

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	71.56	25.00	-
FY03/2024	YoY	11.9%	-	-	-	-	-	-
FY03/2025CoE	YoY	15.6%	41.7%	28.3%	23.4%	-	-	-
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 FY03/2024		17,641	(549)	(573)	(382)	-	-	-
Q3 to Q4 FY03/2024		28,218	1,502	1,508	1,030	-	-	-
Q1 to Q2 FY03/2025		15,823	(713)	(747)	(541)	-	-	-
Q3 to Q4 FY03/2025CoE		37,176	2,063	1,947	1,341	-	-	-
Q1 to Q2 FY03/2025	YoY	(10.3%)	-	-	-	-	-	-
Q3 to Q4 FY03/2025CoE	YoY	31.7%	37.4%	29.1%	30.1%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (6 December 2024)

Price Revision


On 29 November 2024, Sanyo Homes, running operations of building houses on a contract basis and developing condos for sale, held its results briefing for Q1 to Q2 FY03/2025. It has been revealed that the Company saw gross profit margin of 20.3% (up 1.1% points YoY) despite sluggishness in sales. On the Housing Business side, which is responsible for building houses on a contract basis, the Company has begun benefiting from the impact of price revision in earnest, having resulted in gross profit margin of 20.6% (up 3.2% points). Meanwhile, on the Condos Business side, which is responsible for developing condos for sale, the Company saw gross profit margin of 19.9% (down 2.2% points). During the same period of the previous year, the Company posted sales of newly completed properties, carrying high gross profit margin, while the Company did not see any new properties completed for Q1 to Q2 FY03/2025. However, the Company has posted sales of properties already completed with gross profit margin rather higher than originally planned. More importantly, the Company is to post sales of properties newly completed as many as seven in the number of buildings for H2, which is to result in an increase in the Company's sales and earnings on a full-year basis.

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

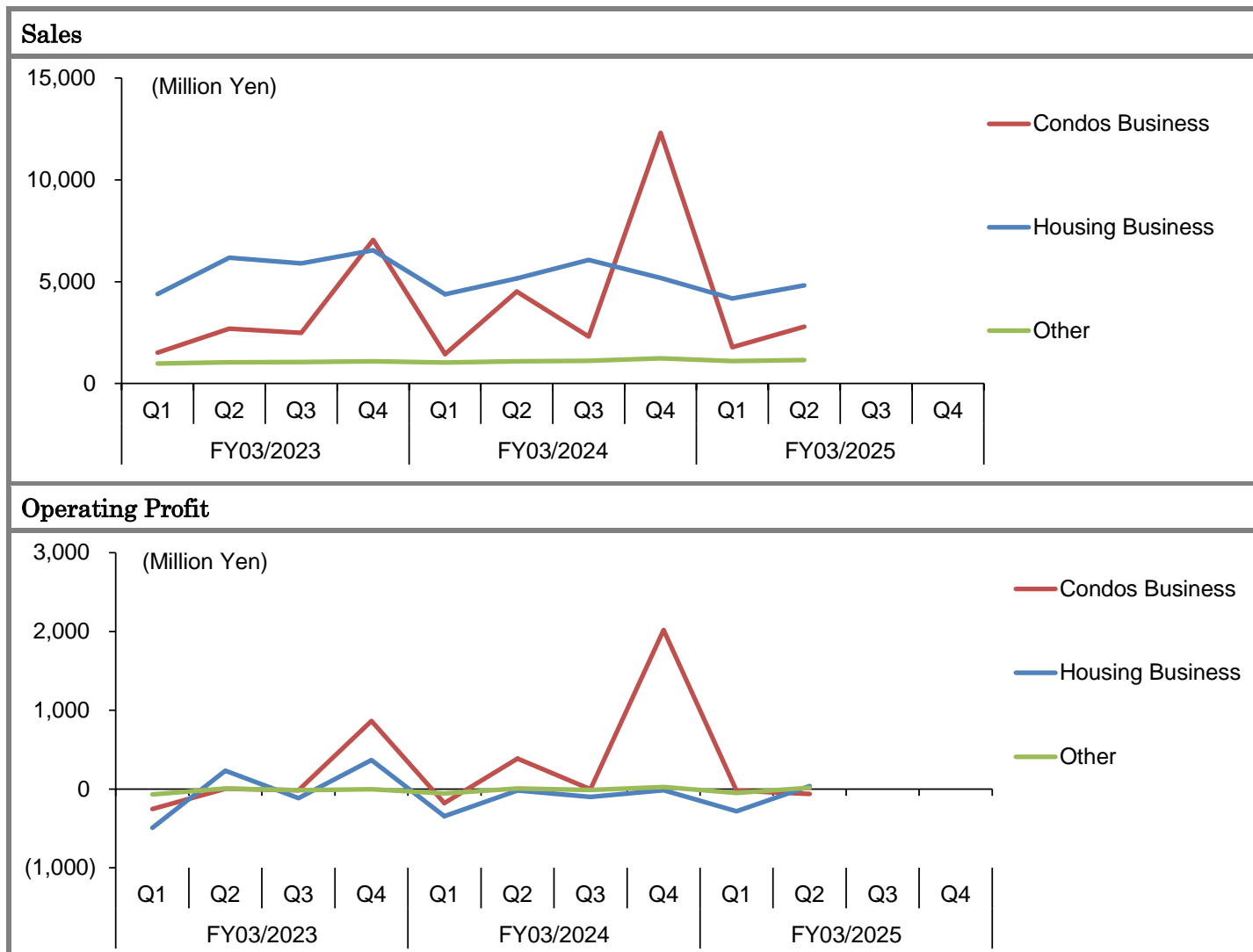
Company Name	Sanyo Homes Corporation Company Website IR Information Share price (Japanese)	
Founded	11 October 1996	
Listing	4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1420) 9 April 2014: Tokyo Stock Exchange 1st section 9 April 2013: Tokyo Stock Exchange 2nd section	
Capital	¥5,945m (as of the end of September 2024)	
No. of Shares	12,620,000 shares, including 1,414,086 treasury shares (as of the end of Sep. 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, developing condos for sale, the key earnings pillar 	
Business Segments	I . Housing Business (operations of building houses on a contract basis: detached houses, real estate solution, renovation, renewal distribution and frontier) II . Condos Business (operations of developing condos for sale) III . Other (life support, etc.)	
Representative	President & Representative Director: Hisashi Matsuoka	
Shareholders	LIXIL Corp. 26.05%, ORIX Corp. 15.11%, Kansai Electric Power 12.86%, SECOM Co. 10.92%, Custody Bank of Japan 6.14% (as of the end of September 2024, but for treasury shares)	
Head Office	Nishi-ku, Osaka-city, JAPAN	
No. of Personnel	Consolidated: 760, Parent: 337 (as of the end of September 2024)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 FY03/2025

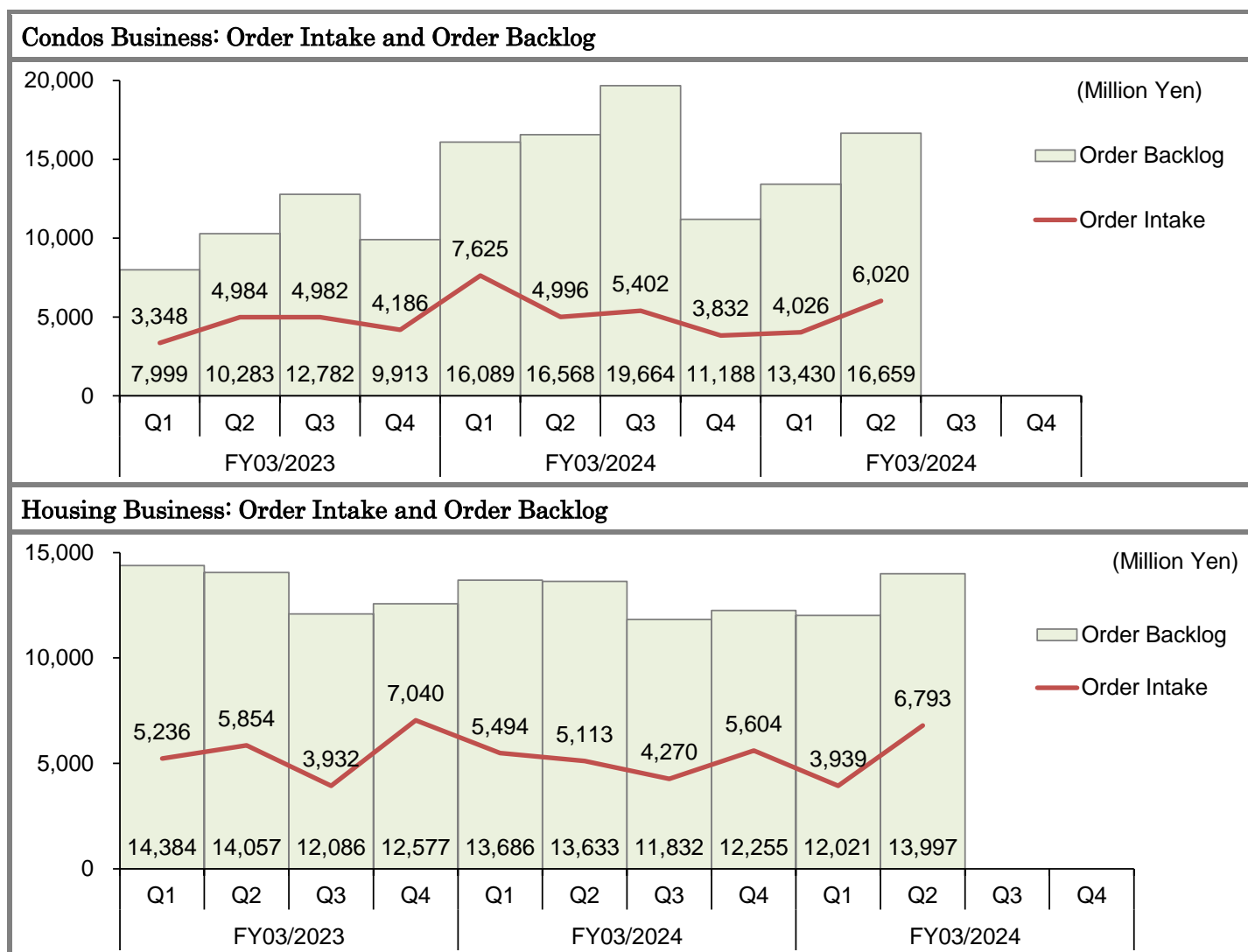
For Q1 to Q2 FY03/2025, sales came in at ¥15,823m (down 10.3% YoY), operating profit minus ¥713m (versus minus ¥549m during the same period of the previous year), recurring profit minus ¥747m (minus ¥573m) and profit attributable to owners of parent minus ¥541m (minus ¥382m), while operating profit margin minus 4.5% (down 1.4% points).



Source: Company Data, WRJ Calculation

Condos Business (28.9% of sales)

On the Condos Business side, which is responsible for developing condos for sale, sales came in at ¥4,575m (down 23.3%), operating profit minus ¥85m (¥209m) and operating profit margin minus 1.9% (down 5.4% points). Meanwhile, order intake came in at ¥10,046m (down 20.4%) and order backlog stood at ¥16,659m (up 0.6%). According to the Company, sales have stagnated due to the lack of properties newly completed. For the actual results of FY03/2024, the Company saw one building newly completed for Q1 to Q2 and six for H2 and thus seven on a full-year basis, while FY03/2025 Company forecasts assume seven for H2 and thus seven on a full-year basis. More importantly, the Company is keen on newly developing condos, currently purchasing land for future completions, which is the key factor behind increased inventory with the Company, equating to ¥8,429m on a cash flow basis for the actual results of Q1 to Q2 FY03/2025.



Source: Company Data, WRJ Calculation

Housing Business (56.8% of sales)

On the Housing Business side, which is responsible for building houses on a contract basis, sales came in at ¥8,991m (down 5.9%), operating profit minus ¥243m (versus minus ¥366m during the same period of the previous year) and operating profit margin minus 2.7% (up 1.1% points). Meanwhile, order intake came in at ¥10,733m (up 1.2%) and order backlog stood at ¥13,997m (up 2.7%). The Company has suffered from a sluggishness in sales with respect to detached houses as well as in order intake. Nevertheless, this segment saw the increase in order intake and order backlog due to the strengths with real estate solution (putting up apartment buildings, retail premises, etc. on a contract basis), in which the Company proposes effective use of land. For some time, the Company has focused on converting the lightweight steel frames it manufactures for detached houses at its own factory to a use in properties of real estate solution for the sake of improving the capacity utilization and thus the profit-and-loss levels on the Housing Business side.

FY03/2025 Company Forecasts

FY03/2025 initial 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	15,823	-	-	-	(1,817)
Cost of Sales	5,694	14,252	21,998	36,722	5,635	12,608	-	-	-	(1,643)
Gross Profit	1,165	3,389	5,140	9,137	1,424	3,214	-	-	-	(174)
SG&A Expenses	1,946	3,938	6,004	8,184	2,006	3,928	-	-	-	(9)
Operating Profit	(781)	(549)	(863)	952	(582)	(713)	-	-	-	(164)
Non Operating Balance	(21)	(24)	(38)	(17)	(11)	(33)	-	-	-	(9)
Recurring Profit	(802)	(573)	(901)	935	(593)	(747)	-	-	-	(174)
Extraordinary Balance	(0)	(0)	(0)	(14)	-	-	-	-	-	+0
Profit before Income Taxes	(802)	(573)	(901)	921	(593)	(747)	-	-	-	(173)
Total Income Taxes	(242)	(191)	(279)	272	(175)	(206)	-	-	-	(14)
Profit Attributable to Owners of Parent	(559)	(382)	(622)	648	(417)	(541)	-	-	-	(159)
Sales YoY	(0.6%)	+4.9%	+3.3%	+11.9%	+2.9%	(10.3%)	-	-	-	-
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%	20.3%	-	-	-	+1.1%
SG&A Ratio	28.4%	22.3%	22.1%	17.8%	28.4%	24.8%	-	-	-	+2.5%
Operating Profit Margin	(11.4%)	(3.1%)	(3.2%)	2.1%	(8.2%)	(4.5%)	-	-	-	(1.4%)
Recurring Profit Margin	(11.7%)	(3.3%)	(3.3%)	2.0%	(8.4%)	(4.7%)	-	-	-	(1.5%)
Profit Attributable to Owners of Parent Margin	(8.2%)	(2.2%)	(2.3%)	1.4%	(5.9%)	(3.4%)	-	-	-	(1.3%)
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	8,764	-	-	-	(2,016)
Cost of Sales	5,694	8,557	7,746	14,724	5,635	6,973	-	-	-	(1,583)
Gross Profit	1,165	2,223	1,751	3,996	1,424	1,790	-	-	-	(433)
SG&A Expenses	1,946	1,991	2,065	2,180	2,006	1,922	-	-	-	(69)
Operating Profit	(781)	232	(313)	1,816	(582)	(131)	-	-	-	(363)
Non Operating Balance	(21)	(3)	(13)	20	(11)	(22)	-	-	-	(19)
Recurring Profit	(802)	228	(327)	1,836	(593)	(154)	-	-	-	(382)
Extraordinary Balance	(0)	-	(0)	(13)	-	-	-	-	-	-
Profit before Income Taxes	(802)	228	(327)	1,822	(593)	(154)	-	-	-	(382)
Total Income Taxes	(242)	51	(87)	551	(175)	(30)	-	-	-	(81)
Profit Attributable to Owners of Parent	(559)	177	(239)	1,270	(417)	(123)	-	-	-	(300)
Sales YoY	(0.6%)	+8.6%	+0.5%	+27.3%	+2.9%	(18.7%)	-	-	-	-
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%	20.4%	-	-	-	(0.2%)
SG&A Ratio	28.4%	18.5%	21.7%	11.6%	28.4%	21.9%	-	-	-	+3.5%
Operating Profit Margin	(11.4%)	2.2%	(3.3%)	9.7%	(8.2%)	(1.5%)	-	-	-	(3.7%)
Recurring Profit Margin	(11.7%)	2.1%	(3.4%)	9.8%	(8.4%)	(1.8%)	-	-	-	(3.9%)
Profit Attributable to Owners of Parent Margin	(8.2%)	1.6%	(2.5%)	6.8%	(5.9%)	(1.4%)	-	-	-	(3.1%)
Total Income Taxes / Profit before Income Taxes	-	22.5%	-	30.3%	-	-	-	-	-	-

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 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025		
Housing Business	4,384	9,550	15,622	20,803	4,173	8,991	-	-	(559)	
Condos Business	1,449	5,967	8,273	20,582	1,784	4,575	-	-	(1,392)	
Other	1,026	2,123	3,243	4,474	1,101	2,257	-	-	+134	
Sales	6,860	17,641	27,139	45,860	7,059	15,823	-	-	(1,817)	
Housing Business	(346)	(366)	(467)	(483)	(281)	(243)	-	-	+123	
Condos Business	(178)	209	205	2,224	(22)	(85)	-	-	(294)	
Other	(57)	(50)	(63)	(38)	(48)	(33)	-	-	+17	
Total	(583)	(207)	(325)	1,702	(352)	(361)	-	-	(154)	
Elimination	(197)	(342)	(537)	(749)	(229)	(352)	-	-	(10)	
Operating Profit	(781)	(549)	(863)	952	(582)	(713)	-	-	(164)	
Housing Business	(7.9%)	(3.8%)	(3.0%)	(2.3%)	(6.7%)	(2.7%)	-	-	+1.1%	
Condos Business	(12.3%)	3.5%	2.5%	10.8%	(1.2%)	(1.9%)	-	-	(5.4%)	
Other	(5.6%)	(2.4%)	(2.0%)	(0.9%)	(4.4%)	(1.5%)	-	-	+0.9%	
Elimination	(2.9%)	(1.9%)	(2.0%)	(1.6%)	(3.3%)	(2.2%)	-	-	(0.3%)	
Operating Profit Margin	(11.4%)	(3.1%)	(3.2%)	2.1%	(8.2%)	(4.5%)	-	-	(1.4%)	

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 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025		
Housing Business	4,384	5,166	6,071	5,181	4,173	4,817	-	-	(348)	
Condos Business	1,449	4,518	2,306	12,308	1,784	2,790	-	-	(1,727)	
Other	1,026	1,096	1,120	1,231	1,101	1,156	-	-	+59	
Sales	6,860	10,781	9,497	18,720	7,059	8,764	-	-	(2,016)	
Housing Business	(346)	(19)	(101)	(15)	(281)	38	-	-	+57	
Condos Business	(178)	388	(4)	2,019	(22)	(62)	-	-	(451)	
Other	(57)	7	(12)	25	(48)	15	-	-	+8	
Total	(583)	376	(118)	2,028	(352)	(8)	-	-	(385)	
Elimination	(197)	(144)	(195)	(212)	(229)	(122)	-	-	+21	
Operating Profit	(781)	232	(313)	1,816	(582)	(131)	-	-	(363)	
Housing Business	(7.9%)	(0.4%)	(1.7%)	(0.3%)	(6.7%)	0.8%	-	-	+1.2%	
Condos Business	(12.3%)	8.6%	(0.2%)	16.4%	(1.2%)	(2.3%)	-	-	(10.9%)	
Other	(5.6%)	0.7%	(1.1%)	2.0%	(4.4%)	1.3%	-	-	+0.7%	
Elimination	(2.9%)	(1.3%)	(2.1%)	(1.1%)	(3.3%)	(1.4%)	-	-	(0.1%)	
Operating Profit Margin	(11.4%)	2.2%	(3.3%)	9.7%	(8.2%)	(1.5%)	-	-	(3.7%)	

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 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025		
Operating Cash Flow	-	(429)	-	3,538	-	(13,265)	-	-	(12,835)	
Investing Cash Flow	-	(9)	-	(16)	-	(109)	-	-	(100)	
Operating CF and Investing CF	-	(438)	-	3,521	-	(13,374)	-	-	(12,936)	
Financing Cash Flow	-	(2,500)	-	(5,134)	-	10,215	-	-	+12,715	

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 03/2024	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	8,480	-	-	(1,833)	
Accounts Receivables	2,430	2,134	2,710	1,566	1,775	1,701	-	-	(433)	
Inventory	30,168	31,288	32,355	26,654	28,553	35,083	-	-	+3,795	
Other	876	1,121	1,497	847	910	1,245	-	-	+124	
Current Assets	42,390	44,858	44,102	40,708	38,881	46,511	-	-	+1,653	
Tangible Assets	3,337	3,309	3,287	3,239	3,208	3,241	-	-	(68)	
Intangible Assets	54	49	44	80	71	63	-	-	+14	
Investments and Other Assets	2,665	2,669	2,759	2,378	2,549	2,643	-	-	(26)	
Fixed Assets	6,057	6,028	6,091	5,698	5,830	5,947	-	-	(80)	
Total Assets	48,448	50,886	50,193	46,406	44,711	52,458	-	-	+1,572	
Accounts Payables	3,491	7,068	3,943	6,615	2,629	2,954	-	-	(4,113)	
Short-Term Debt	14,146	10,695	15,746	10,778	11,888	15,458	-	-	+4,763	
Corporate Bond (Less Than 1 Year)	100	100	100	100	100	100	-	-	0	
Advances Re. on Uncompleted Contracts	3,450	4,032	3,473	3,425	3,361	3,877	-	-	(155)	
Advances Received	587	569	935	270	404	587	-	-	+17	
Other	1,302	3,834	2,076	2,354	1,851	1,622	-	-	(2,212)	
Current Liabilities	23,077	26,300	26,275	23,543	20,235	24,599	-	-	(1,700)	
Long-Term Debt	9,396	8,488	8,057	5,821	8,168	11,704	-	-	+3,216	
Corporate Bond	300	250	250	200	200	150	-	-	(100)	
Other	2,008	1,980	1,983	1,936	1,919	1,889	-	-	(91)	
Fixed Liabilities	11,704	10,718	10,290	7,957	10,287	13,743	-	-	+3,024	
Total Liabilities	34,781	37,018	36,566	31,501	30,523	38,342	-	-	+1,323	
Shareholders' Equity	13,688	13,889	13,649	14,920	14,205	14,135	-	-	+245	
Other	(21)	(21)	(22)	(15)	(17)	(18)	-	-	+3	
Net Assets	13,666	13,867	13,627	14,905	14,188	14,116	-	-	+248	
Total Liabilities and Net Assets	48,448	50,886	50,193	46,406	44,711	52,458	-	-	+1,572	
Equity Capital	13,666	13,867	13,627	14,905	14,188	14,116	-	-	+249	
Interest-Bearing Debt	23,942	19,533	24,153	16,899	20,356	27,412	-	-	+7,879	
Net Debt	15,026	9,219	16,613	5,259	12,714	18,931	-	-	+9,712	
Equity Ratio	28.2%	27.3%	27.2%	32.1%	31.7%	26.9%	-	-	-	
Net Debt-to-Equity Ratio	110.0%	66.5%	121.9%	35.3%	89.6%	134.1%	-	-	-	
ROE (12 months)	(0.8%)	0.1%	0.2%	4.4%	5.7%	3.5%	-	-	-	
ROA (12 months)	0.0%	0.3%	0.3%	1.9%	2.5%	1.5%	-	-	-	
Days for Inventory Turnover	483	334	381	165	462	459	-	-	-	
Quick Ratio	49%	47%	39%	56%	47%	41%	-	-	-	
Current Ratio	184%	171%	168%	173%	192%	189%	-	-	-	

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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