Walden Research Japan

URL: https://walden.co.jp/
Written by Yoshiyuki Muroya / Yusuke Maeda
Email: info@walden.co.jp
Tel: +81-3-3553-3769

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)
FY03/2025		45,518	956	1,167	673	60.21	25.00	1,367.23
FY03/2026		50,502	2,179	1,982	1,402	122.64	25.00	1,399.78
FY03/2027CoE		58,000	2,300	2,000	1,400	113.00	25.00	-
FY03/2026	YoY	10.9%	128.0%	69.8%	108.4%	-	-	-
FY03/2027CoE	YoY	14.8%	5.5%	0.9%	(0.2%)	-	-	-
Consolidated Quarter (Million Yen)		**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 FY03/2026		10,475	79	47	17	-	-	-
Q2 FY03/2026		8,605	(132)	(198)	(160)	-	-	-
Q3 FY03/2026		8,822	(147)	(186)	(142)	-	-	-
Q4 FY03/2026		22,598	2,379	2,320	1,687	-	-	-
Q1 FY03/2027		6,326	(937)	(993)	(681)	-	-	-
Q1 FY03/2027	YoY	(39.6%)	-	-	-	-	-	-

Source: Company data; calculations by WRJ

1.0 Results Update (21 August 2026)

Expansion in Orders for the Housing Business

On 7 August 2026, Sanyo Homes, a comprehensive provider of housing and lifestyle solutions engaged in housing construction contracts and the development and sale of condominiums, announced its results for Q1 (April–June) FY03/2027. In the Housing Business, orders received and order backlog expanded significantly, confirming an improvement in orders toward the turnaround to profitability projected for FY03/2027. In real estate solutions, the Company secured large-scale projects including student dormitories, steadily building up orders that are expected to translate into future sales. However, Q1 (April–June) sales declined from the same period of the previous year and operating loss widened. Meanwhile, in the Condominium Business, sales were recognized from deliveries of newly completed properties in the same period of the previous year, whereas no such sales were recognized in Q1 (April–June), resulting in a substantial decline in the Company's sales. Nevertheless, the full-year Company forecast has remained unchanged. In the Condominium Business, sales from deliveries of newly completed properties are expected to be concentrated in Q4 (January–March), as in a typical year. In the Housing Business, meanwhile, a full-year turnaround to profitability is projected, supported by improved profitability across each area.

Reference for business model, etc.: Sanyo Homes (1420) Expanding Earnings Base (6 July 2026)

IR Contact: Yasuhiko Sugise, Executive Officer, Head of Corporate Administration
(+81-6-6578-3405 / yasuhiko_sugise@sanyohomes.co.jp)

2.0 Company Profile

A Comprehensive "Housing and Lifestyle" Proposal Company

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	¥6,296m (as of the end of June 2026)
No. of Shares	13,740,000 shares, including 1,338,311 treasury shares (as of the end of June 2026)
Main Features	● A comprehensive "housing and lifestyle" proposal company whose main earnings source is the development and sale of condominiums ● Business concept: "Eco & Safety" (developing environmentally friendly, safe and secure homes) ● Deeply involved in ZEH homes, disaster-resilient homes, flood-control homes and robotics for elderly support
Business Segments	I. Housing Business: housing construction contracting, etc. / detached housing, real estate solutions (including construction contracts for rental apartment buildings), renovation, renewal distribution (the purchase and resale of existing homes) and frontier (sales and installation of eco- and energy-related equipment and lightweight steel components) II. Condominium Business: development and sale of condominiums III. Other: life support operations / nursery schools, after-school childcare, condominium management, operation of nursing care facilities, robotics for elderly support, etc.
Representative	President & Representative Director: Hisashi Matsuoka
Main Shareholders	LIXIL 24.28%, Kansai Electric Power 11.98%, SECOM 10.18%, ORIX 8.51%, Custody Bank of Japan 4.90% (as of the end of March 2026, excluding treasury shares)
Head Office	Nishi-ku, Osaka-city, Osaka-prefecture, JAPAN
Employees	Consolidated: 789, Parent: 339 (as of the end of March 2026)

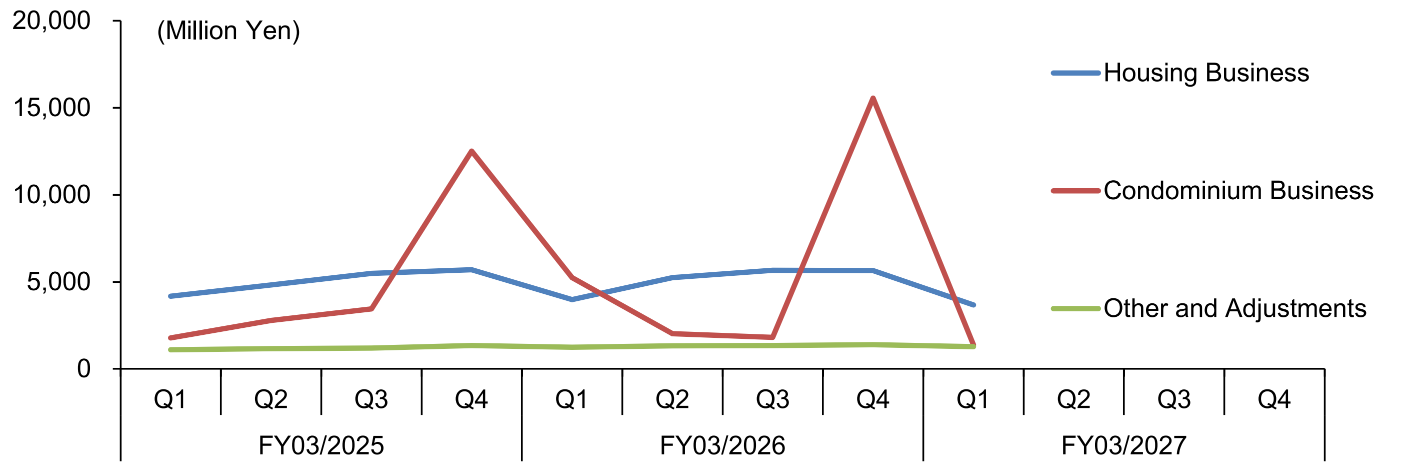
Source: Company data

3.0 Recent Trading and Prospects

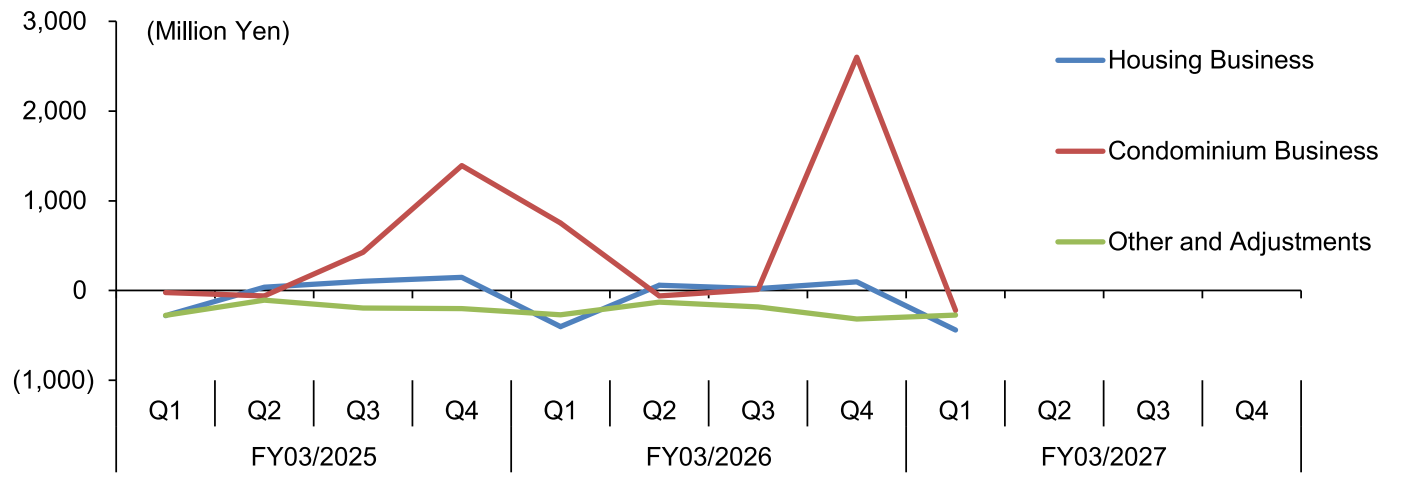
Q1 (April–June) FY03/2027

In Q1 (April–June) FY03/2027, sales came in at ¥6,326m (down 39.6% YoY), operating profit negative ¥937m (down ¥1,016m), recurring profit negative ¥993m (down ¥1,041m) and profit attributable to owners of parent negative ¥681m (down ¥699m). In the Housing Business, sales declined and operating loss widened. In the Condominium Business, sales also declined and operating profit turned negative.

Sales



Operating Profit



Source: Company data; calculations by WRJ

Housing Business (58.0% of Sales)

In the Housing Business, which encompasses housing construction contracts for detached houses and real estate solutions (including construction contracts for rental apartment buildings), renovation and renewal distribution (the purchase and resale of existing homes), sales came in at ¥3,670m (down 8.0% YoY), operating profit negative ¥440m (down ¥36m) and operating profit margin negative 12.0% (down 1.9% points). Order intake came in at ¥7,492m (up 69.6%), while order backlog stood at ¥19,136m (up 45.8%).

Although sales fell below the level of the same period of the previous year, order intake and order backlog expanded significantly. In real estate solutions, the Company is strengthening orders through mutual matching between landowners and business operators under its “Well Joint System” and focusing on proposals for the effective use of land through fixed-term land leases. In Q1 (April–June), the Company secured large-scale projects including student dormitories. In detached houses, the Company is promoting sales of homes incorporating rental units in urban areas.

Condominium Business (21.7% of Sales)

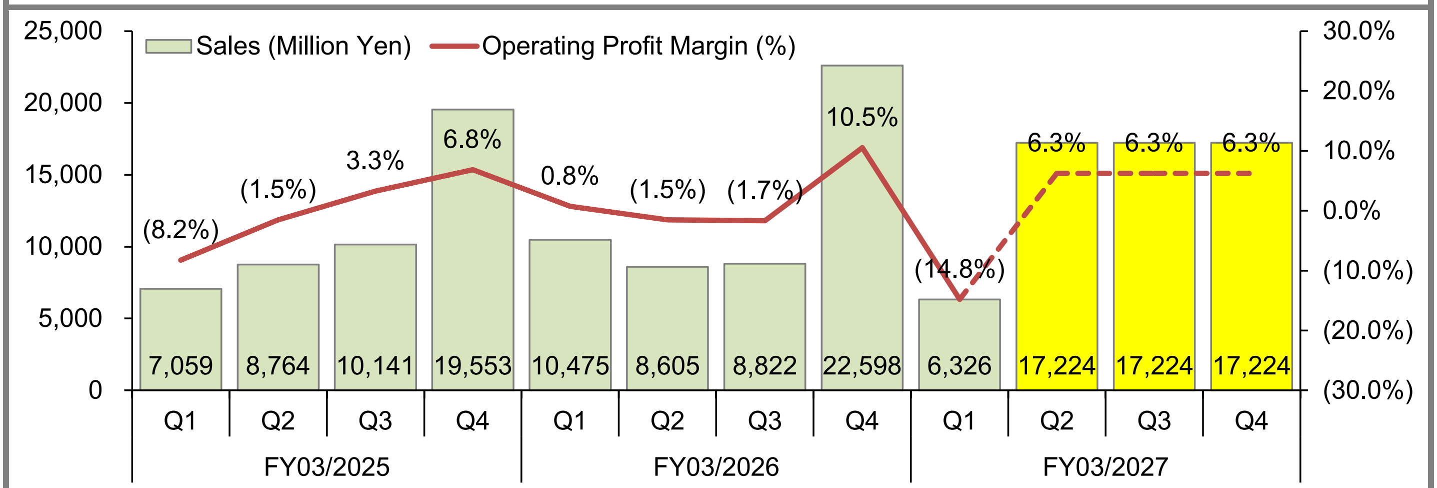
In the Condominium Business, which is responsible for the development and sale of condominiums, sales came in at ¥1,372m (down 73.8%), operating profit negative ¥220m (down ¥974m) and operating profit margin negative 16.1% (down 30.5% points). Order intake came in at ¥3,965m (down 57.7%), while order backlog stood at ¥7,340m (down 55.0%).

Although sales were recognized from deliveries of newly completed properties in the same period of the previous year for the first time in six years, no sales were recognized from deliveries of newly completed properties in Q1 (April–June). According to the Company, sales from deliveries of newly completed properties are expected to be concentrated in Q4 (January–March), as in a typical year. The Company began sales of “SANMAISON SUITA” and “J.GRAN OHORIKOEN,” a joint project, in Q1 (April–June), although order intake in the Condominium Business decreased significantly from the same period of the previous year. According to the Company, preparations are underway for numerous properties scheduled to go on sale from Q2 (July–September) onward.

Company Forecast for FY03/2027

The Company forecast for FY03/2027, announced on 11 May 2026, has remained unchanged, calling for sales of ¥58,000m (up 14.8% YoY), operating profit of ¥2,300m (up 5.5%), recurring profit of ¥2,000m (up 0.9%) and profit attributable to owners of parent of ¥1,400m (down 0.2%). Operating profit margin is projected at 4.0% (down 0.3% points). At the same time, the planned annual dividend has also remained unchanged at ¥25.00 per share for FY03/2027 (yearend only), representing a payout ratio of 22.1%.

Sales and Operating Profit Margin



Source: Company data; calculations by WRJ (Q2/Q3/Q4 FY03/2027: full-year Company forecast less Q1, evenly allocated)

In connection with the continuation of its employee incentive plan, the Company plans to dispose of 80,000 treasury shares to an employee stock benefit trust on 25 August 2026 at ¥635 per share, for a total of ¥51m. The plan is intended to enhance employee engagement and awareness of participation in management through increased investment in human capital, and the trust period is scheduled to continue through the end of September 2031. The dilution resulting from the disposal of treasury shares will be 0.59% of the total number of shares issued as of the end of FY03/2026.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	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	Cons.Act Q1 03/2027	Cons.Act Q1 to Q2 03/2027	Cons.Act Q1 to Q3 03/2027	Cons.Act Q1 to Q4 03/2027	YoY Net Chg.
Sales	**10,475**	**19,080**	**27,903**	**50,502**	**6,326**	**-**	**-**	**-**	**(4,148)**
Cost of Sales	8,213	15,033	21,915	39,743	5,075	-	-	-	(3,137)
Gross Profit	2,262	4,046	5,988	10,759	1,251	-	-	-	(1,010)
SG&A Expenses	2,183	4,099	6,188	8,579	2,188	-	-	-	+5
Operating Profit	**79**	**(52)**	**(200)**	**2,179**	**(937)**	**-**	**-**	**-**	**(1,016)**
Non Operating Balance	(31)	(97)	(137)	(196)	(56)	-	-	-	(25)
Recurring Profit	**47**	**(150)**	**(337)**	**1,982**	**(993)**	**-**	**-**	**-**	**(1,041)**
Extraordinary Balance	2	5	5	(5)	10	-	-	-	+7
Profit before Income Taxes	50	(145)	(332)	1,977	(983)	-	-	-	(1,034)
Total Income Taxes	32	(2)	(47)	574	(302)	-	-	-	(334)
Profit Attributable to Owners of Parent	**17**	**(142)**	**(284)**	**1,402**	**(681)**	**-**	**-**	**-**	**(699)**
Sales YoY	+48.4%	+20.6%	+7.5%	+10.9%	(39.6%)	-	-	-	-
Operating Profit YoY	-	-	-	+128.0%	-	-	-	-	-
Recurring Profit YoY	-	-	-	+69.8%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	+108.4%	-	-	-	-	-
Gross Profit Margin	21.6%	21.2%	21.5%	21.3%	19.8%	-	-	-	(1.8%)
SG&A Ratio	20.8%	21.5%	22.2%	17.0%	34.6%	-	-	-	+13.8%
Operating Profit Margin	0.8%	(0.3%)	(0.7%)	4.3%	(14.8%)	-	-	-	(15.6%)
Recurring Profit Margin	0.5%	(0.8%)	(1.2%)	3.9%	(15.7%)	-	-	-	(16.2%)
Profit Attributable to Owners of Parent Margin	0.2%	(0.7%)	(1.0%)	2.8%	(10.8%)	-	-	-	(10.9%)
Corporate Tax Rate	64.6%	-	-	29.0%	-	-	-	-	-

Income Statement (Million Yen)	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	Cons.Act Q1 03/2027	Cons.Act Q2 03/2027	Cons.Act Q3 03/2027	Cons.Act Q4 03/2027	YoY Net Chg.
Sales	**10,475**	**8,605**	**8,822**	**22,598**	**6,326**	**-**	**-**	**-**	**(4,148)**
Cost of Sales	8,213	6,820	6,881	17,828	5,075	-	-	-	(3,137)
Gross Profit	2,262	1,784	1,941	4,770	1,251	-	-	-	(1,010)
SG&A Expenses	2,183	1,916	2,089	2,391	2,188	-	-	-	+5
Operating Profit	**79**	**(132)**	**(147)**	**2,379**	**(937)**	**-**	**-**	**-**	**(1,016)**
Non Operating Balance	(31)	(65)	(39)	(59)	(56)	-	-	-	(25)
Recurring Profit	**47**	**(198)**	**(186)**	**2,320**	**(993)**	**-**	**-**	**-**	**(1,041)**
Extraordinary Balance	2	2	-	(10)	10	-	-	-	+7
Profit before Income Taxes	50	(195)	(186)	2,309	(983)	-	-	-	(1,034)
Total Income Taxes	32	(35)	(44)	621	(302)	-	-	-	(334)
Profit Attributable to Owners of Parent	**17**	**(160)**	**(142)**	**1,687**	**(681)**	**-**	**-**	**-**	**(699)**
Sales YoY	+48.4%	(1.8%)	(13.0%)	+15.6%	(39.6%)	-	-	-	-
Operating Profit YoY	-	-	-	+78.0%	-	-	-	-	-
Recurring Profit YoY	-	-	-	+79.3%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	+111.3%	-	-	-	-	-
Gross Profit Margin	21.6%	20.7%	22.0%	21.1%	19.8%	-	-	-	(1.8%)
SG&A Ratio	20.8%	22.3%	23.7%	10.6%	34.6%	-	-	-	+13.8%
Operating Profit Margin	0.8%	(1.5%)	(1.7%)	10.5%	(14.8%)	-	-	-	(15.6%)
Recurring Profit Margin	0.5%	(2.3%)	(2.1%)	10.3%	(15.7%)	-	-	-	(16.2%)
Profit Attributable to Owners of Parent Margin	0.2%	(1.9%)	(1.6%)	7.5%	(10.8%)	-	-	-	(10.9%)
Corporate Tax Rate	64.6%	-	-	26.9%	-	-	-	-	-

Source: Company data; calculations by WRJ

Segment Information (Cumulative / Quarterly)

Segment Information (Million Yen)	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	Cons.Act Q1 03/2027	Cons.Act Q1 to Q2 03/2027	Cons.Act Q1 to Q3 03/2027	Cons.Act Q1 to Q4 03/2027	YoY Net Chg.
Housing Business	3,987	9,238	14,900	20,549	3,670	-	-	-	(317)
Condominium Business	5,248	7,273	9,091	24,647	1,372	-	-	-	(3,875)
Other	1,239	2,568	3,911	5,305	1,283	-	-	-	+44
Sales	**10,475**	**19,080**	**27,903**	**50,502**	**6,326**	**-**	**-**	**-**	**(4,148)**
Housing Business	(403)	(344)	(322)	(226)	(440)	-	-	-	(36)
Condominium Business	753	692	705	3,306	(220)	-	-	-	(974)
Other	4	25	49	94	(17)	-	-	-	(22)
Total	**355**	**373**	**432**	**3,173**	**(678)**	**-**	**-**	**-**	**(1,033)**
Adjustments	(275)	(426)	(632)	(994)	(258)	-	-	-	+16
Operating Profit	**79**	**(52)**	**(200)**	**2,179**	**(937)**	**-**	**-**	**-**	**(1,016)**
Housing Business	(10.1%)	(3.7%)	(2.2%)	(1.1%)	(12.0%)	-	-	-	(1.9%)
Condominium Business	14.4%	9.5%	7.8%	13.4%	(16.1%)	-	-	-	(30.5%)
Other	0.4%	1.0%	1.3%	1.8%	(1.3%)	-	-	-	(1.7%)
Adjustments	(2.6%)	(2.2%)	(2.3%)	(2.0%)	(4.1%)	-	-	-	(1.5%)
Operating Profit Margin	**0.8%**	**(0.3%)**	**(0.7%)**	**4.3%**	**(14.8%)**	**-**	**-**	**-**	**(15.6%)**

Segment Information (Million Yen)	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	Cons.Act Q1 03/2027	Cons.Act Q2 03/2027	Cons.Act Q3 03/2027	Cons.Act Q4 03/2027	YoY Net Chg.
Housing Business	3,987	5,251	5,661	5,648	3,670	-	-	-	(317)
Condominium Business	5,248	2,024	1,818	15,556	1,372	-	-	-	(3,875)
Other	1,239	1,328	1,342	1,393	1,283	-	-	-	+44
Sales	**10,475**	**8,605**	**8,822**	**22,598**	**6,326**	**-**	**-**	**-**	**(4,148)**
Housing Business	(403)	58	21	95	(440)	-	-	-	(36)
Condominium Business	753	(61)	13	2,600	(220)	-	-	-	(974)
Other	4	20	24	45	(17)	-	-	-	(22)
Total	**355**	**18**	**58**	**2,741**	**(678)**	**-**	**-**	**-**	**(1,033)**
Adjustments	(275)	(150)	(206)	(362)	(258)	-	-	-	+16
Operating Profit	**79**	**(132)**	**(147)**	**2,379**	**(937)**	**-**	**-**	**-**	**(1,016)**
Housing Business	(10.1%)	1.1%	0.4%	1.7%	(12.0%)	-	-	-	(1.9%)
Condominium Business	14.4%	(3.0%)	0.7%	16.7%	(16.1%)	-	-	-	(30.5%)
Other	0.4%	1.5%	1.8%	3.2%	(1.3%)	-	-	-	(1.7%)
Adjustments	(2.6%)	(1.7%)	(2.3%)	(1.6%)	(4.1%)	-	-	-	(1.5%)
Operating Profit Margin	**0.8%**	**(1.5%)**	**(1.7%)**	**10.5%**	**(14.8%)**	**-**	**-**	**-**	**(15.6%)**

Source: Company data; calculations by WRJ

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	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	Cons.Act Q1 03/2027	Cons.Act Q1 to Q2 03/2027	Cons.Act Q1 to Q3 03/2027	Cons.Act Q1 to Q4 03/2027	YoY Net Chg.
Operating Cash Flow	-	(7,397)	-	(1,537)	-	-	-	-	-
Investing Cash Flow	-	22	-	44	-	-	-	-	-
Operating CF and Investing CF	**-**	**(7,374)**	**-**	**(1,493)**	**-**	**-**	**-**	**-**	**-**
Financing Cash Flow	-	5,113	-	1,316	-	-	-	-	-

Source: Company data; calculations by WRJ

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	Cons.Act Q1 03/2027	Cons.Act Q2 03/2027	Cons.Act Q3 03/2027	Cons.Act Q4 03/2027	YoY Net Chg.
Cash and Deposits	8,175	8,170	7,919	10,255	7,864	-	-	-	(310)
Construction Receivables, etc.	1,881	1,480	1,549	1,410	1,234	-	-	-	(646)
Inventories	32,770	35,077	35,026	30,154	30,074	-	-	-	(2,696)
Other	1,105	1,180	1,290	902	1,172	-	-	-	+66
Current Assets	**43,932**	**45,908**	**45,785**	**42,722**	**40,345**	**-**	**-**	**-**	**(3,586)**
Tangible Assets	3,034	3,013	3,020	2,909	3,949	-	-	-	+914
Intangible Assets	56	63	69	57	76	-	-	-	+20
Investments and Other Assets	2,106	2,179	2,253	2,109	2,438	-	-	-	+332
Non-current Assets	**5,197**	**5,255**	**5,343**	**5,076**	**6,464**	**-**	**-**	**-**	**+1,267**
Total Assets	**49,130**	**51,164**	**51,129**	**47,799**	**46,810**	**-**	**-**	**-**	**(2,319)**
Electronic and Construction Payables, etc.	3,401	3,004	3,359	3,556	2,263	-	-	-	(1,137)
Short-Term Debt	9,996	15,840	14,929	7,939	11,033	-	-	-	+1,037
Current Portion of Bonds Payable	100	100	100	100	100	-	-	-	0
Advances Re. on Uncompleted Contracts	4,039	3,750	3,304	2,833	3,570	-	-	-	(468)
Advances Received	1,653	2,144	2,129	295	458	-	-	-	(1,195)
Other	4,515	1,602	1,543	2,732	1,705	-	-	-	(2,810)
Current Liabilities	**23,705**	**26,442**	**25,366**	**17,457**	**19,130**	**-**	**-**	**-**	**(4,575)**
Long-Term Debt	8,390	7,824	8,807	11,425	9,613	-	-	-	+1,223
Bonds Payable	100	50	50	-	-	-	-	-	(100)
Other	1,894	1,906	1,894	1,903	1,904	-	-	-	+10
Non-current Liabilities	**10,384**	**9,780**	**10,751**	**13,328**	**11,517**	**-**	**-**	**-**	**+1,133**
Total Liabilities	**34,090**	**36,223**	**36,117**	**30,786**	**30,648**	**-**	**-**	**-**	**(3,441)**
Shareholders' Equity	**15,070**	**14,967**	**15,036**	**17,069**	**16,214**	**-**	**-**	**-**	**+1,143**
Other	(30)	(25)	(24)	(57)	(51)	-	-	-	(21)
Net Assets	**15,039**	**14,941**	**15,011**	**17,012**	**16,162**	**-**	**-**	**-**	**+1,122**
Total Liabilities and Net Assets	**49,130**	**51,164**	**51,129**	**47,799**	**46,810**	**-**	**-**	**-**	**(2,319)**
Equity Capital	15,039	14,936	15,007	17,009	16,159	-	-	-	+1,120
Interest-Bearing Debt	18,586	23,814	23,886	19,464	20,746	-	-	-	+2,160
Net Debt	10,410	15,643	15,966	9,208	12,881	-	-	-	+2,470
Equity Ratio	30.6%	29.2%	29.4%	35.6%	34.5%	-	-	-	-
Net Debt-to-Equity Ratio	69.2%	104.7%	106.4%	54.1%	79.7%	-	-	-	-
ROE (12 months)	7.6%	7.4%	3.5%	8.7%	4.5%	-	-	-	-
ROA (12 months)	3.9%	3.4%	1.9%	4.0%	2.0%	-	-	-	-
Days for Inventory Turnover	364	469	464	154	541	-	-	-	-
Quick Ratio	42%	36%	37%	67%	48%	-	-	-	-
Current Ratio	185%	174%	180%	245%	211%	-	-	-	-

Source: Company data; calculations by WRJ

Disclaimer

Company Name: Walden Research Japan Incorporated

Head Office: Ginza Ishii Building Level 4, 6-14-8 Ginza, Chuo-ku, Tokyo 104-0061, JAPAN

URL: https://walden.co.jp/

Email: info@walden.co.jp

Tel: +81-3-3553-3769