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Sanyo Homes (1420)

Consolidated Fiscal Year (Million Yen)		Sales	Operaitng Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2024		45,860	952	935	648	58.31	25.00	1,338.62
FY03/2025		45,518	956	1,167	673	60.21	25.00	1,367.23
FY03/2026CoE		61,000	2,000	1,800	1,200	106.11	25.00	-
FY03/2025	YoY	(0.7%)	0.3%	24.9%	3.8%	-	-	-
FY03/2026CoE	YoY	34.0%	109.2%	54.1%	78.3%	-	-	-
Consolidated Half Year (Million Yen)		**Sales**	**Operaitng Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 to Q2 FY03/2025		15,823	(713)	(747)	(541)	-	-	-
Q3 to Q4 FY03/2025		29,694	1,669	1,915	1,214	-	-	-
Q1 to Q2 FY03/2026		19,080	(52)	(150)	(142)	-	-	-
Q3 to Q4 FY03/2026CoE		41,919	2,052	1,950	1,342	-	-	-
Q1 to Q2 FY03/2026	YoY	20.6%	-	-	-	-	-	-
Q3 to Q4 FY03/2026CoE	YoY	41.2%	22.9%	1.8%	10.5%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (11 December 2025)

Single-Building Sale Transactions

On 26 November 2025, Sanyo Homes, which engages in housing construction contracting as well as development and sale of condominiums, held its earnings briefing for Q1 to Q2 (April–September) FY03/2026. The Company indicated that significant sales growth and earnings improvement in development and sale of condominiums are expected to continue throughout the full year following the strong Q1 to Q2 (April–September). According to the Company, of the six condominiums scheduled for completion, delivery and sales recognition in H2 (October–March), four have already been confirmed as single-building sale transactions under its project consulting business, ensuring that sales from these four properties will be booked by yearend. Meanwhile, although operating losses have increased in housing construction contracting due to changes in the sales mix, these will be more than offset. In addition, the Company plans to develop rental income as a new source of earnings from a medium- to long-term perspective. The Company, which owns land and buildings in Umehara-area, Wakayama-city, is steadily advancing plans to renovate existing buildings on the site and lease them as facilities for an international school scheduled to open in September 2027.

The Company's business model, etc.: Sanyo Homes (1420) Earnings to Surge (7 July 2025).

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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 2025)
No. of Shares	12,620,000 shares, including 1,338,286 treasury shares (as of the end of Sep. 2025)
Main Features	● Rooted in Kubota House Co. Ltd. or provider of custom-built houses (prefabricated steel structure) ● Focus on real estate solutions to make the most of land ● Development and sale of condominiums, the key earnings pillar
Business Segments	Ⅰ. Housing Business (housing construction contracting: detached houses, real estate solutions, renovation, renewal distribution and frontier) Ⅱ. Condominium Business (development and sale of condominiums) Ⅲ. Other (life support and so on)
Representative	President & Representative Director: Hisashi Matsuoka,
Shareholders	LIXIL Corp. 26.05%, Kansai Electric Power 12.86%, ORIX Corp. 12.51%, SECOM Co. 10.92%, Custody Bank of Japan 5.27% (as of the end of September 2025, but for treasury shares)
Head Office	Nishi-ku, Osaka-city, Osaka-prefecture, JAPAN
No. of Personnel	Consolidated: 776, Parent: 344 (as of the end of September 2025)

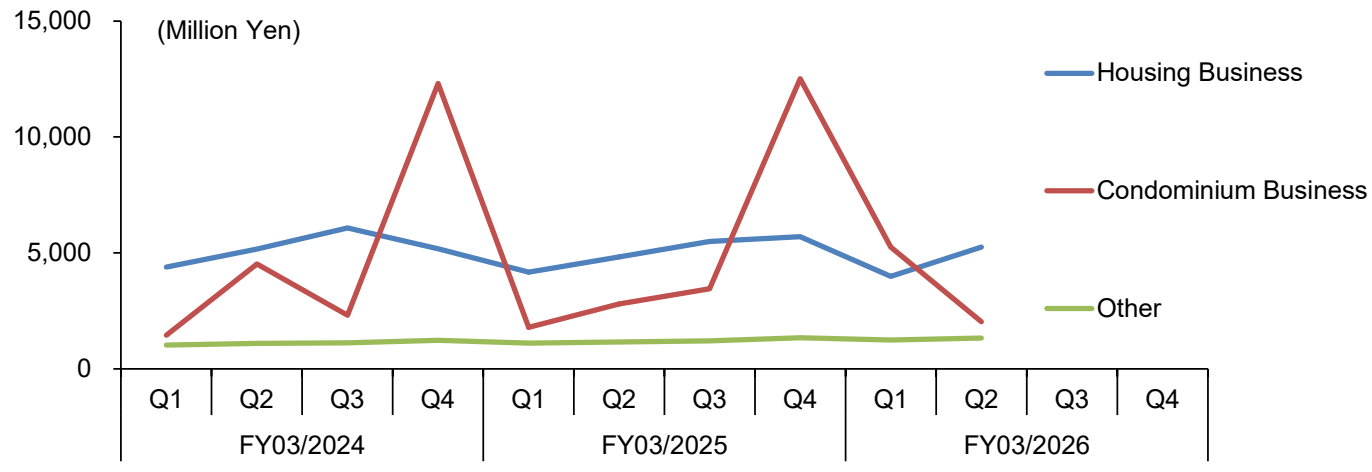
Source: Company Data

3.0 Recent Trading and Prospects

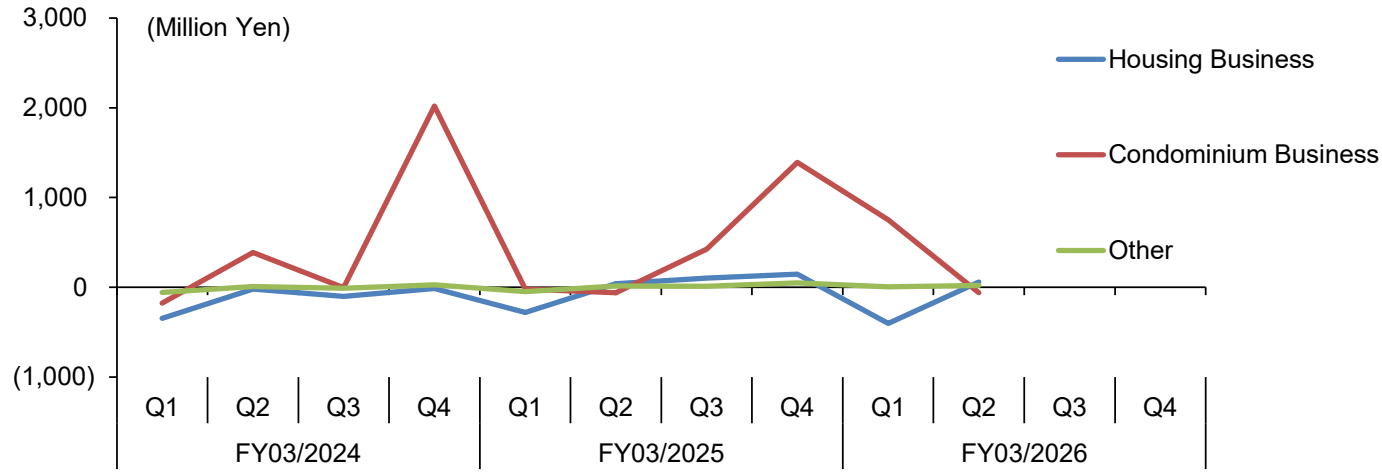
Q1 to Q2 (April–September) FY03/2026

In Q1 to Q2 (April–September) FY03/2026, sales came in at ¥19,080m (up 20.6% YoY), operating profit negative ¥52m (improved by ¥660m), recurring profit negative ¥150m (improved by ¥597m) and profit attributable to owners of parent negative ¥142m (improved by ¥399m), while operating profit margin negative 0.3% (up 4.2% points).

Sales



Operating Profit



Source: Company Data, WRJ Calculation

Housing Business (48.4% of Sales)

In the Housing Business, which handles housing construction contracting, sales came in at ¥9,238m (up 2.8%), operating profit negative ¥344m (deteriorated by ¥101m) and operating profit margin negative 3.7% (down 1.0% point). Order intake came in at ¥10,902m (up 1.6%) and order backlog stood at ¥14,354m (up 2.6%). The sales increase in the Q1 to Q2 (April–September) period was mainly driven by higher sales from real estate solutions, such as construction contracting for rental apartment buildings. However, the ratio of high-cost SRC (Steel Reinforced Concrete) properties to total sales increased, while the share of properties using the Company's lightweight steel frame components declined. As a result, gross profit margin for the Housing Business fell, forcing an increase of operating losses.

Condominium Business (38.1% of Sales)

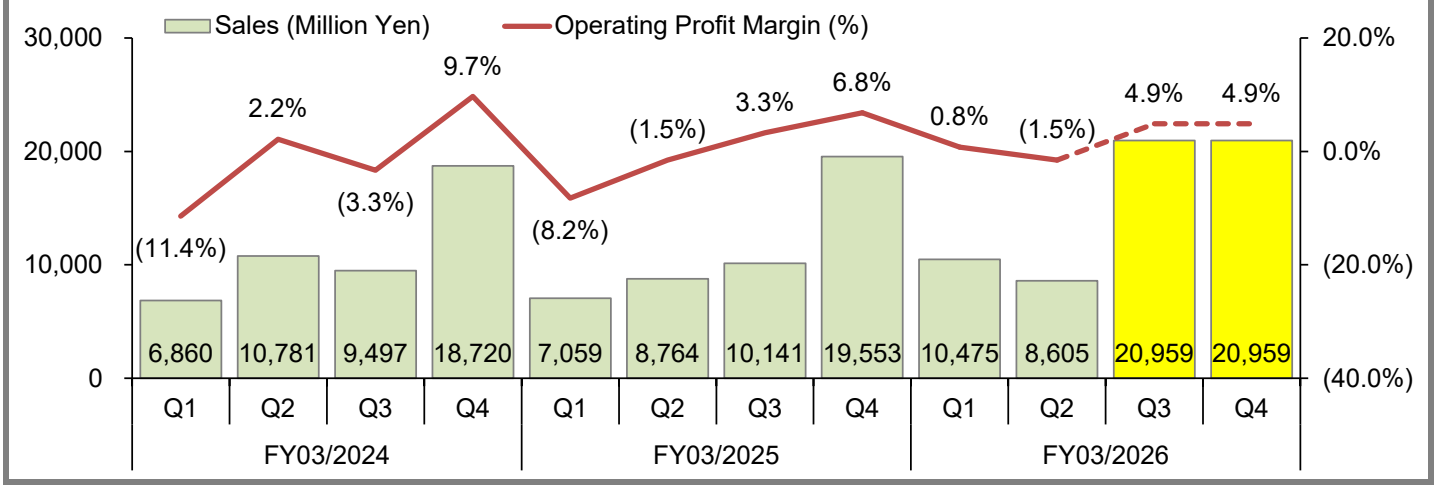
In the Condominium Business, which handles development and sale of condominiums, sales came in at ¥7,273m (up 59.0%), operating profit ¥692m (improved by ¥777m) and operating profit margin 9.5% (up 11.4% points). Order intake came in at ¥10,038m (down 0.1%) and order backlog stood at ¥14,962m (down 10.2%). The significant increase in sales during the Q1 to Q2 (April-September) period was mainly attributable to the contribution from a newly completed property that was not present in the same period last year. Meanwhile, supported by a firm condominium market, the gross profit margin has been trending upward.

In the assumptions underlying the Company forecast, sales of ¥21,100m are expected for H2 (October–March). As of the end of Q1 to Q2 (April-September), completed inventory was equivalent to ¥9,200m in sales, and the six properties scheduled for completion during the period are estimated to represent ¥21,300m in sales. Combined, these total ¥30,500m, of which the Company expects to book 70%, or ¥21,100m, by yearend. According to the Company, 67% of the sales projected for H2 (October-March) have already been recorded as order backlog, and the remaining 33% is expected to be achieved through new orders on a sectional ownership basis, as usual. It should be also noted that, as in prior years, the timing of completion, delivery and sales recognition for properties in FY03/2026 is expected to be concentrated in Q4 (January–March).

FY03/2026 Company Forecast

The initial Company forecast for FY03/2026, announced on 12 May 2025, has been left unchanged, going for sales of ¥61,000m (up 34.0%), operating profit of ¥2,000m (up 109.2%), recurring profit of ¥1,800m (up 54.1%) and profit attributable to owners of parent of ¥1,200m (up 78.3%), while an operating profit margin of 3.3% (up 1.2% points). At the same time, the planned annual dividend also remains unchanged at ¥25.00 per share (yearend only), representing a payout ratio of 23.6%.

Sales and Operating Profit Margin



Source: Company Data, WRJ Calculation (allocating the Company forecast for H2 FY03/2026 evenly between Q3 and Q4)

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q1 to Q2 03/2025	Cons.Act Q1 to Q3 03/2025	Cons.Act Q1 to Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q1 to Q2 03/2026	Cons.Act Q1 to Q3 03/2026	Cons.Act Q1 to Q4 03/2026	YoY Net Chg.
Sales	**7,059**	**15,823**	**25,965**	**45,518**	**10,475**	**19,080**	**-**	**-**	**+3,257**
Cost of Sales	5,635	12,608	20,369	36,282	8,213	15,033	-	-	+2,425
Gross Profit	1,424	3,214	5,595	9,235	2,262	4,046	-	-	+831
SG&A Expenses	2,006	3,928	5,976	8,279	2,183	4,099	-	-	+171
Operating Profit	**(582)**	**(713)**	**(380)**	**956**	**79**	**(52)**	**-**	**-**	**+660**
Non Operating Balance	(11)	(33)	254	211	(31)	(97)	-	-	(63)
Recurring Profit	**(593)**	**(747)**	**(126)**	**1,167**	**47**	**(150)**	**-**	**-**	**+597**
Extraordinary Balance	-	-	-	(83)	2	5	-	-	+5
Profit before Income Taxes	(593)	(747)	(126)	1,084	50	(145)	-	-	+602
Total Income Taxes	(175)	(206)	(0)	411	32	(2)	-	-	+203
Profit Attributable to Owners of Parent	**(417)**	**(541)**	**(125)**	**673**	**17**	**(142)**	**-**	**-**	**+399**
Sales YoY	+2.9%	(10.3%)	(4.3%)	(0.7%)	+48.4%	+20.6%	-	-	-
Operating Profit YoY	-	-	-	+0.3%	-	-	-	-	-
Recurring Profit YoY	-	-	-	+24.9%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	+3.8%	-	-	-	-	-
Gross Profit Margin	20.2%	20.3%	21.6%	20.3%	21.6%	21.2%	-	-	+0.9%
SG&A Ratio	28.4%	24.8%	23.0%	18.2%	20.8%	21.5%	-	-	(3.3%)
Operating Profit Margin	(8.2%)	(4.5%)	(1.5%)	2.1%	0.8%	(0.3%)	-	-	+4.2%
Recurring Profit Margin	(8.4%)	(4.7%)	(0.5%)	2.6%	0.5%	(0.8%)	-	-	+3.9%
Profit Attributable to Owners of Parent Margin	(5.9%)	(3.4%)	(0.5%)	1.5%	0.2%	(0.7%)	-	-	+2.7%
Total Income Taxes / Profit before Income Taxes	-	-	-	37.9%	64.6%	-	-	-	-

Income Statement (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q2 03/2025	Cons.Act Q3 03/2025	Cons.Act Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	YoY Net Chg.
Sales	**7,059**	**8,764**	**10,141**	**19,553**	**10,475**	**8,605**	**-**	**-**	**(159)**
Cost of Sales	5,635	6,973	7,760	15,913	8,213	6,820	-	-	(152)
Gross Profit	1,424	1,790	2,380	3,639	2,262	1,784	-	-	(6)
SG&A Expenses	2,006	1,922	2,048	2,302	2,183	1,916	-	-	(5)
Operating Profit	**(582)**	**(131)**	**332**	**1,337**	**79**	**(132)**	**-**	**-**	**(0)**
Non Operating Balance	(11)	(22)	288	(43)	(31)	(65)	-	-	(43)
Recurring Profit	**(593)**	**(154)**	**621**	**1,293**	**47**	**(198)**	**-**	**-**	**(43)**
Extraordinary Balance	-	-	-	(83)	2	2	-	-	+2
Profit before Income Taxes	(593)	(154)	621	1,210	50	(195)	-	-	(41)
Total Income Taxes	(175)	(30)	205	411	32	(35)	-	-	(5)
Profit Attributable to Owners of Parent	**(417)**	**(123)**	**416**	**798**	**17**	**(160)**	**-**	**-**	**(36)**
Sales YoY	+2.9%	(18.7%)	+6.8%	+4.4%	+48.4%	(1.8%)	-	-	-
Operating Profit YoY	-	-	-	(26.4%)	-	-	-	-	-
Recurring Profit YoY	-	-	-	(29.5%)	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	(37.2%)	-	-	-	-	-
Gross Profit Margin	20.2%	20.4%	23.5%	18.6%	21.6%	20.7%	-	-	+0.3%
SG&A Ratio	28.4%	21.9%	20.2%	11.8%	20.8%	22.3%	-	-	+0.3%
Operating Profit Margin	(8.2%)	(1.5%)	3.3%	6.8%	0.8%	(1.5%)	-	-	(0.0%)
Recurring Profit Margin	(8.4%)	(1.8%)	6.1%	6.6%	0.5%	(2.3%)	-	-	(0.5%)
Profit Attributable to Owners of Parent Margin	(5.9%)	(1.4%)	4.1%	4.1%	0.2%	(1.9%)	-	-	(0.5%)
Total Income Taxes / Profit before Income Taxes	-	-	33.1%	34.0%	64.6%	-	-	-	-

Source: Company Data, WRJ Calculation

Segment Information (Cumulative / Quarterly)

Segment Information (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q1 to Q2 03/2025	Cons.Act Q1 to Q3 03/2025	Cons.Act Q1 to Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q1 to Q2 03/2026	Cons.Act Q1 to Q3 03/2026	Cons.Act Q1 to Q4 03/2026	YoY Net Chg.
Housing Business	4,173	8,991	14,486	20,189	3,987	9,238	-	-	+247
Condominium Business	1,784	4,575	8,022	20,534	5,248	7,273	-	-	+2,698
Other	1,101	2,257	3,456	4,795	1,239	2,568	-	-	+311
Sales	**7,059**	**15,823**	**25,965**	**45,518**	**10,475**	**19,080**	**-**	**-**	**+3,257**
Housing Business	(281)	(243)	(140)	5	(403)	(344)	-	-	(101)
Condominium Business	(22)	(85)	340	1,732	753	692	-	-	+777
Other	(48)	(33)	(20)	29	4	25	-	-	+58
Total	**(352)**	**(361)**	**179**	**1,767**	**355**	**373**	**-**	**-**	**+734**
Elimination	(229)	(352)	(560)	(811)	(275)	(426)	-	-	(73)
Operating Profit	**(582)**	**(713)**	**(380)**	**956**	**79**	**(52)**	**-**	**-**	**+660**
Housing Business	(6.7%)	(2.7%)	(1.0%)	0.0%	(10.1%)	(3.7%)	-	-	(1.0%)
Condominium Business	(1.2%)	(1.9%)	4.2%	8.4%	14.4%	9.5%	-	-	+11.4%
Other	(4.4%)	(1.5%)	(0.6%)	0.6%	0.4%	1.0%	-	-	+2.5%
Elimination	(3.3%)	(2.2%)	(2.2%)	(1.8%)	(2.6%)	(2.2%)	-	-	(0.0%)
Operating Profit Margin	**(8.2%)**	**(4.5%)**	**(1.5%)**	**2.1%**	**0.8%**	**(0.3%)**	**-**	**-**	**+4.2%**

Segment Information (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q2 03/2025	Cons.Act Q3 03/2025	Cons.Act Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	YoY Net Chg.
Housing Business	4,173	4,817	5,495	5,702	3,987	5,251	-	-	+434
Condominium Business	1,784	2,790	3,447	12,511	5,248	2,024	-	-	(766)
Other	1,101	1,156	1,199	1,338	1,239	1,328	-	-	+172
Sales	**7,059**	**8,764**	**10,141**	**19,553**	**10,475**	**8,605**	**-**	**-**	**(159)**
Housing Business	(281)	38	102	146	(403)	58	-	-	+20
Condominium Business	(22)	(62)	425	1,392	753	(61)	-	-	+1
Other	(48)	15	12	50	4	20	-	-	+4
Total	**(352)**	**(8)**	**540**	**1,588**	**355**	**18**	**-**	**-**	**+26**
Elimination	(229)	(122)	(207)	(251)	(275)	(150)	-	-	(27)
Operating Profit	**(582)**	**(131)**	**332**	**1,337**	**79**	**(132)**	**-**	**-**	**(0)**
Housing Business	(6.7%)	0.8%	1.9%	2.6%	(10.1%)	1.1%	-	-	+0.3%
Condominium Business	(1.2%)	(2.3%)	12.3%	11.1%	14.4%	(3.0%)	-	-	(0.8%)
Other	(4.4%)	1.3%	1.0%	3.7%	0.4%	1.5%	-	-	+0.2%
Elimination	(3.3%)	(1.4%)	(2.0%)	(1.3%)	(2.6%)	(1.7%)	-	-	(0.3%)
Operating Profit Margin	**(8.2%)**	**(1.5%)**	**3.3%**	**6.8%**	**0.8%**	**(1.5%)**	**-**	**-**	**(0.0%)**

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.
Cash and Deposit	7,641	8,480	7,329	10,432	8,175	8,170	-	-	(309)
Accounts Receivables	1,775	1,701	2,130	1,877	1,881	1,480	-	-	(221)
Inventory	28,553	35,083	35,390	32,138	32,770	35,077	-	-	(6)
Other	910	1,245	1,426	844	1,105	1,180	-	-	(64)
Current Assets	**38,881**	**46,511**	**46,276**	**45,291**	**43,932**	**45,908**	**-**	**-**	**(602)**
Tangible Assets	3,208	3,241	3,207	3,086	3,034	3,013	-	-	(227)
Intangible Assets	71	63	58	60	56	63	-	-	(0)
Investments and Other Assets	2,549	2,643	2,396	2,114	2,106	2,179	-	-	(463)
Fixed Assets	**5,830**	**5,947**	**5,662**	**5,261**	**5,197**	**5,255**	**-**	**-**	**(692)**
Total Assets	**44,711**	**52,458**	**51,939**	**50,553**	**49,130**	**51,164**	**-**	**-**	**(1,294)**
Accounts Payables	2,629	2,954	3,186	7,944	3,401	3,004	-	-	+50
Short-Term Debt	11,888	15,458	15,026	8,294	9,996	15,840	-	-	+382
Corporate Bond (Less Than 1 Year)	100	100	100	100	100	100	-	-	0
Advances Re. on Uncompleted Contracts	3,361	3,877	3,866	3,744	4,039	3,750	-	-	(126)
Advances Received	404	587	589	684	1,653	2,144	-	-	+1,557
Other	1,851	1,622	1,586	2,549	4,515	1,602	-	-	(19)
Current Liabilities	**20,235**	**24,599**	**24,354**	**23,316**	**23,705**	**26,442**	**-**	**-**	**+1,843**
Long-Term Debt	8,168	11,704	10,996	9,913	8,390	7,824	-	-	(3,880)
Corporate Bond	200	150	150	100	100	50	-	-	(100)
Other	1,919	1,889	1,907	1,902	1,894	1,906	-	-	+17
Fixed Liabilities	**10,287**	**13,743**	**13,053**	**11,915**	**10,384**	**9,780**	**-**	**-**	**(3,962)**
Total Liabilities	**30,523**	**38,342**	**37,407**	**35,232**	**34,090**	**36,223**	**-**	**-**	**(2,119)**
Shareholders' Equity	**14,205**	**14,135**	**14,551**	**15,350**	**15,070**	**14,967**	**-**	**-**	**+831**
Other	(17)	(18)	(20)	(28)	(30)	(25)	-	-	(7)
Net Assets	**14,188**	**14,116**	**14,531**	**15,321**	**15,039**	**14,941**	**-**	**-**	**+824**
Total Liabilities and Net Assets	**44,711**	**52,458**	**51,939**	**50,553**	**49,130**	**51,164**	**-**	**-**	**(1,294)**
Equity Capital	14,188	14,116	14,531	15,321	15,039	14,936	-	-	+820
Interest-Bearing Debt	20,356	27,412	26,272	18,407	18,586	23,814	-	-	(3,598)
Net Debt	12,714	18,931	18,942	7,974	10,410	15,643	-	-	(3,288)
Equity Ratio	31.7%	26.9%	28.0%	30.3%	30.6%	29.2%	-	-	-
Net Debt-to-Equity Ratio	89.6%	134.1%	130.4%	52.1%	69.2%	104.7%	-	-	-
ROE (12 months)	5.7%	3.5%	8.1%	4.5%	7.6%	7.4%	-	-	-
ROA (12 months)	2.5%	1.5%	3.3%	2.4%	3.9%	3.4%	-	-	-
Days for Inventory Turnover	462	459	416	184	364	469	-	-	-
Quick Ratio	47%	41%	39%	53%	42%	36%	-	-	-
Current Ratio	192%	189%	190%	194%	185%	174%	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.
Operating Cash Flow	-	(13,265)	-	(2,371)	-	(7,397)	-	-	+5,867
Investing Cash Flow	-	(109)	-	(46)	-	22	-	-	+132
Operating CF and Investing CF	**-**	**(13,374)**	**-**	**(2,418)**	**-**	**(7,374)**	**-**	**-**	**+6,000**
Financing Cash Flow	-	10,215	-	1,210	-	5,113	-	-	(5,101)

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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