	2,065	2,180	2,006	-	-	-	-	+59
Operating Profit	(781)	232	(313)	1,816	(582)	-	-	-	-	+199
Non Operating Balance	(21)	(3)	(13)	20	(11)	-	-	-	-	+9
Recurring Profit	(802)	228	(327)	1,836	(593)	-	-	-	-	+208
Extraordinary Balance	(0)	-	(0)	(13)	-	-	-	-	-	+0
Profit before Income Taxes	(802)	228	(327)	1,822	(593)	-	-	-	-	+208
Total Income Taxes	(242)	51	(87)	551	(175)	-	-	-	-	+67
Profit Attributable to Owners of Parent	(559)	177	(239)	1,270	(417)	-	-	-	-	+141
Sales YoY	(0.6%)	+8.6%	+0.5%	+27.3%	+2.9%	-	-	-	-	-
Operating Profit YoY	-	+125.8%	-	+71.9%	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	+75.5%	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+251.9%	-	+97.1%	-	-	-	-	-	-
Gross Profit Margin	17.0%	20.6%	18.4%	21.3%	20.2%	-	-	-	-	+3.2%
SG&A Ratio	28.4%	18.5%	21.7%	11.6%	28.4%	-	-	-	-	+0.0%
Operating Profit Margin	(11.4%)	2.2%	(3.3%)	9.7%	(8.2%)	-	-	-	-	+3.1%
Recurring Profit Margin	(11.7%)	2.1%	(3.4%)	9.8%	(8.4%)	-	-	-	-	+3.3%
Profit Attributable to Owners of Parent Margin	(8.2%)	1.6%	(2.5%)	6.8%	(5.9%)	-	-	-	-	+2.2%
Total Income Taxes / Profit before Income Taxes	-	22.5%	-	30.3%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Housing Business	4,384	9,550	15,622	20,803	4,173	-	-	-		(210)
Condos Business	1,449	5,967	8,273	20,582	1,784	-	-	-		+334
Other	1,026	2,123	3,243	4,474	1,101	-	-	-		+75
Sales	6,860	17,641	27,139	45,860	7,059	-	-	-		+199
Housing Business	(346)	(366)	(467)	(483)	(281)	-	-	-		+65
Condos Business	(178)	209	205	2,224	(22)	-	-	-		+156
Other	(57)	(50)	(63)	(38)	(48)	-	-	-		+9
Total	(583)	(207)	(325)	1,702	(352)	-	-	-		+231
Elimination	(197)	(342)	(537)	(749)	(229)	-	-	-		(31)
Operating Profit	(781)	(549)	(863)	952	(582)	-	-	-		+199
Housing Business	(7.9%)	(3.8%)	(3.0%)	(2.3%)	(6.7%)	-	-	-		+1.2%
Condos Business	(12.3%)	3.5%	2.5%	10.8%	(1.2%)	-	-	-		+11.1%
Other	(5.6%)	(2.4%)	(2.0%)	(0.9%)	(4.4%)	-	-	-		+1.2%
Elimination	(2.9%)	(1.9%)	(2.0%)	(1.6%)	(3.3%)	-	-	-		(0.4%)
Operating Profit Margin	(11.4%)	(3.1%)	(3.2%)	2.1%	(8.2%)	-	-	-		+3.1%

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Housing Business	4,384	5,166	6,071	5,181	4,173	-	-	-		(210)
Condos Business	1,449	4,518	2,306	12,308	1,784	-	-	-		+334
Other	1,026	1,096	1,120	1,231	1,101	-	-	-		+75
Sales	6,860	10,781	9,497	18,720	7,059	-	-	-		+199
Housing Business	(346)	(19)	(101)	(15)	(281)	-	-	-		+65
Condos Business	(178)	388	(4)	2,019	(22)	-	-	-		+156
Other	(57)	7	(12)	25	(48)	-	-	-		+9
Total	(583)	376	(118)	2,028	(352)	-	-	-		+231
Elimination	(197)	(144)	(195)	(212)	(229)	-	-	-		(31)
Operating Profit	(781)	232	(313)	1,816	(582)	-	-	-		+199
Housing Business	(7.9%)	(0.4%)	(1.7%)	(0.3%)	(6.7%)	-	-	-		+1.2%
Condos Business	(12.3%)	8.6%	(0.2%)	16.4%	(1.2%)	-	-	-		+11.1%
Other	(5.6%)	0.7%	(1.1%)	2.0%	(4.4%)	-	-	-		+1.2%
Elimination	(2.9%)	(1.3%)	(2.1%)	(1.1%)	(3.3%)	-	-	-		(0.4%)
Operating Profit Margin	(11.4%)	2.2%	(3.3%)	9.7%	(8.2%)	-	-	-		+3.1%

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		
Operating Cash Flow	-	(429)	-	3,538	-	-	-	-		-
Investing Cash Flow	-	(9)	-	(16)	-	-	-	-		-
Operating CF and Investing CF	-	(438)	-	3,521	-	-	-	-		-
Financing Cash Flow	-	(2,500)	-	(5,134)	-	-	-	-		-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	YoY Net Chg.							
	Q1 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025		
Cash and Deposit	8,915	10,313	7,539	11,639	7,641	-	-	-	-	(1,274)
Accounts Receivables	2,430	2,134	2,710	1,566	1,775	-	-	-	-	(654)
Inventory	30,168	31,288	32,355	26,654	28,553	-	-	-	-	(1,614)
Other	876	1,121	1,497	847	910	-	-	-	-	+34
Current Assets	42,390	44,858	44,102	40,708	38,881	-	-	-	-	(3,509)
Tangible Assets	3,337	3,309	3,287	3,239	3,208	-	-	-	-	(128)
Intangible Assets	54	49	44	80	71	-	-	-	-	+17
Investments and Other Assets	2,665	2,669	2,759	2,378	2,549	-	-	-	-	(115)
Fixed Assets	6,057	6,028	6,091	5,698	5,830	-	-	-	-	(227)
Total Assets	48,448	50,886	50,193	46,406	44,711	-	-	-	-	(3,736)
Accounts Payables	3,491	7,068	3,943	6,615	2,629	-	-	-	-	(861)
Short-Term Debt	14,146	10,695	15,746	10,778	11,888	-	-	-	-	(2,258)
Corporate Bond (Less Than 1 Year)	100	100	100	100	100	-	-	-	-	0
Advances Re. on Uncompleted Contracts	3,450	4,032	3,473	3,425	3,361	-	-	-	-	(88)
Advances Received	587	569	935	270	404	-	-	-	-	(182)
Other	1,302	3,834	2,076	2,354	1,851	-	-	-	-	+549
Current Liabilities	23,077	26,300	26,275	23,543	20,235	-	-	-	-	(2,841)
Long-Term Debt	9,396	8,488	8,057	5,821	8,168	-	-	-	-	(1,228)
Corporate Bond	300	250	250	200	200	-	-	-	-	(100)
Other	2,008	1,980	1,983	1,936	1,919	-	-	-	-	(88)
Fixed Liabilities	11,704	10,718	10,290	7,957	10,287	-	-	-	-	(1,416)
Total Liabilities	34,781	37,018	36,566	31,501	30,523	-	-	-	-	(4,258)
Shareholders' Equity	13,688	13,889	13,649	14,920	14,205	-	-	-	-	+517
Other	(21)	(21)	(22)	(15)	(17)	-	-	-	-	+4
Net Assets	13,666	13,867	13,627	14,905	14,188	-	-	-	-	+521
Total Liabilities and Net Assets	48,448	50,886	50,193	46,406	44,711	-	-	-	-	(3,736)
Equity Capital	13,666	13,867	13,627	14,905	14,188	-	-	-	-	+522
Interest-Bearing Debt	23,942	19,533	24,153	16,899	20,356	-	-	-	-	(3,586)
Net Debt	15,026	9,219	16,613	5,259	12,714	-	-	-	-	(2,311)
Equity Ratio	28.2%	27.3%	27.2%	32.1%	31.7%	-	-	-	-	-
Net Debt-to-Equity Ratio	110.0%	66.5%	121.9%	35.3%	89.6%	-	-	-	-	-
ROE (12 months)	(0.8%)	0.1%	0.2%	4.4%	5.7%	-	-	-	-	-
ROA (12 months)	0.0%	0.3%	0.3%	1.9%	2.5%	-	-	-	-	-
Days for Inventory Turnover	483	334	381	165	462	-	-	-	-	-
Quick Ratio	49%	47%	39%	56%	47%	-	-	-	-	-
Current Ratio	184%	171%	168%	173%	192%	-	-	-	-	-

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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