

MUGEN ESTATE (3299)

Consolidated Fiscal Year (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY12/2020	34,858	2,465	1,785	599	24.98	10.00	939.11
FY12/2021	33,956	2,342	1,770	1,276	53.25	15.00	986.47
FY12/2022CoE	38,847	2,624	2,066	1,314	56.33	17.00	-
FY12/2021	YoY	(2.6%)	(5.0%)	(0.8%)	113.0%	-	-
FY12/2022CoE	YoY	14.4%	12.1%	16.7%	3.0%	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (29 March 2022)


Reversal and Thrust

MUGEN ESTATE, running operations to purchase and resell secondhand real estate in Tokyo and the three surrounding prefectures, has begun implementing management measures aimed at reversal and thrust, calling for CAGR of 16.2% for sales and 28.7% for earnings towards FY12/2024 as performance target, setting the FY12/2021 results as the point of origin. The Company had suffered from consistently decreased sales and earnings through FY12/2018 to FY12/2021 due mainly to the impact of changes in the external environment, while it has begun to focus on residential real estate for some time to date as well as having set up operations to become new earnings sources at the same time. With respect to purchase amounts of properties or leading indicator of sales, the Company saw ¥17,300m (down 37.8% YoY) in FY12/2020, which was followed by ¥22,300m (up 28.9%) in FY12/2021, while currently going for ¥34,341m (up 54.0%) in FY12/2022. Thus, the Company here has already seen reversal in the actual results, which is to be followed by thrust, just literally, implying that the Company will steadily accumulate inventory to realize above-mentioned increase in prospective sales. For residential real estate whose purchase amounts of properties have been substantially raised with a prospect that so-called “real demand” will remain firm persistently, while the Company is also implementing measures to beef up capability of sales promotions, currently setting up new business offices to exclusively focus on enhancement of operations to purchase and resell residential real estate via local real estate brokers across the board for the Company’s respective business areas. The Company states that it is trying to become the largest in terms of the number of properties to purchase in the Tokyo metropolitan area by means of building sales network with comprehensive coverage in there.

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2.0 Company Profile

Creating New Value in Real Estate

Company Name	MUGEN ESTATE Co., Ltd. Company HP IR Information Share Price (Japanese)	 MUGEN ESTATE
Established	2 May 1990	
Listing	(agenda) 4 April 2022: Tokyo Stock Exchange "prime market" 5 February 2016: Tokyo Stock Exchange 1st section (ticker: 3299) 18 June 2014: Tokyo Stock Exchange Mothers	
Capital	¥2,552m (as of the end of December 2021)	
No. of Shares	24,361,000 shares, including 585,709 treasury shares (as of the end of Dec. 2021)	
Main Features	<ul style="list-style-type: none"> ● Operations in Tokyo and the three surrounding prefectures, i.e., Kanagawa, Saitama and Chiba ● Solid capability to identify qualities of secondhand real estate and accumulation of knowhow ● Purchase and resale via real estate brokers 	
Segments	I . Real Estate Trading Business II . Real Estate Leasing and Other Business	
Representatives	President: Shinichi Fujita / Chairperson: Susumu Fujita	
Shareholders	Susumu Fujita 23.9%, Shinichi Fujita 10.4%, Dream Come True Co., Ltd. 7.2%, Master Trust Bank of Japan, T. 6.3% (as of the end of December 2021, but for treasury shares)	
Head Office	Chiyoda-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 243, Parent: 176 (as of the end of December 2021)	

Source: Company Data

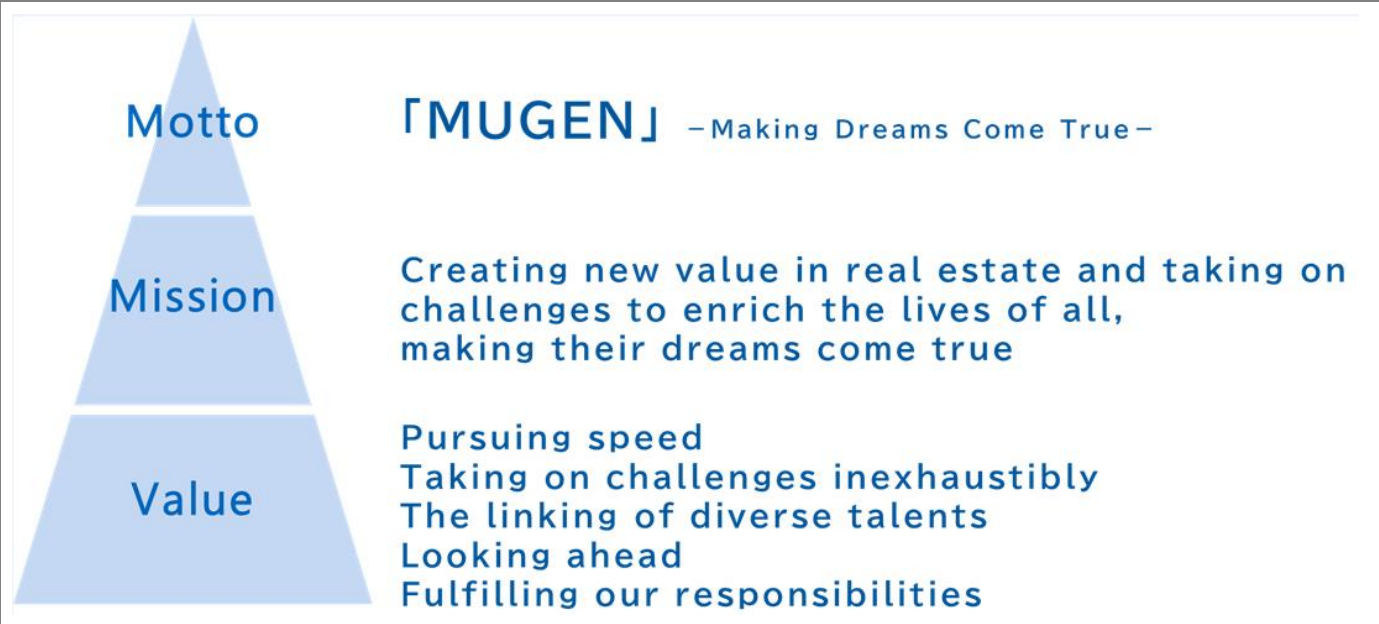
3.0 Corporate Philosophy

Creating New Value in Real Estate

The Company creates added value through its operations to purchase existing secondhand real estate and resell after value creation activities (to improve asset value), i.e., renovation and/or refurbishment, while the Company states that it has just “updated its corporate philosophy to unite its strengths to dramatically jump forward towards achieving the growth and sustainability of own business”.

New Corporate Philosophy

“MUGEN ESTATE Group has updated its corporate philosophy to unite the Group's strengths and dramatically jump forward towards the realization of our new dream: achieving the growth and sustainability of our business over the next 50 and 100 years”.



Source: Company Data

The Company also states that it has set “MUGEN (making dreams come true) as corporate motto, which is the foundation of our corporate philosophy and the origins of our company name, while pursuing our growth through supporting our customers making their dreams come true as well as aiming to make it happen also for all persons, including stakeholders”. For mission to realize this, the Company has set “creating new value in real estate and taking on challenges to enrich the lives of all, making their dreams come true”, while aiming at sustainable improvement of corporate value by means of coping with an array of social issues held by real estate industry, represented by global warming, aging population combined with the diminishing number of children, abandoned house and aged housing stock by means of running own operations. At the same time, the Company states that it has also set the 5 values as template for behavior to realize mission, comprising “pursuing speed”, “taking on challenges inexhaustibly”, “the linking of diverse talents”, “looking ahead” and “fulfilling our responsibilities”. By the way, it was 14 February 2022 that the Company announced the second midterm management plan (FY12/2022 to FY12/2024) based on this corporate philosophy.

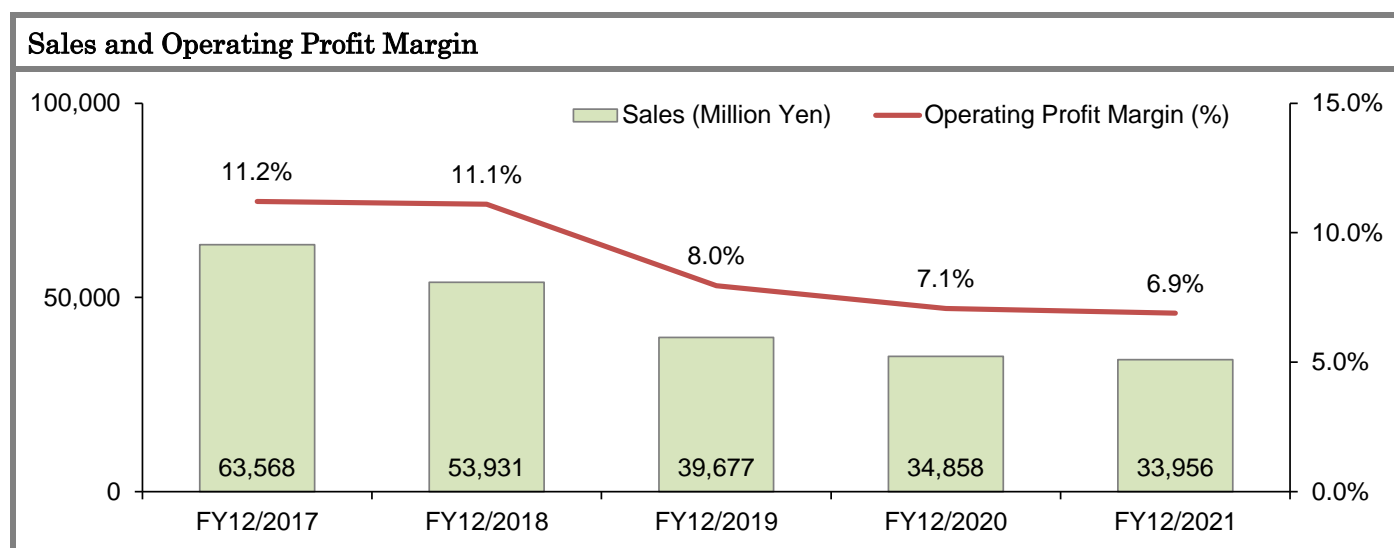
Company History

Date	Events
May 1990	Founded
August 1997	Established FUJI HOME Co., Ltd. (consolidated subsidiary)
July 2005	Registered as a first-class architect's office
May 2010	Change from the Building Lots and Buildings Transaction license to the Minister of Land, Infrastructure, Transport and Tourism license
June 2010	Established Yokohama branch
June 2014	Listed on Tokyo Stock Exchange Mothers
January 2015	Established Shinjuku branch
February 2016	Listed on Tokyo Stock Exchange 1st section
June 2018	Obtained the Real Estate Specified Joint Enterprise license from Tokyo Metropolitan Government
August 2018	Established Mugen Investment Advisors Co., Ltd. (consolidated subsidiary) (dissolved in June 2020)
August 2018	Established Mugen Funding Co., Ltd. (consolidated subsidiary)
May 2020	Moved head office to Otemachi, Chiyoda-ku, Tokyo
May 2020	Moved Shinjuku branch to Nihonbashiamacho, Chuo-ku, Tokyo
May 2020	Established Nihonbashi branch in Nihonbashiamacho, Chuo-ku, Tokyo
July 2020	Integrated Nihonbashi branch into the head office
September 2021	Set up Kitasenju business office in Senju, Adachi-ku, Tokyo
October 2021	Set up Funabashi business office in Honmachi, Funabashi-city, Chiba-prefecture
November 2021	Set up Ogikubo business office in Ogikubo, Suginami-ku, Tokyo
November 2021	Set up Akabane business office in Akabane, Kita-ku, Tokyo
December 2021	Set up Ikebukuro business office in Nishi-Ikebukuro, Toshima-ku, Tokyo

4.0 Recent Trading and Prospects

FY12/2021

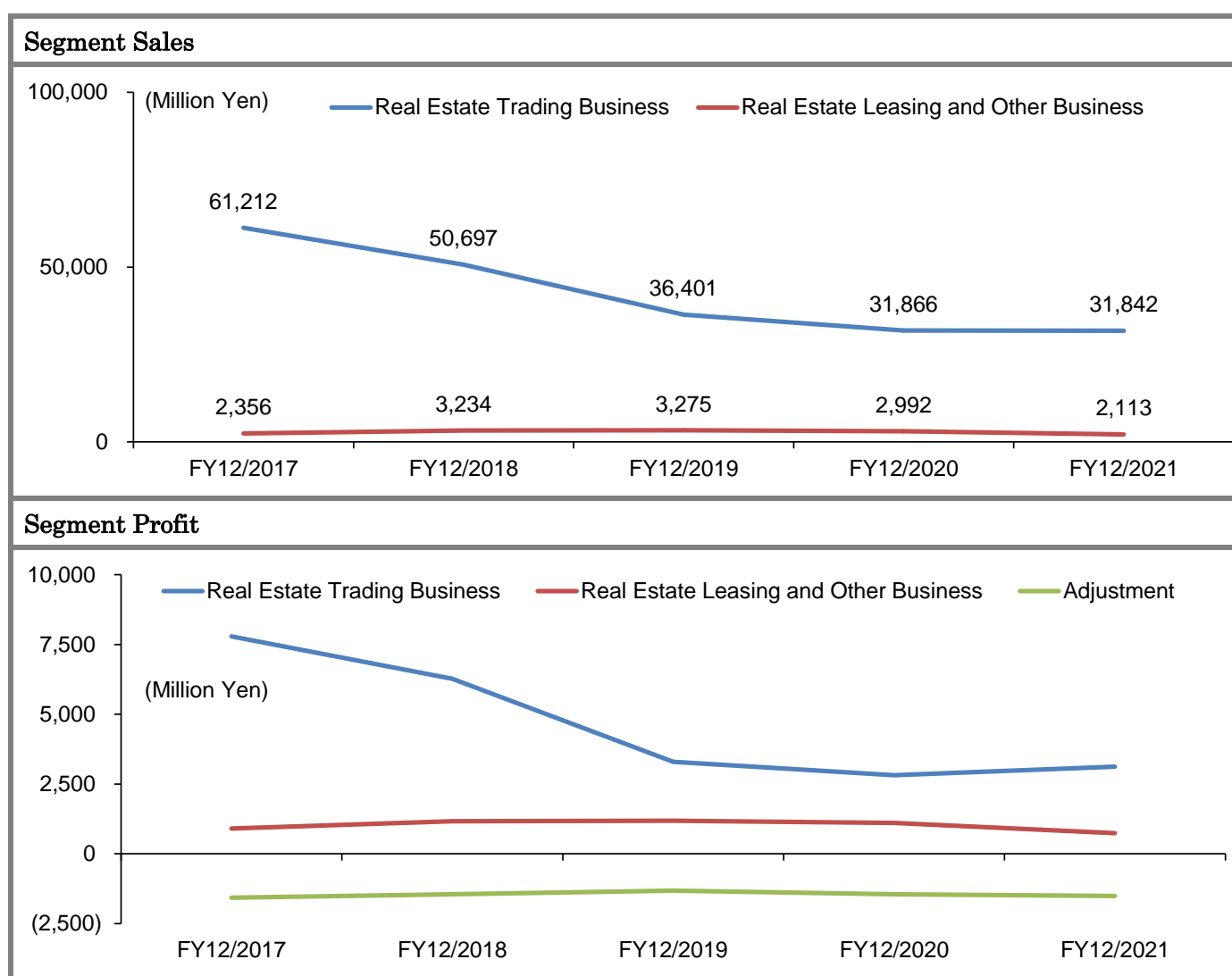
In FY12/2021, sales came in at ¥33,956m (down 2.6% YoY), operating profit ¥2,342m (down 5.0%), recurring profit ¥1,770m (down 0.8%) and profit attributable to owners of parent ¥1,276m (up 113.0%), while operating profit margin 6.9% (down 0.2% points). Profit attributable to owners of parent surged as the impact from reduction of deferred tax assets on income taxed-deferred occurred in FY12/2020 did not reappear, according to the Company.



Source: Company Data, WRJ Calculation

Meanwhile, gross profit came in at ¥5,788m (down 1.3%) and SG&A expenses ¥3,445m (up 1.4%), implying gross profit margin of 17.0% (up 0.2% points) and sales to SG&A expenses ratio of 10.1% (up 0.3% points). Sales were stagnated, while gross profit margin has risen, albeit marginally. According to the Company, this is due mainly to a factor that it has made progress in placing emphasis on profitability in purchasing and selling on the mainstay Real Estate Trading Business (purchase and resale of secondhand real estate) side. With respect to breakdown of SG&A expenses, personnel expenses came in at ¥1,426m (up 1.5%), sales commissions paid to real estate brokers in line with selling of properties ¥702m (up 6.5%), advertising expenses ¥79m (down 67.4%), taxes and dues ¥638m (up 31.2%) and other expenses ¥598m (down 1.0%). By the way, commissions paid to real estate brokers in line with purchasing properties are included in cost of sales, according to the Company. For a major trend of SG&A expenses in FY12/2021, advertising expenses declined sharply, which was basically offset by a substantial increase in taxes and dues related to purchase of properties.

In FY12/2017, the Company saw sales of ¥63,568m (up 10.6%), operating profit of ¥7,122m (up 12.9%), recurring profit of ¥6,478m (up 13.7%) and profit attributable to owners of parent of ¥4,276m (up 46.2%), while operating profit margin of 11.2% (up 0.2% points). At this stage, the Company used to significantly benefit from strengths associated with purchase and resale of investment-oriented real estate, while the Company suffered from consistently decreased sales and earnings all through FY12/2018 (the following year) to FY12/2021 due mainly to downturn in the market for investment-oriented real estate. According to the Company, the changes in the external environment were triggered by illegal loan issues on investment-oriented real estate in SURUGA bank Ltd., which came to light in January 2018.



Source: Company Data, WRJ Calculation

On 12 February 2019, the Company announced the first midterm management plan (FY12/2019 to FY12/2021), which was calling for prospective sales of ¥63,000m and recurring profit of ¥5,500m in FY12/2021, the final year of the plan, as performance target. However, the impact of the above-mentioned changes in the external environment appears to have been far more serious than assumed in those days, having resulted in substantial shortfalls in the actual results, i.e., by ¥29,044m (46.1%) for sales and ¥3,730m (67.8%) for recurring profit.

However, in FY12/2021, the Company has begun implementing management measures aimed at reversal and thrust. For the sake of growth in the future, the Company has begun placing emphasis on residential real estate, while setting up operations to become new earnings sources at the same time. In other words, the Company is currently in the direction of cutting back on its management resources allocated to investment-oriented real estate as far as we could see. In the first place, it is the grass roots of the Company's operations to purchase and resell residential real estate, implying that the Company is now set to grow again by means of getting back to the roots. Meanwhile, it appears that the Company is now trying to accelerate the growth in the future by means of allocating management resources to operations to become new earnings sources at the same time.

Real Estate Trading Business (purchase and resale of secondhand real estate)

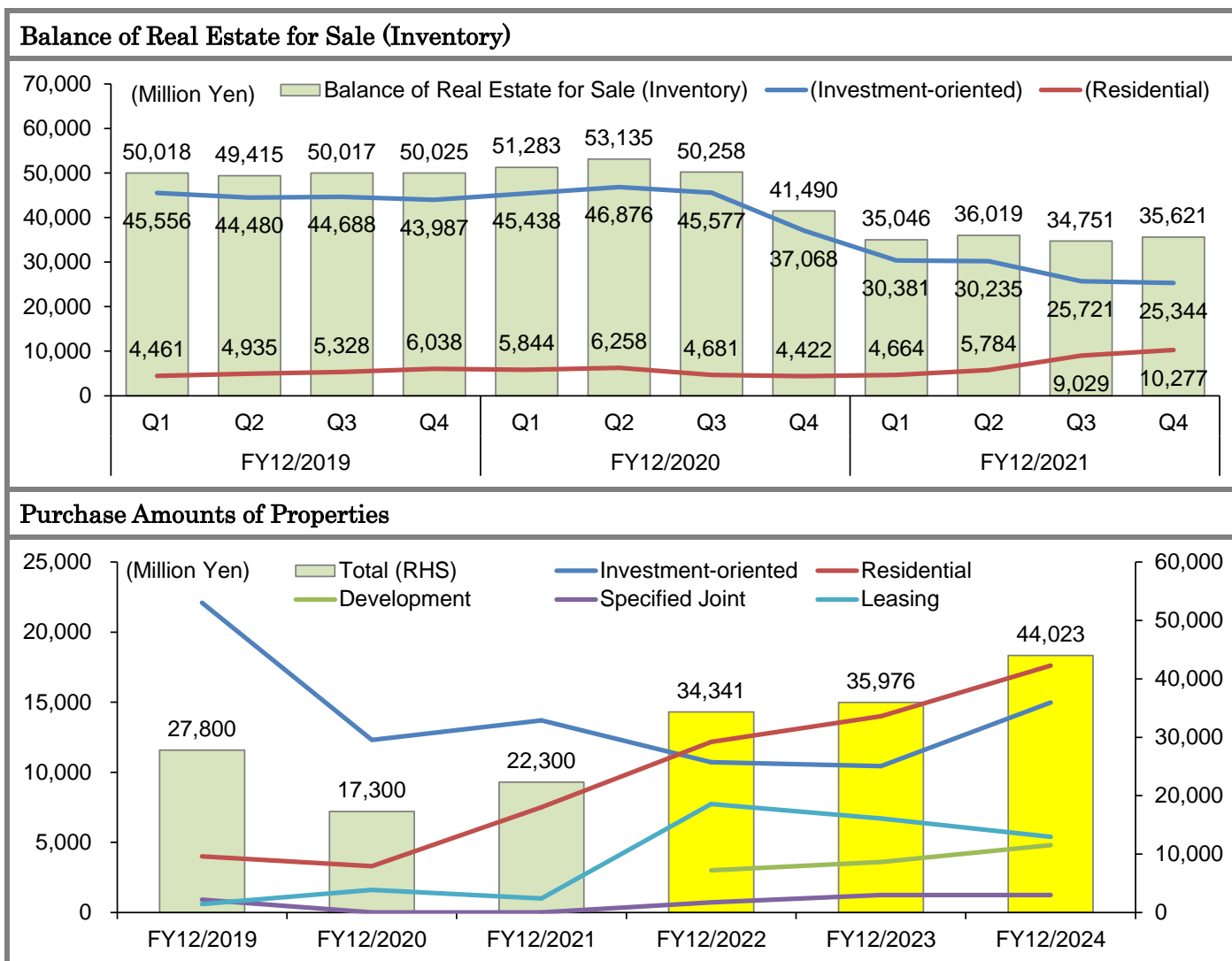
In FY12/2021, segment sales came in at ¥31,842m (down 0.1%), segment profit ¥3,119m (up 10.9%) and segment profit margin 9.8% (up 1.0% point), having accounted for 93.8% of sales for the Company as a whole and 80.9% of segment profit. Meanwhile, the number of properties sold came in at 331 units (down 0.3%) and the average unit selling price ¥95.7m (up 0.2%).

Investment-oriented real estate saw sales of ¥24,638m (down 4.9%), having accounted for 73.6% of sales in this segment, while the number of properties sold came in at 142 units (down 22.8%) and the average unit selling price ¥173.5m (up 23.3%). For the breakdown of the number of properties sold, the Company saw 93 units (65.5% of total) in Tokyo, 17 units (12.0%) in Kanagawa-prefecture, 15 units (10.6%) in Saitama-prefecture and 17 units (12.0%) in Chiba-prefecture, suggesting that more than half is accounted for by those of Tokyo. Meanwhile, as far as those of overseas investors are concerned, sales came in at ¥5,295m (up 20.7%), the number of properties sold 28 units (down 42.9%) and the average unit selling price ¥189.1m (up 111.3%). In other words, along with sales of large-sized properties to overseas investors, the average unit selling price has risen sharply for investment-oriented real estate as a whole.

On the other hand, residential real estate saw sales of ¥7,051m (up 21.4%), having accounted for 22.1% of sales in this segment, while the number of properties sold came in at 189 units (up 27.7%) and the average unit selling price ¥37.3m (down 5.0%). For the breakdown of the number of properties sold, the Company saw 84 units (44.4% of total) in Tokyo, 37 units (19.6%) in Kanagawa-prefecture, 40 units (21.2%) in Saitama-prefecture and 28 units (14.8%) in Chiba-prefecture, suggesting that no more than half is accounted for by those of Tokyo. According to the Company, demand remains buoyant for secondhand condominiums and detached housings from move-up buyers, leading to a surge in the number of properties sold with respect to residential real estate.

In FY12/2021, the Company saw a recovery in the purchase amounts of properties, but it was not substantial enough to see a recovery in the balance of real estate for sale (inventory). Still, as far as residential real estate is concerned, purchase amounts of properties have surged and thus the balance of real estate for sale (inventory) at the same time. As a whole, the Company saw the purchase amounts of properties as much as ¥22,300m (up 28.9%) and the balance of real estate for sale (inventory) stood at ¥35,621m (down 14.1%) as of the yearend, while ¥7,500m (up 127.3%) and ¥10,277m (up 132.4%), respectively, for residential real estate and ¥13,700m (up 11.4%) and ¥25,344m (down 31.6%), respectively, for investment-oriented real estate.

The remaining ¥1,000m (down 37.5%), out of the purchase amounts of properties as much as ¥22,300m (up 28.9%) for the Company as a whole, is related to leasing operations, belonging to the Real Estate Leasing and Other Business side and the balance is booked as tangible assets, i.e., properties financially viable. As of the end of FY12/2021, tangible assets stood at ¥7,614m (up 98.4%), bulk of which is suggested to have been of properties financially viable related to leasing operations, belonging to the Real Estate Leasing and Other Business side. In Q3 FY12/2021, the Company transferred the balance of real estate for sale (inventory) of investment-oriented real estate (equating some ¥2,800m) to tangible assets, having increased the balance of tangible assets to a corresponding extent and thus having enlarged the rate of decline for the balance of real estate for sale (inventory) with respect to investment-oriented real estate.



Source: Company Data, WRJ Calculation

Real Estate Leasing and Other Business

In FY12/2021, segment sales came in at ¥2,113m (down 29.4%), segment profit ¥736m (down 33.3%) and segment profit margin 34.8% (down 2.0% points), having accounted for 6.2% of sales for the Company as a whole and 19.1% of segment profit. Rent revenue, accounting for the bulk of sales here, is declining and thus inevitably segment profit margin. Meanwhile, rent revenue here comprises that of investment-oriented real estate in-service held as the balance of real estate for sale (inventory) on the Real Estate Trading Business side and that of properties financially viable held as tangible assets. They stood at ¥25,344m (down 31.6%) and ¥7,614m (up 98.4%), respectively, as of the end of FY12/2021, having declined as a whole and thus inevitably rent revenue to a corresponding extent.

FY12/2022 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY12/2021CoE	15-Feb-21	Q4 Results	35,412	1,916	1,315	651
FY12/2021CoE	14-May-21	Q1 Results	35,412	1,916	1,315	651
FY12/2021CoE	6-Aug-21	Q2 Results	35,412	1,916	1,315	651
FY12/2021CoE	14-Oct-21	Revision	34,315	2,434	1,865	1,268
		Amount of Gap	(1,097)	517	549	616
		Rate of Gap	(3.1%)	27.0%	41.8%	94.6%
FY12/2021CoE	12-Nov-21	Q3 Results	34,315	2,434	1,865	1,268
FY12/2021Act	14-Feb-22	Q4 Results	33,956	2,342	1,770	1,276
		Amount of Gap	(359)	(92)	(95)	8
		Rate of Gap	(1.0%)	(3.8%)	(5.1%)	0.6%
FY12/2021CoE	15-Feb-21	Q4 Results	35,412	1,916	1,315	651
FY12/2021Act	14-Feb-22	Q4 Results	33,956	2,342	1,770	1,276
		Amount of Gap	(1,456)	426	455	625
		Rate of Gap	(4.1%)	22.2%	34.6%	96.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY12/2021CoE	15-Feb-21	Q4 Results	-	-	-	-
Q1 to Q2 FY12/2021CoE	14-May-21	Q1 Results	-	-	-	-
Q1 to Q2 FY12/2021Act	12-Nov-21	Q2 Results	17,795	1,318	1,050	737
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY12/2021CoE	15-Feb-21	Q4 Results	-	-	-	-
Q1 to Q2 FY12/2021Act	12-Nov-21	Q2 Results	17,795	1,318	1,050	737
		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 FY12/2021CoE	15-Feb-21	Q4 Results	-	-	-	-
Q3 to Q4 FY12/2021CoE	14-May-21	Q1 Results	-	-	-	-
Q3 to Q4 FY12/2021CoE	6-Aug-21	Q2 Results	17,617	598	265	(86)
Q3 to Q4 FY12/2021CoE	14-Oct-21	Revision	16,520	1,116	815	531
		Amount of Gap	(1,097)	518	550	617
		Rate of Gap	(6.2%)	86.6%	207.5%	-
Q3 to Q4 FY12/2021CoE	12-Nov-21	Q3 Results	16,520	1,116	815	531
Q3 to Q4 FY12/2021Act	14-Feb-22	Q4 Results	16,161	1,024	720	539
		Amount of Gap	(359)	(92)	(95)	8
		Rate of Gap	(2.2%)	(8.2%)	(11.7%)	1.5%
Q3 to Q4 FY12/2021CoE	6-Aug-21	Q2 Results	17,617	598	265	(86)
Q3 to Q4 FY12/2021Act	14-Feb-22	Q4 Results	16,161	1,024	720	539
		Amount of Gap	(1,456)	426	455	625
		Rate of Gap	(8.3%)	71.2%	171.7%	-

Source: Company Data, WRJ Calculation

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.
(Million Yen)	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	Net Chg.
Sales	9,298	14,262	21,857	34,858	10,241	17,795	26,541	33,956		(902)
Cost of Sales	7,886	11,754	17,965	28,994	8,774	14,913	22,221	28,168		(826)
Gross Profit	1,412	2,507	3,892	5,864	1,466	2,882	4,320	5,788		(76)
SG&A Expenses	859	1,695	2,472	3,398	809	1,563	2,466	3,445		+47
Operating Profit	553	812	1,419	2,465	657	1,318	1,853	2,342		(123)
Non Operating Balance	(176)	(354)	(510)	(680)	(141)	(268)	(411)	(572)		+108
Recurring Profit	377	458	909	1,785	516	1,050	1,442	1,770		(15)
Extraordinary Balance	-	28	30	23	-	6	6	6		(17)
Profit before Income Taxes	377	486	939	1,808	516	1,056	1,448	1,776		(32)
Total Income Taxes	126	153	972	1,209	167	318	377	500		(709)
Profit Attributable to Owners of Parent	251	333	(32)	599	348	737	1,071	1,276		+677
Sales YoY	+5.4%	(24.1%)	(27.2%)	(12.1%)	+10.1%	+24.8%	+21.4%	(2.6%)		-
Operating Profit YoY	(23.9%)	(50.8%)	(48.6%)	(21.9%)	+18.8%	+62.3%	+30.6%	(5.0%)		-
Recurring Profit YoY	(32.9%)	(65.3%)	(60.1%)	(28.4%)	+36.8%	+129.2%	+58.6%	(0.8%)		-
Profit Attributable to Owners of Parent YoY	(34.8%)	(63.2%)	-	(64.5%)	+38.5%	+121.0%	-	+113.0%		-
Gross Profit Margin	15.2%	17.6%	17.8%	16.8%	14.3%	16.2%	16.3%	17.0%		+0.2%
Sales to SG&A Expenses Ratio	9.2%	11.9%	11.3%	9.7%	7.9%	8.8%	9.3%	10.1%		+0.4%
Operating Profit Margin	5.9%	5.7%	6.5%	7.1%	6.4%	7.4%	7.0%	6.9%		(0.2%)
Recurring Profit Margin	4.1%	3.2%	4.2%	5.1%	5.0%	5.9%	5.4%	5.2%		+0.1%
Profit Attributable to Owners of Parent Margin	2.7%	2.3%	(0.1%)	1.7%	3.4%	4.1%	4.0%	3.8%		+2.0%
Total Income Taxes/Profit before Income Taxes	33.4%	31.5%	103.5%	66.9%	32.4%	30.1%	26.0%	28.2%		(38.7%)

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.
(Million Yen)	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	Net Chg.
Sales	9,298	4,964	7,595	13,001	10,241	7,554	8,746	7,415		(5,586)
Cost of Sales	7,886	3,868	6,211	11,029	8,774	6,139	7,308	5,947		(5,082)
Gross Profit	1,412	1,095	1,385	1,972	1,466	1,416	1,438	1,468		(504)
SG&A Expenses	859	836	777	926	809	754	903	979		+53
Operating Profit	553	259	607	1,046	657	661	535	489		(557)
Non Operating Balance	(176)	(178)	(156)	(170)	(141)	(127)	(143)	(161)		+9
Recurring Profit	377	81	451	876	516	534	392	328		(548)
Extraordinary Balance	-	28	2	(7)	-	6	-	-		+7
Profit before Income Taxes	377	109	453	869	516	540	392	328		(541)
Total Income Taxes	126	27	819	237	167	151	59	123		(114)
Profit Attributable to Owners of Parent	251	82	(365)	631	348	389	334	205		(426)
Sales YoY	+5.4%	(50.2%)	(32.4%)	+34.9%	+10.1%	+52.2%	+15.2%	(43.0%)		-
Operating Profit YoY	(23.9%)	(72.0%)	(45.5%)	+166.2%	+18.8%	+155.2%	(11.9%)	(53.3%)		-
Recurring Profit YoY	(32.9%)	(89.3%)	(52.8%)	+305.6%	+36.8%	+559.3%	(13.1%)	(62.6%)		-
Profit Attributable to Owners of Parent YoY	(34.8%)	(84.3%)	-	+260.6%	+38.5%	+374.4%	-	(67.5%)		-
Gross Profit Margin	15.2%	22.1%	18.2%	15.2%	14.3%	18.7%	16.4%	19.8%		+4.6%
Sales to SG&A Expenses Ratio	9.2%	16.8%	10.2%	7.1%	7.9%	10.0%	10.3%	13.2%		+6.1%
Operating Profit Margin	5.9%	5.2%	8.0%	8.0%	6.4%	8.8%	6.1%	6.6%		(1.5%)
Recurring Profit Margin	4.1%	1.6%	5.9%	6.7%	5.0%	7.1%	4.5%	4.4%		(2.3%)
Profit Attributable to Owners of Parent Margin	2.7%	1.7%	(4.8%)	4.9%	3.4%	5.1%	3.8%	2.8%		(2.1%)
Total Income Taxes/Profit before Income Taxes	33.4%	24.8%	180.8%	27.3%	32.4%	28.0%	15.1%	37.5%		+10.2%

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
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY	
(Million Yen)	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	Net Chg.
Real Estate Trading	8,525	12,717	19,548	31,866	9,668	16,721	24,960	31,842		(24)
Real Estate Leasing and Other	773	1,544	2,309	2,992	573	1,074	1,581	2,113		(879)
Sales	9,298	14,262	21,857	34,858	10,241	17,795	26,541	33,956		(902)
Real Estate Trading	681	1,006	1,642	2,812	771	1,584	2,404	3,119		+307
Real Estate Leasing and Other	244	558	867	1,103	207	380	552	736		(367)
Segment Profit	925	1,564	2,510	3,916	978	1,964	2,956	3,855		(61)
Adjustment	(372)	(752)	(1,090)	(1,450)	(321)	(646)	(1,102)	(1,513)		(63)
Operating Profit	553	812	1,419	2,465	657	1,318	1,853	2,342		(123)
Real Estate Trading	8.0%	7.9%	8.4%	8.8%	8.0%	9.5%	9.6%	9.8%		+1.0%
Real Estate Leasing and Other	31.6%	36.1%	37.5%	36.9%	36.1%	35.4%	34.9%	34.8%		(2.0%)
Adjustment	(4.0%)	(5.3%)	(5.0%)	(4.2%)	(3.1%)	(3.6%)	(4.2%)	(4.5%)		(0.3%)
Operating Profit Margin	5.9%	5.7%	6.5%	7.1%	6.4%	7.4%	7.0%	6.9%		(0.2%)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY	
(Million Yen)	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	Net Chg.
Real Estate Trading	8,525	4,192	6,831	12,318	9,668	7,053	8,239	6,882		(5,436)
Real Estate Leasing and Other	773	771	765	683	573	501	507	532		(151)
Sales	9,298	4,964	7,595	13,001	10,241	7,554	8,746	7,415		(5,586)
Real Estate Trading	681	325	636	1,170	771	813	820	715		(455)
Real Estate Leasing and Other	244	314	309	236	207	173	172	184		(52)
Segment Profit	925	639	946	1,406	978	986	992	899		(507)
Adjustment	(372)	(380)	(338)	(360)	(321)	(325)	(456)	(411)		(51)
Operating Profit	553	259	607	1,046	657	661	535	489		(557)
Real Estate Trading	8.0%	7.8%	9.3%	9.5%	8.0%	11.5%	10.0%	10.4%		+0.9%
Real Estate Leasing and Other	31.6%	40.7%	40.4%	34.6%	36.1%	34.5%	33.9%	34.6%		+0.0%
Adjustment	(4.0%)	(7.7%)	(4.5%)	(2.8%)	(3.1%)	(4.3%)	(5.2%)	(5.5%)		(2.8%)
Operating Profit Margin	5.9%	5.2%	8.0%	8.0%	6.4%	8.8%	6.1%	6.6%		(1.5%)

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 12/2020	Q2 12/2020	Q3 12/2020	Q4 12/2020	Q1 12/2021	Q2 12/2021	Q3 12/2021	Q4 12/2021		
Cash and Deposit	13,783	12,180	12,771	16,065	17,371	17,348	18,392	17,565	+1,500	
Accounts Receivables	24	22	30	16	12	19	21	19	+3	
Real Estate for Sale	51,143	52,953	50,077	41,337	34,912	35,885	34,617	35,463	(5,874)	
Real Estate for Sale in Process	157	94	110	283	405	375	498	630	+347	
Other	497	474	268	236	547	471	479	727	+491	
Current Assets	65,604	65,723	63,256	57,937	53,247	54,098	54,007	54,404	(3,533)	
Tangible Assets	2,875	3,292	3,425	3,838	3,856	3,817	6,992	7,614	+3,776	
Intangible Assets	85	83	82	83	81	79	77	85	+2	
Investments and Other Assets	1,170	1,159	673	583	544	544	605	631	+48	
Fixed Assets	4,131	4,535	4,181	4,504	4,482	4,441	7,676	8,331	+3,827	
Deferred Assets	52	47	45	45	43	44	44	41	(4)	
Total Assets	69,788	70,306	67,482	62,487	57,774	58,585	61,728	62,778	+291	
Accounts Payables	443	373	337	216	223	284	342	361	+145	
Short Term Debt	3,252	3,037	2,564	2,050	2,236	2,015	3,609	4,739	+2,689	
Current Portion of Bonds Payable	1,232	1,172	810	860	780	842	792	727	(133)	
Current Portion of Long-term Debt	8,336	7,918	7,508	6,192	5,484	4,030	3,836	4,982	(1,210)	
Other	944	974	1,292	1,819	1,412	1,369	1,156	1,359	(460)	
Current Liabilities	14,207	13,474	12,511	11,137	10,135	8,540	9,735	12,168	+1,031	
Bonds Payable	3,425	3,345	3,197	3,307	3,172	3,300	3,265	3,219	(88)	
Long Term Debt	28,989	30,263	28,938	24,713	21,092	22,968	24,591	23,192	(1,521)	
Other	874	883	862	724	660	667	694	652	(72)	
Fixed Liabilities	33,288	34,491	32,997	28,744	24,924	26,935	28,550	27,063	(1,681)	
Total Liabilities	47,495	47,966	45,509	39,882	35,059	35,476	38,285	39,232	(650)	
Shareholders' Equity	22,171	22,253	21,886	22,518	22,627	23,016	23,350	23,453	+935	
Other	121	87	87	87	87	93	92	93	+6	
Net Assets	22,292	22,340	21,973	22,605	22,714	23,109	23,442	23,546	+941	
Total Liabilities & Net Assets	69,788	70,306	67,482	62,487	57,774	58,585	61,728	62,778	+291	
Equity Capital	22,171	22,253	21,886	22,518	22,627	23,016	23,350	23,453	+935	
Interest Bearing Debt	45,234	45,735	43,017	37,122	32,764	33,155	36,093	36,859	(263)	
Net Debt	31,451	33,555	30,246	21,057	15,393	15,807	17,701	19,294	(1,763)	
Equity Ratio	31.8%	31.7%	32.4%	36.0%	39.2%	39.3%	37.8%	37.4%	-	
Net Debt Equity Ratio	141.9%	150.8%	138.2%	93.5%	68.0%	68.7%	75.8%	82.3%	-	
ROE (12 months)	7.1%	5.0%	0.6%	2.6%	3.1%	4.4%	7.5%	5.6%	-	
ROA (12 months)	3.4%	2.4%	1.7%	2.7%	3.0%	3.7%	3.6%	2.8%	-	
Days for Inventory Turnover	593	1,251	737	344	367	538	438	553	-	
Quick Ratio	97%	91%	102%	144%	172%	203%	189%	145%	-	
Current Ratio	462%	488%	506%	520%	525%	633%	555%	447%	-	

Source: Company Data, WRJ Calculation

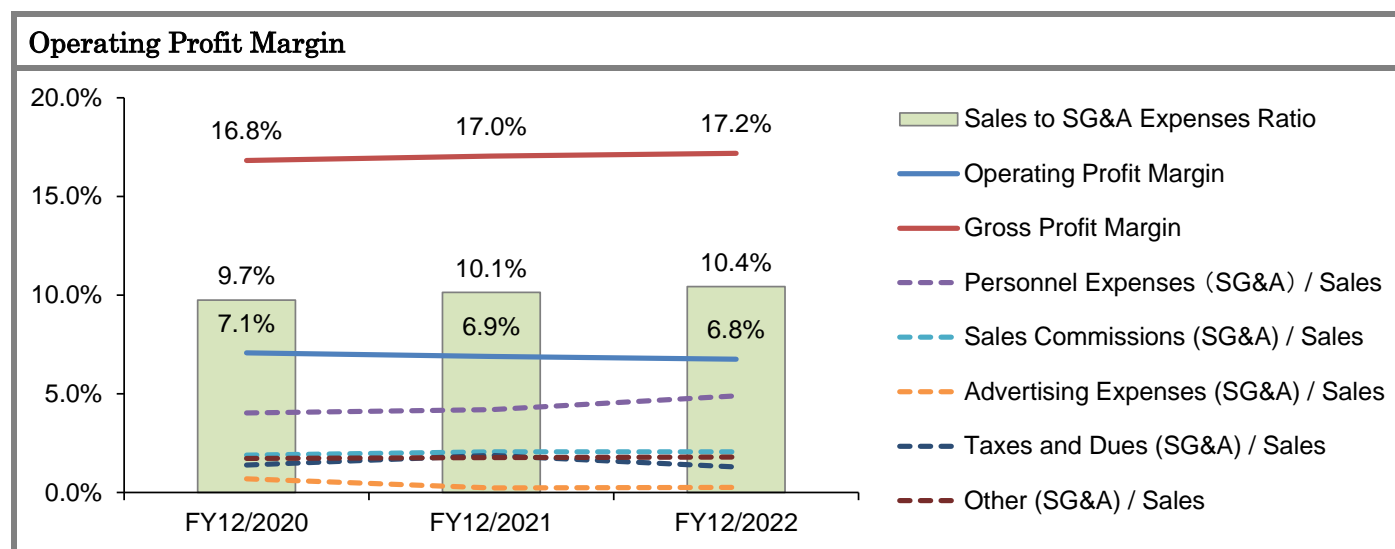
Cash Flow Statement (Cumulative)

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 12/2020	Q1 to Q2 12/2020	Q1 to Q3 12/2020	Q1 to Q4 12/2020	Q1 12/2021	Q1 to Q2 12/2021	Q1 to Q3 12/2021	Q1 to Q4 12/2021		
Operating Cash Flow	-	(2,217)	-	10,981	-	5,519	-	3,307	(7,674)	
Investing Cash Flow	-	(1,392)	-	(1,944)	-	(168)	-	(1,218)	+726	
Operating Cash Flow and Investing Cash Flow	-	(3,609)	-	9,037	-	5,351	-	2,089	(6,948)	
Financing Cash Flow	-	1,967	-	(6,656)	-	(4,215)	-	(621)	+6,035	

Source: Company Data, WRJ Calculation

FY12/2022 Company Forecasts

FY12/2022 Company forecasts are going for prospective sales of ¥38,847m (up 14.4% YoY), operating profit of ¥2,642m (up 12.1%), recurring profit of ¥2,066m (up 16.7%) and profit attributable to owners of parent of ¥1,314m (up 3.0%). As for profit attributable to owners of parent, the growth rate is limited because Company forecasts do not assume income taxes-deferred. Meanwhile, Company forecasts assume gross profit of ¥6,675m (up 15.3%) and SG&A expenses of ¥4,051m (up 17.6%), implying gross profit margin of 17.2% (up 0.1% point), sales to SG&A expenses ratio of 10.4% (up 0.3% points) and thus operating profit margin of 6.8% (down 0.1% point). At the same time, Company forecasts are going for prospective annual dividend of ¥17.00 per share, implying payout ratio of 30.2%.



Source: Company Data, WRJ Calculation

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Higher Sales on the Real Estate Trading Business side

Company forecasts assume sales of ¥36,648m (up 15.1%) on the Real Estate Trading Business side and sales of ¥2,198m (up 4.0%) on the Real Estate Leasing and Other Business side. With respect to the Real Estate Trading Business side, residential real estate is to see sales of ¥14,542m (up 106.2%), the number of properties sold of 416 units (up 120.1%) and the average unit selling price of ¥35.0m (down 6.2%), while investment-oriented real estate sales of ¥16,470m (down 29.7%), the number of properties sold of 92 units (down 33.8%) and the average unit selling price of ¥180m (up 6.8%). For purchase and resale of residential real estate, the Company has been accumulating real estate for sale (inventory), looking to persistent strengths in demand, while setting up new business offices to exclusively focus on purchase and resale of residential real estate, leading to sales doubled over the previous year.

Setting up Business Offices Exclusively for Residential Real Estate

On an occasion of setting up business offices with an eye to sustained growth in the future, it is inevitable that the Company will increase its contribution of personnel expenses, which appears to become the key factor why sales to SG&A expenses ratio will edge up for the Company as a whole in FY12/2022. The Company has set up business offices dedicated to purchase and resale of residential real estate as many as 5 in the number (Kita Senju, Funabashi, Ogikubo, Akabane and Ikebukuro) in FY12/2021, which is planned to be followed by setup of the same kind of business offices in Kanagawa-prefecture and Jonan area of Tokyo, i.e., Minato-ku, Shinagawa-ku, Meguro-ku and Ota-ku, in FY12/2022. By means of making progress for this plan, the Company is trying to expand its business area, eventually comprehensively covering the Tokyo metropolitan area as a whole.

With respect to investment-oriented real estate, meanwhile, where the Company is taking a conservative stance on the accumulation of real estate for sale (inventory) with the highest priority on securing profitability, sales are expected to decline sharply. However, this will be more than compensated for by surging sales of residential real estate, while operations to become new earnings sources beginning to take off on a full-fledged basis, resulting in a steady growth on the Real Estate Trading Business side as a whole.

New Earnings Sources

The Company has been bringing up operations to become new earnings sources for some time, i.e., real estate development operations (to purchase properties as well as to plan, design, manage construction, lease and sell, while construction outsourced) and real estate specified joint operations (to originate and sell small-lot real estate products). According to the Company, they carry gross profit margin relatively higher than the existing operations as a whole and thus sales mix improves in line with expansion in sales with them. Company forecasts assume that this will take place in FY12/2022, becoming the key factor why gross profit margin will improve for the Company as a whole.

Real Estate Development Operations

For real estate development operations (to purchase properties as well as to plan, design, manage construction, lease and sell, while construction outsourced), the Company is to see sales of SIDEPLACE OSHIAGE, which was completed in FY12/2021. This is a one-building rental condominium dedicated to single people developed by the Company, which is located in a prime urban area of 4 minutes on walk from Oshiage station and has a high asset value. Being equipped with a place for washing pet's feet and a rooftop dog run, the Company believes it also has a strong aspect as pet-coexisting condominium with a provision of enhanced life with pets. On top of this, this condominium is also equipped with many environmentally friendly products and the Company's efforts towards sustainable society are recognized. More importantly, the Company is expected to see completion for 8 properties, mainly the same kind of one-building rental condominiums as the said one in FY12/2022. Thus, Company forecasts are going for prospective sales of ¥2,968m (versus none in FY12/2021), comprising those of collective 9 properties, including the said one.

Real Estate Specified Joint Operations

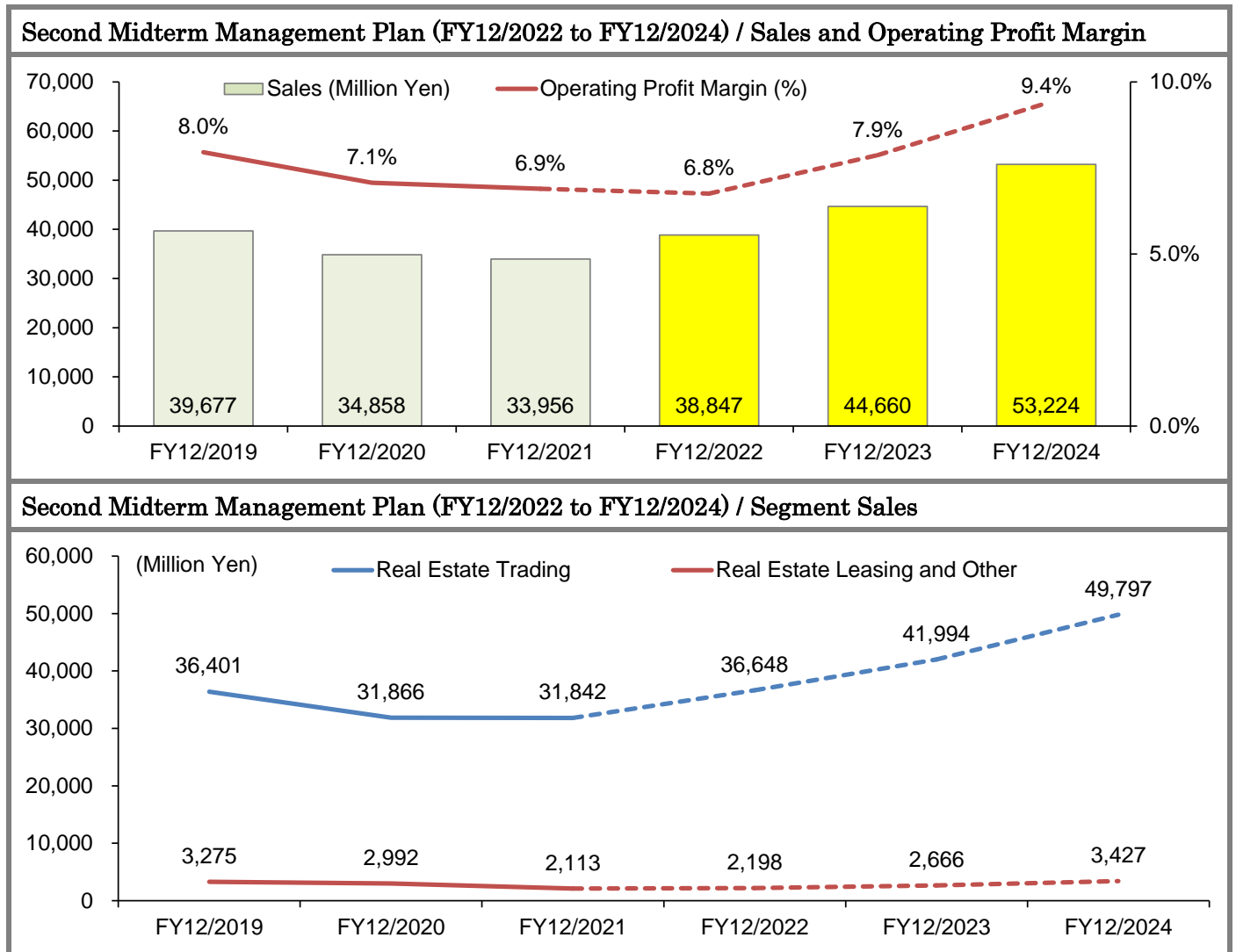
With respect to real estate specified joint operations (to originate and sell small-lot real estate products), Company forecasts assume sales of ¥2,409m (up 100.5%) in FY12/2022 versus ¥1,201m in FY12/2021, when the first one Yoyogi Project saw a sellout. For the second one Shibuya-Kamiyamacho Project, it took some two months to see full applications after having been launched in August 2021 (collective capital contribution amounts of ¥850m or one million yen per unit with offering of 850 units) and the management has begun since December 2021, according to the Company. Meanwhile, the Company also states that the third project (more than ¥1,000m in terms of capital contribution amounts) is due spring 2022 for applications.

Development of New Sales Channels

It is the case that the Company purchases and sells via real estate brokers for the mainstay operations of purchase and resale of secondhand real estate, while it runs sale via financial institutions, accountant offices and certified tax account offices for real estate specified joint operations (to originate and sell small-lot real estate products). According to the Company, the inquiries at present are fairly robust and the Company has recognized afresh that demand is strengthening for products for asset management and/or investment, which serve as an inheritance tax countermeasure. Given this background, the Company is now planning to start up holding seminars, both real and virtual, for the sake of development of new sales channel, i.e., planning to directly speak to investors via both face-to-face and non-face-to-face under the Company brand Budosan (small-lot real estate products to hold onto your hat).

Long-Term Prospects

On 14 February 2022, the Company announced its second midterm management plan (FY12/2022 to FY12/2024), calling for prospective sales of ¥53,224m, operating profit of ¥4,991m and operating profit margin of 9.4% in FY12/2024, the final year of the plan, as performance target, i.e., calling for CAGR of 16.2% for sales and 28.7% for earnings towards FY12/2024, setting the FY12/2021 results as the point of origin. Meanwhile, the plan is calling for improvement by 2.5% points in operating profit margin during the said period.



Source: Company Data, WRJ Calculation

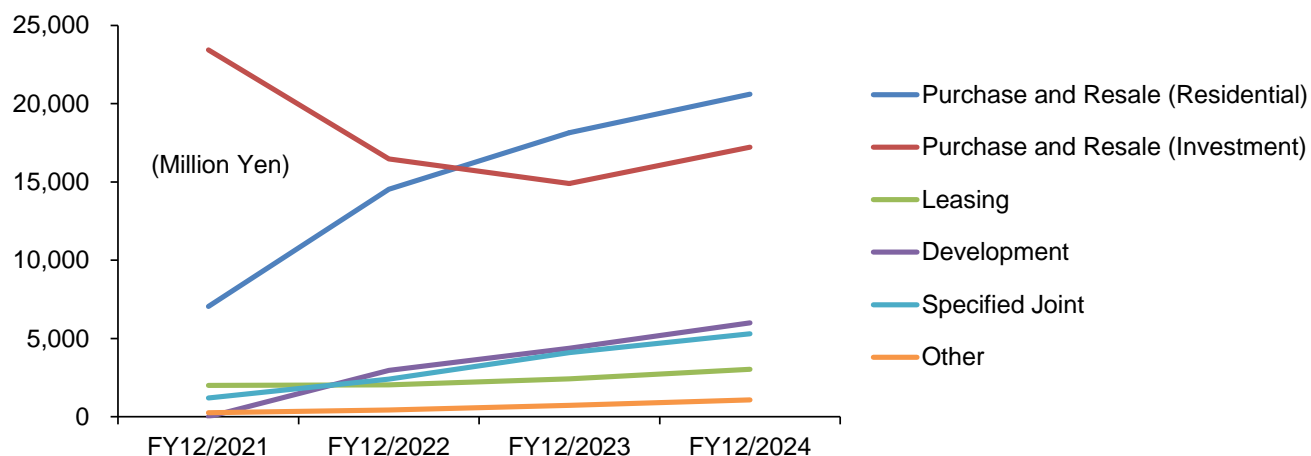
Basic Policies of Business Strategies

On the Real Estate Trading Business side, sales are expected to see CAGR of 16.1% and 17.5% on the Real Estate Leasing and Other Business side. Meanwhile, the Company raises basic policies of business strategies to achieve this target, i.e., “strengthening the earnings base to expand business” and “building networks to seize earnings opportunities”. As for priority measures, the Company raises that of enlarging the size of purchase and resale operations and leasing operations and that of bringing up real estate development operations (to purchase properties as well as to plan, design, manage construction, lease and sell, while construction outsourced) and real estate specified joint operations (to originate and sell small-lot real estate products) also for the sake of enlarging the size. Meanwhile, with respect to basic policies to strengthen the management base, the Company raises that of increasing organizational strengths to drive business growth and of advancing digital transformation to support business expansion and growth. For priority measures, the Company raises that of expanding/cultivating human resources, strengthening governance, propelling digital transformation, improving capital efficiency and enhancing shareholder returns.

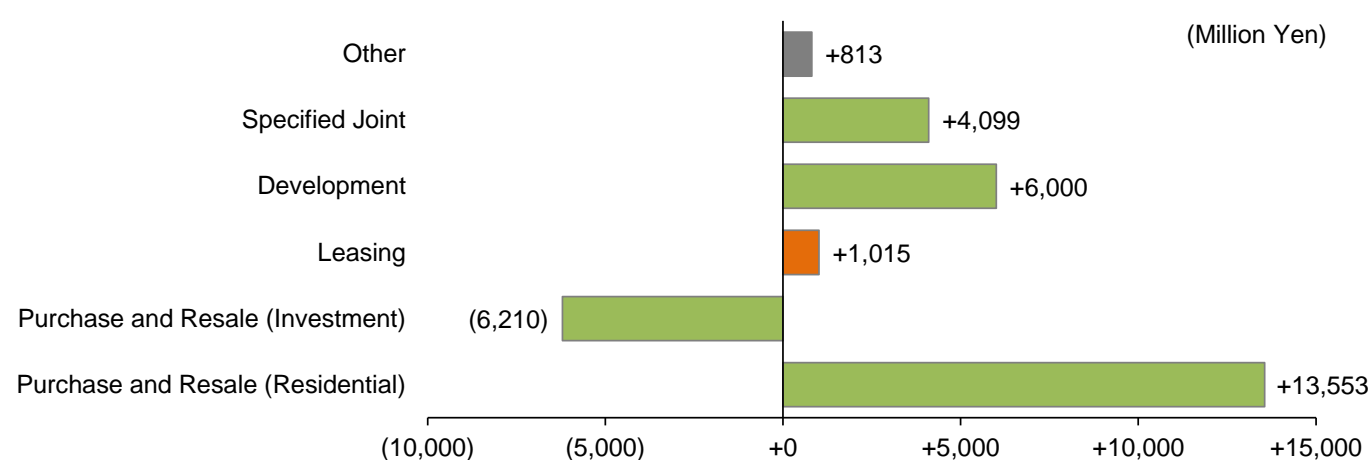
Strengthening of Management Base to Support Long-Term Growth (Sustainability)

On top of implementing the above-mentioned priority measures based on the basic policies, the Company reveals its intention to actively cope with ESG, which leads to strengthening of management base to support long-term growth (sustainability). For an aspect of Environment, the Company states that it focuses on “business activities with environmental considerations”. For an aspect of Social, the Company advocates “helping all persons leading better lives, providing decent work and promising the active participation of diverse human resources”. For an aspect of Governance, the Company states that it makes a move for “enhancing governance with a view to sustainable growth”. By the way, the Company also states that it has target to realize a stable satisfaction of the standards to maintain listing on “prime market” (boosting market capitalization in terms of tradable shares) towards the end of the period of the second midterm management plan (FY12/2022 to FY12/2024) by means of achieving all those above-mentioned issues.

Second Midterm Management Plan (FY12/2022 to FY12/2024) / “Sales by Operations”



Second Midterm Management Plan (FY12/2022 to FY12/2024) / Net Change for “Sales by Operations”



Real Estate Trading Business

During the period of the second midterm management plan (FY12/2022 to FY12/2024), the Company is planning to see net increase of ¥19,268m (100%) in sales as a whole, comprising net increase of ¥17,955m (93%) on the Real Estate Trading Business side and net increase of ¥1,314m (7%) on the Real Estate Leasing and Other Business side, which suggests that the Real Estate Trading Business side will be contributing overwhelmingly. Meanwhile, when based on “sales by operations”, disclosed by the Company, purchase and resale operations (residential real estate) is to see net increase of ¥13,553m (70%), purchase and resale operations (investment-oriented real estate) net decrease of ¥6,210m (minus 32%), real estate development operations (to purchase properties as well as to plan, design, manage construction, lease and sell, while construction outsourced) net increase of ¥6,000m (31%), real estate specified joint operations (to originate and sell small-lot real estate products) net increase of ¥4,099m (21%) and other operations (to compose a part in both of the business) net increase of ¥813m (4%).

That is to say, the bulk of net increase in sales of ¥17,955m (93%) on the Real Estate Trading Business side to overwhelmingly contribute to net increase in sales for the Company as a whole is related to net increase in sales of ¥13,553m (70%) in purchase and resale operations (residential real estate). Meanwhile, net decrease in sales of ¥6,210m (minus 32%) in purchase and resale operations (investment-oriented real estate), where the Company is cutting back on its allocations of resources, will be more than compensated for by net increase in sales of operations for the Company to bring up as new earnings sources, i.e., real estate development operations and real estate specified joint operations. Collectively, they are to account for 14% of sales for the Company as a whole in FY12/2022, 19% in FY12/2023 and 21% in FY12/2024, consistently and steadily enlarging the Company's exposure to them. In light of a suggestion that they carry gross profit margin relatively higher, the Company will benefit from improved sales mix in line with this trend.

Real Estate Leasing and Other Business

Meanwhile, on the Real Estate Leasing and Other Business side to see net increase in sales of ¥1,314m (7%), the Company is to see net increase in sales of ¥1,015m (5%) with respect to leasing operations, while the rest of the net increase comes from other operations (to compose a part in both of the business) of ¥813m (4%), implying that this side has a large exposure to leasing operations. On the Real Estate Leasing and Other Business side, the Company saw sales of ¥2,113m (down 29.4% YoY) in FY12/2021, while the Company is planning to see sales of ¥2,198m (up 4.0%) in FY12/2022, sales of ¥2,666m (up 21.3%) in FY12/2023 and sales of ¥3,427m (up 28.5%) in FY12/2024, i.e., the Company is going for a reversal from decrease to increase in sales, which is expected to be followed by accelerating rate of increase. The balance of real estate for sale (inventory) on the Real Estate Trading Business side is staying stagnant with respect to that of investment-oriented real estate, which is the revenue base of leasing operations (objects from which the Company collects rent revenue), but the Company is currently in the process of massively increasing purchase amounts of properties with an objective of expanding leasing operations, which appears to gradually contribute to the acceleration of growth rate in sales as time goes by. The Company is planning to see purchase amounts of properties as much as ¥7,733m for this in FY12/2022 versus ¥1,000m in FY12/2021.

Diversification of Business Portfolio

When based on the concepts of "sales by operations", purchase and resale operations (residential real estate and investment-oriented real estate) accounted for 90% of sales for the Company as a whole and 71% for gross profit in FY12/2021, implying that the Company is exposed to single business to a large extent. In light of this, the Company is now trying to diversify business portfolio for the sake of achieving stable growth from a long-term perspective. Specifically, the Company is now diversifying into real estate development operations (to purchase properties as well as to plan, design, manage construction, lease and sell, while construction outsourced), real estate specified joint operations (to originate and sell small-lot real estate products), leasing operations and other operations (refurbishment of the interior & the exterior, management of properties and brokerage). All those operations are related to real estate, where the Company should be able to pursue synergy with the existing purchase and resale operations (residential real estate and investment-oriented real estate) and the Company is convinced to be able to develop all those operations with competitiveness to more than a certain extent. Consequently, the second midterm management plan (FY12/2022 to FY12/2024) assumes that purchase and resale operations (residential real estate and investment-oriented real estate) will account for 71% (down 19% points from FY12/2021) of sales for the Company as a whole and 62% (down 21% points) for gross profit in FY12/2024, the final year of the plan. In light of the trend suggested here that the Company is to see decreased exposure to gross profit more than sales, it should be the case that the Company's diversification of business portfolio has an aspect of improving sales mix amongst the operation as a whole.

Enhancing Shareholder Returns

On the other hand, it has been revealed that the Company will enhance shareholder returns during the period of the second midterm management plan (FY12/2022 to FY12/2024) more than that of the first midterm management plan (FY12/2019 to FY12/2021). That is to say, the former is going for payout ratio of 30% or more versus some 20% for the latter. FY12/2022 Company forecasts are going for annual dividend of ¥17.00, implying payout ratio of 30.2%, while the Company suggests annual dividend of ¥24.00, implying payout ratio of 30.2% in FY12/2023 and ¥37.00 and 30.8%, respectively, in FY12/2024, i.e., suggesting consistent increase in dividend in line with increasing earnings. On top of this, the Company also suggests that it is keen on buying back shares for the sake of flexibly implement capital policy, which is conscious of total return ratio and/or capital efficiency.

Long-Term ROE target: 15.0% or more

The Company saw ROE of 5.6% in FY12/2021, the final year of the first midterm management plan (FY12/2019 to FY12/2021), while trying to achieve ROE of 11.0% or more in FY12/2024, the final year of the second midterm management plan (FY12/2022 to FY12/2024). On top of this, the Company also has a target to achieve ROE of 15.0% or more from a longer term perspective. Here, the Company assumes ratio of profit attributable to owners of parent to sales of 6.0% or more, asset turnover ratio of 1.0x or more and financial leverage of 2.5x or more. For improvement in ratio of profit attributable to owners of parent to sales, it appears that the above-mentioned measures will be contributing. For improvement in asset turnover ratio, the Company is to cut back on period of holding real estate for sale (inventory) of purchase and resale operations (residential real estate and investment-oriented real estate). For financial leverage, it appears that the Company is not quite keen on raising the level. In the first place, the Company estimates it saw cost of shareholders' equity of 10.5% in FY12/2021 versus ROE of 5.6%, i.e., seeing the latter lower than the former. Given a situation like this, it appears that the Company will be striving to achieve ROE higher than cost of shareholders' equity by FY12/2024 at the latest.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY
	FY	FY	FY	FY	FY	FY	Net Chg.
	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	
Sales	63,568	53,931	39,677	34,858	33,956	38,847	+4,891
Cost of Sales	52,166	44,084	33,202	28,994	28,168	32,172	+4,004
Gross Profit	11,402	9,847	6,475	5,864	5,788	6,675	+887
SG&A Expenses	4,279	3,862	3,317	3,398	3,445	4,051	+606
Operating Profit	7,122	5,985	3,157	2,465	2,342	2,624	+282
Non Operating Balance	(644)	(748)	(664)	(680)	(572)	(558)	+14
Recurring Profit	6,478	5,237	2,493	1,785	1,770	2,066	+296
Extraordinary Balance	166	6	7	23	6	-	-
Profit before Income Taxes	6,644	5,243	2,500	1,808	1,776	-	-
Total Income Taxes	2,367	1,887	811	1,209	500	-	-
Profit Attributable to Owners of Parent	4,276	3,356	1,688	599	1,276	1,314	+38
Sales YoY	+10.6%	(15.2%)	(26.4%)	(12.1%)	(2.6%)	+14.4%	-
Operating Profit YoY	+12.9%	(16.0%)	(47.2%)	(21.9%)	(5.0%)	+12.1%	-
Recurring Profit YoY	+13.7%	(19.2%)	(52.4%)	(28.4%)	(0.8%)	+16.7%	-
Profit Attributable to Owners of Parent YoY	+46.2%	(21.5%)	(49.7%)	(64.5%)	+113.0%	+3.0%	-
Gross Profit Margin	17.9%	18.3%	16.3%	16.8%	17.0%	17.2%	+0.1%
Sales to SG&A Expenses Ratio	6.7%	7.2%	8.4%	9.7%	10.1%	10.4%	+0.3%
Operating Profit Margin	11.2%	11.1%	8.0%	7.1%	6.9%	6.8%	(0.1%)
Recurring Profit Margin	10.2%	9.7%	6.3%	5.1%	5.2%	5.3%	+0.1%
Profit Attributable to Owners of Parent Margin	6.7%	6.2%	4.3%	1.7%	3.8%	3.4%	(0.4%)
Total Income Taxes / Profit before Income Taxes	35.6%	36.0%	32.4%	66.9%	28.2%	-	-

Source: Company Data, WRJ Calculation

Segmented Information

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY
	FY	FY	FY	FY	FY	FY	Net Chg.
	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	
Real Estate Trading	61,212	50,697	36,401	31,866	31,842	36,648	+4,806
Real Estate Leasing and Other	2,356	3,234	3,275	2,992	2,113	2,198	+85
Sales	63,568	53,931	39,677	34,858	33,956	38,847	+4,891
Real Estate Trading	7,792	6,272	3,296	2,812	3,119	-	-
Real Estate Leasing and Other	908	1,166	1,183	1,103	736	-	-
Segment Profit	8,700	7,439	4,480	3,916	3,855	-	-
Adjustment	(1,577)	(1,454)	(1,322)	(1,450)	(1,513)	-	-
Operating Profit	7,122	5,985	3,157	2,465	2,342	2,624	+282
Real Estate Trading	12.7%	12.4%	9.1%	8.8%	9.8%	-	-
Real Estate Leasing and Other	38.5%	36.1%	36.1%	36.9%	34.8%	-	-
Adjustment	(2.5%)	(2.7%)	(3.3%)	(4.2%)	(4.5%)	-	-
Operating Profit Margin	11.2%	11.1%	8.0%	7.1%	6.9%	6.8%	(0.1%)

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	FY 12/2022	YoY Net Chg.
Cash and Deposit	13,268	10,517	13,708	16,065	17,565	-	-
Accounts Receivables	15	22	23	16	19	-	-
Real Estate for Sale	41,500	51,635	49,887	41,337	35,463	-	-
Real Estate for Sale in Process	114	87	147	283	630	-	-
Other	1,442	1,058	602	236	727	-	-
Current Assets	56,339	63,319	64,367	57,937	54,404	-	-
Tangible Assets	2,379	2,366	3,068	3,838	7,614	-	-
Intangible Assets	124	83	83	83	85	-	-
Investments and Other Assets	334	954	944	583	631	-	-
Fixed Assets	2,837	3,404	4,096	4,504	8,331	-	-
Deferred Assets	35	36	48	45	41	-	-
Total Assets	59,212	66,760	68,512	62,487	62,778	-	-
Accounts Payables	523	400	467	216	361	-	-
Short Term Debt	4,928	3,213	2,236	2,050	4,739	-	-
Current Portion of Bonds Payable	530	754	1,154	860	727	-	-
Current Portion of Long-term Debt	4,853	4,142	6,950	6,192	4,982	-	-
Other	2,491	2,023	1,378	1,819	1,359	-	-
Current Liabilities	13,325	10,532	12,185	11,137	12,168	-	-
Bonds Payable	1,760	1,694	3,225	3,307	3,219	-	-
Long Term Debt	23,969	31,462	29,393	24,713	23,192	-	-
Other	818	965	868	724	652	-	-
Fixed Liabilities	26,547	34,121	33,486	28,744	27,063	-	-
Total Liabilities	39,872	44,654	45,671	39,882	39,232	-	-
Shareholders' Equity	19,230	21,983	22,718	22,518	23,453	-	-
Other	110	123	122	87	93	-	-
Net Assets	19,340	22,106	22,840	22,605	23,546	-	-
Total Liabilities & Net Assets	59,212	66,760	68,512	62,487	62,778	-	-
Equity Capital	19,230	21,983	22,718	22,518	23,453	-	-
Interest Bearing Debt	36,040	41,265	42,958	37,122	36,859	-	-
Net Debt	22,772	30,748	29,250	21,057	19,294	-	-
Equity Ratio	32.5%	32.9%	33.2%	36.0%	37.4%	-	-
Net Debt Equity Ratio	118.4%	139.9%	128.8%	93.5%	82.3%	-	-
ROE (12 months)	24.7%	16.3%	7.6%	2.6%	5.6%	-	-
ROA (12 months)	11.0%	8.3%	3.7%	2.7%	2.8%	-	-
Days for Inventory Turnover	291	428	550	523	467	-	-
Quick Ratio	100%	100%	113%	144%	145%	-	-
Current Ratio	423%	601%	528%	520%	447%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	FY 12/2022	YoY Net Chg.
Operating Cash Flow	7,266	(7,220)	3,276	10,981	3,307	-	-
Investing Cash Flow	(124)	(104)	(872)	(1,944)	(1,218)	-	-
Operating Cash Flow and Investing Cash Flow	7,142	(7,324)	2,404	9,037	2,089	-	-
Financing Cash Flow	(2,862)	4,534	712	(6,656)	(621)	-	-

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
	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	Net Chg.
No. of Shares FY End (thousand shares)	24,355	24,361	24,361	24,361	24,361	-	-
Net Profit / EPS (thousand shares)	24,349	24,354	24,330	23,979	23,962	-	-
Treasury Shares FY End (thousand shares)	0	0	282	382	586	-	-
Earnings Per Share	175.61	137.80	69.38	24.98	53.25	56.33	-
Earnings Per Share (Fully Diluted)	175.18	137.36	69.10	24.86	52.95	-	-
Book Value Per Share	789.59	902.41	943.48	939.11	986.47	-	-
Dividend Per Share	25.00	30.00	30.00	10.00	15.00	17.00	-
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
	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	175.61	137.80	69.38	24.98	53.25	56.33	-
Book Value Per Share	789.59	902.41	943.48	939.11	986.47	-	-
Dividend Per Share	25.00	30.00	30.00	10.00	15.00	17.00	-
Payout Ratio	14.2%	21.8%	43.2%	40.0%	28.2%	30.2%	-

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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