## Walden Research Japan

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# **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)
FY12/2021		33,956	2,342	1,770	1,276	53.25	15.00	986.47
FY12/2022		31,242	2,976	2,309	1,564	66.56	20.00	1,044.67
FY12/2023CoE		50,836	5,804	5,035	3,090	131.34	53.00	-
FY12/2022	YoY	(8.0%)	27.1%	30.4%	22.6%	-	-	-
FY12/2023CoE	YoY	62.7%	95.0%	118.0%	97.5%	-	-	-
Consolidated Q1 to Q3		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	<b>Owners of Parent</b>	(Yen)	(Yen)	(Yen)
Q1 to Q3 FY12/2022		21,709	1,978	1,491	1,017	-	-	-
Q1 to Q3 FY12/2023		39,993	5,164	4,587	3,047	-	-	-
Q1 to Q3 FY12/2023	YoY	84.2%	161.1%	207.5%	199.4%	-	-	-

Source: Company Data, WRJ Calculation

## 1.0 Results Update (17 November 2023)

#### **Horizontal Expansion**

On 14 November 2023, MUGEN ESTATE, running operations to purchase and resell secondhand real estate mainly in the Tokyo metropolitan area, released its Q1 to Q3 FY12/2023 results. It has been revealed that notably large momentum is persisting for its performance, while the Company is now accelerating its measures to horizontally expand region-wise for the operations to purchase and resell. On 12 May 2023, the Company newly set up Osaka Sales Office (Kita-ku, Osaka-city) with the aim of penetrating into western Japan, which is expected to be followed by ones in Nagoya-city, Fukuoka-city and Sapporo-city from January 2024 onward. According to the Company, it hopes to enhance its long-term growth potential through sustained deepening of its involvement with active secondhand real estate transactions in all those government-designated cities. Meanwhile, FY12/2023 Company forecasts have been revised up, on 7 November 2023, due to a reason that the Company is well capturing steady demand for real estate in the market, having resulted in an upgrade of planned annual dividend per share from ¥43.00 to ¥53.00, implying payout ratio of 40.4%, based on its performance-based dividend policy to actively return earnings to shareholders, which has a target to realize payout ratio of 40% or more.

Company's business model, etc.: MUGEN ESTATE (3299) Midterm Mgt Plan to Be Met (29 September 2023).

IR Representative: Norihito Hosokawa, Executive Officer Department Manager of Corporate Planning & Strategy Department (81-(0)3-6665-0581/<u>ir@mugen-estate.co.jp</u>)

## 2.0 Company Profile

Company Name	MUGEN ESTATE Co., Ltd. <u>Company HP</u> <u>IR Information</u> <u>Share Price (Japanese)</u>
Established	2 May 1990
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 3299)
	4 April 2022: Tokyo Stock Exchange Prime Market
	5 February 2016: Tokyo Stock Exchange 1st section
	18 June 2014: Tokyo Stock Exchange Mothers
Capital	¥2,552m (as of the end of September 2023)
No. of Shares	24,361,000 shares, including 798,325 treasury shares (as of the end of Sep. 2023)
Main Features	• Operations mainly in the Tokyo metropolitan area (Tokyo, Kanagawa,
	Saitama and Chiba by prefecture)
	• Solid capability to identify quality of secondhand real estate and
	accumulation of knowhow
	• Purchase and resale of properties via real estate brokers
Segments	I . Real Estate Trading Business
	(mainly purchase and resale of secondhand real estate)
	II. Real Estate Leasing and Other Business
	(mainly acquisition of income from lease)
Representatives	Chairperson & Representative Director: Susumu Fujita
	President & Representative Director: Shinichi Fujita
Shareholders	Susumu Fujita 19.64%, Shinichi Fujita 8.99%, Dream Come True Co., Ltd. 7.21%,
	Celanese Co., Ltd. 4.24%, Master Trust Bank of Japan, T. 3.49% (as of the end of
	June 2023, but for treasury shares)
Head Office	Chiyoda-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 355, Parent: 275 (as of the end of September 2023)

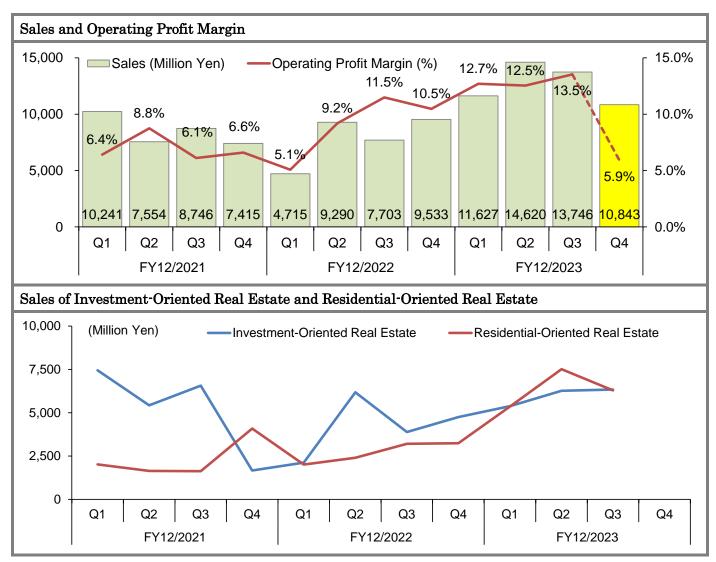
**Creating New Value in Real Estate** 

Source: Company Data

## **3.0 Recent Trading and Prospects**

#### Q1 to Q3 FY12/2023

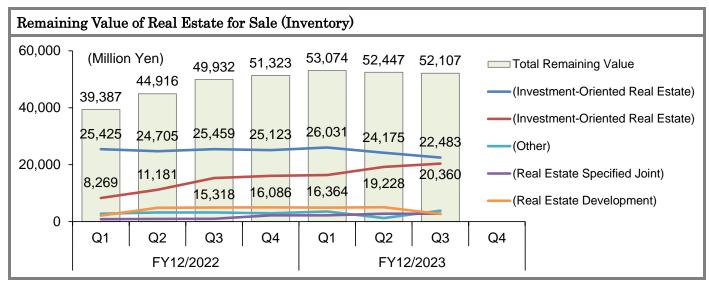
For Q1 to Q3 FY12/2023, sales came in at \$39,993m (up 84.2% YoY), operating profit \$5,164m (up 161.1%), recurring profit \$4,587m (up 207.5%) and profit attributable to owners of parent \$3,047m (up 199.4%). Meanwhile, gross profit came in at \$9,088m (up 82.3%) and SG&A expenses \$3,924m (up 30.5%), implying gross profit margin of 22.7% (down 0.2% points) and SG&A ratio of 9.8% (down 4.0% points), having resulted in operating profit margin of 12.9% (up 3.8% points).



Source: Company Data, WRJ Calculation (Q4 FY12/2023: full year Company forecasts less Q1 to Q3 results)

#### Real Estate Trading Business (95.7% of sales and 91.4% of segment profit)

On the Real Estate Trading Business side (mainly purchase and resale of secondhand real estate), sales came in at \$38,287m (up 90.9%), segment profit \$6,153m (up 123.7%) and segment profit margin 16.1% (up 2.4% points). Sales of Investment-Oriented Real Estate (mainly purchase and resale of secondhand condos on a single building basis) came in at \$17,994m (up 47.6%) and Residential-Oriented Real Estate (mainly purchase and resale of secondhand condos on a unit-by-unit basis) \$19,161m (up 151.5%), while sales of Real Estate Development came in at \$616m (versus nil during the same period of the previous year), Real Estate Specified Joint \$246m (up 63.2%) and Other \$268m (up 193.0%).



Source: Company Data, WRJ Calculation

The Company's sales are expanding rapidly, while the Company sees remaining value of real estate for sales (inventory) at a high level, which is driven by the Company's focus on Residential-Oriented Real Estate (mainly purchase and resale of secondhand condos on a unit-by-unit basis), having resulted in ongoing increase for its remaining value.

With respect to the purchase, meanwhile, it could be the case that the Company is now facing a period of gradual correction. For Q1 to Q3, the purchase equated \$26,304m versus \$29,388m during the same period of the previous year. Nevertheless, the Company should be able to see an expansion in sales near term as inventory turnover is on the rise. The Company runs the number of inventory turnover at 0.92 times for the actual results of Q1 to Q3 versus 0.63 times during the same period of the previous year. In the first place, the Company is seeing an increasing exposure to Residential-Oriented Real Estate whose inventory turnover is relatively higher, while the Company is laying out a policy to boost inventory turnover as the frontline strategy.

#### FY12/2023 Company Forecasts

FY12/2023 Company forecasts, announced on 7 November 2023, are going for prospective sales of \$50,836m (up 62.7% YoY), operating profit of \$5,804m (up 95.0%), recurring profit of \$5,035m (up 118.0%) and profit attributable to owners of parent of \$3,090m (up 97.5%), while operating profit margin of 11.4% (up 1.9% points). At the same time, Company forecasts are going for planned annual dividend of \$53.00 per share, implying payout ratio of 40.4%.

The upgrade from the latest Company forecasts, announced on 18 July 2023, equates \$4,697m (10.2%) in sales, \$1,171m (25.3%) in operating profit, \$1,174m (30.4%) in recurring profit and \$567m (22.5%) in profit attributable to owners of parent.

## 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	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Sales	4,715	14,006	21,709	31,242	11,627	26,247	39,993		+18,284
Cost of Sales	3,618	10,963	16,723	24,092	8,922	20,354	30,904		+14,181
Gross Profit	1,096	3,043	4,986	7,150	2,704	5,893	9,088	-	+4,102
SG&A Expenses	856	1,949	3,008	4,173	1,233	2,589	3,924	-	+916
Operating Profit	239	1,093	1,978	2,976	1,470	3,303	5,164		+3,186
Non Operating Balance	(139)	(300)	(487)	(667)	(191)	(385)	(577)	-	(90)
Recurring Profit	100	793	1,491	2,309	1,279	2,918	4,587		+3,096
Extraordinary Balance	-	-	-	(31)	-	(1)	(21)	-	(21)
Profit before Income Taxes	100	793	1,491	2,278	1,279	2,917	4,566	-	+3,075
Total Income Taxes	(8)	205	473	713	433	988	1,519	-	+1,046
Profit Attributable to Owners of Parent	108	588	1,017	1,564	845	1,929	3,047	-	+2,030
Sales YoY	(54.0%)	(21.3%)	(18.2%)	(8.0%)	+146.6%	+87.4%	+84.2%	-	-
Operating Profit YoY	(63.5%)	(17.1%)	+6.7%	+27.1%	+513.0%	+202.2%	+161.1%	-	-
Recurring Profit YoY	(80.6%)	(24.5%)	+3.4%	+30.4%	-	+267.8%	+207.5%	-	-
Profit Attributable to Owners of Parent YoY	(68.8%)	(20.3%)	(5.0%)	+22.6%	+676.7%	+228.1%	+199.4%		-
Gross Profit Margin	23.3%	21.7%	23.0%	22.9%	23.3%	22.5%	22.7%		(0.2%)
SG&A Ratio	18.2%	13.9%	13.9%	13.4%	10.6%	9.9%	9.8%		(4.0%)
Operating Profit Margin	5.1%	7.8%	9.1%	9.5%	12.7%	12.6%	12.9%		+3.8%
Recurring Profit Margin	2.1%	5.7%	6.9%	7.4%	11.0%	11.1%	11.5%		+4.6%
Profit Attributable to Owners of Parent Margin	2.3%	4.2%	4.7%	5.0%	7.3%	7.3%	7.6%		+2.9%
Total Income Taxes / Profit before Income Taxes	(8.0%)	25.9%	31.7%	31.3%	33.9%	33.9%	33.3%		+1.5%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
(Million Yen) Sales	12/2022 4,715	12/2022 9,291							
			12/2022	12/2022	12/2023	12/2023	12/2023		Net Chg.
Sales	4,715	9,291	12/2022 <b>7,703</b>	12/2022 9,533	12/2023 11,627	12/2023 14,620	12/2023 13,746		Net Chg. +6,043
Sales Cost of Sales	<b>4,715</b> 3,618	<b>9,291</b> 7,345	12/2022 <b>7,703</b> 5,760	12/2022 <b>9,533</b> 7,369	<b>12/2023</b> <b>11,627</b> 8,922	<b>12/2023</b> <b>14,620</b> 11,432	<b>12/2023</b> <b>13,746</b> 10,550		Net Chg. +6,043 +4,790
Sales Cost of Sales Gross Profit	<b>4,715</b> 3,618 1,096	<b>9,291</b> 7,345 1,947	12/2022 <b>7,703</b> 5,760 1,943	12/2022 9,533 7,369 2,164	<b>12/2023</b> <b>11,627</b> 8,922 2,704	<b>12/2023</b> <b>14,620</b> 11,432 3,189	<b>12/2023</b> <b>13,746</b> 10,550 3,195		Net Chg. +6,043 +4,790 +1,252
Sales Cost of Sales Gross Profit SG&A Expenses	<b>4,715</b> 3,618 1,096 856	<b>9,291</b> 7,345 1,947 1,093	12/2022 7,703 5,760 1,943 1,059	12/2022 9,533 7,369 2,164 1,165	<b>12/2023</b> <b>11,627</b> 8,922 2,704 1,233	<b>12/2023</b> <b>14,620</b> 11,432 3,189 1,356	<b>12/2023</b> <b>13,746</b> 10,550 3,195 1,335		Net Chg. +6,043 +4,790 +1,252 +276
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	<b>4,715</b> 3,618 1,096 856 <b>239</b>	<b>9,291</b> 7,345 1,947 1,093 <b>854</b>	12/2022 7,703 5,760 1,943 1,059 885	12/2022 9,533 7,369 2,164 1,165 998	12/2023 11,627 8,922 2,704 1,233 1,470	12/2023 14,620 11,432 3,189 1,356 1,833	12/2023 13,746 10,550 3,195 1,335 1,3861		Net Chg. +6,043 +4,790 +1,252 +276 +976
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	<b>4,715</b> 3,618 1,096 856 <b>239</b> (139)	<b>9,291</b> 7,345 1,947 1,093 <b>854</b> (161)	12/2022 7,703 5,760 1,943 1,059 885 (187)	12/2022 9,533 7,369 2,164 1,165 998 (180)	12/2023 11,627 8,922 2,704 1,233 1,470 (191)	<b>12/2023</b> <b>14,620</b> 11,432 3,189 1,356 <b>1,833</b> (194)	12/2023 13,746 10,550 3,195 1,335 1,361 (192)		Net Chg. +6,043 +4,790 +1,252 +276 +976 (5)
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	<b>4,715</b> 3,618 1,096 856 <b>239</b> (139)	<b>9,291</b> 7,345 1,947 1,093 <b>854</b> (161)	12/2022 7,703 5,760 1,943 1,059 885 (187)	12/2022 9,533 7,369 2,164 1,165 998 (180) 818	12/2023 11,627 8,922 2,704 1,233 1,470 (191)	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669		Net Chg. +6,043 +4,790 +1,252 +276 +976 (5) +971
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	<b>4,715</b> 3,618 1,096 <b>856</b> <b>239</b> (139) <b>100</b>	9,291 7,345 1,947 1,093 854 (161) 693	12/2022 7,703 5,760 1,943 1,059 885 (187) 698	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31)	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1)	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20)		Net Chg. +6,043 +4,790 +1,252 +276 +976 (5) +971 (20)
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	4,715 3,618 1,096 856 239 (139) 100 - 100	9,291 7,345 1,947 1,093 854 (161) 693 - 693	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 - 698	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1) 1,638	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649		Net Chg. +6,043 +4,790 +1,252 +276 +976 (5) +971 (20) +951
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	4,715 3,618 1,096 856 239 (139) 100 - 100 (8)	<b>9,291</b> 7,345 1,947 1,093 <b>854</b> (161) <b>693</b> - 693 213	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 - 698 268	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1) 1,638 555	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108	9,291 7,345 1,947 1,093 854 (161) 693 - 693 213 480	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 - 698 268 268 429	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1) 1,638 555 1,084	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent Sales YoY	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%)	9,291 7,345 1,947 1,093 854 (161) 693 213 480 +23.0%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 268 429 (11.9%)	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845 +146.6%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1) 1,638 555 1,084 +57.4%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,649 531 1,118		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%)	9,291 7,345 1,947 1,093 854 (161) 693 213 480 +23.0% +29.2%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 268 268 429 (11.9%) +65.4%	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845 +146.6%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,638 (1) 1,638 555 1,084 +57.4% +114.6%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%) (80.6%)	9,291 7,345 1,947 1,093 854 (161) 693 - 693 213 480 +23.0% +29.2% +29.8%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 429 (11.9%) +65.4% +78.1%	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1% +149.4%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,638 (1) 1,638 555 1,084 +57.4% +114.6% +136.5%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3% +139.1%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263 +689
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%) (80.6%) (68.8%)	9,291 7,345 1,947 1,093 854 (161) 693 213 480 +23.0% +29.2% +29.8% +29.8% +23.4%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 429 (11.9%) +65.4% +78.1% +28.4%	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1% +149.4% +166.8%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,639 (1) 1,638 555 1,084 +57.4% +114.6% +136.5% +125.8%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3% +139.1% +160.6%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (5) +971 (20) +951 +263 +689
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%) (80.6%) (68.8%) 23.3%	9,291 7,345 1,947 1,093 854 (161) 693 213 480 +23.0% +29.2% +29.8% +29.8% +23.4% 21.0%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 268 268 268 268 268 268 268 268 (11.9%) +65.4% +78.1% +28.4%	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1% +149.4% +166.8% 22.7%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,638 (1) 1,638 555 1,084 +57.4% +114.6% +136.5% +125.8%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3% +139.1% +160.6% 23.2%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (20) +951 +263 +689 - - - - - - - -
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin         SG&A Ratio	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%) (80.6%) (68.8%) 23.3% 18.2%	9,291 7,345 1,947 1,093 854 (161) 693 213 480 +23.0% +29.2% +29.8% +29.8% +23.4% 21.0% 11.8%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 268 268 268 268 268 (11.9%) +65.4% +78.1% +28.4% 25.2% 13.7%	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1% +149.4% +166.8% 22.7% 12.2%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3% 10.6%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,638 (1) 1,638 555 1,084 +57.4% +114.6% +136.5% +125.8% 21.8% 9.3%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3% +139.1% +160.6% 23.2% 9.7%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (20) +951 +263 +689 - - - - - - - - - - - - - - - - - - -
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin         SG&A Ratio         Operating Profit Margin	4,715 3,618 1,096 856 239 (139) 100 - 100 (8) 108 (54.0%) (63.5%) (80.6%) (68.8%) 23.3% 18.2% 5.1%	9,291 7,345 1,947 1,093 854 (161) 693 213 213 213 480 +23.0% +29.2% +29.8% +23.4% 21.0% 11.8% 9.2%	12/2022 7,703 5,760 1,943 1,059 885 (187) 698 268 268 268 268 268 268 268 268 268 26	12/2022 9,533 7,369 2,164 1,165 998 (180) 818 (31) 787 240 547 +28.6% +104.1% +149.4% +166.8% 22.7% 12.2% 10.5%	12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3% 10.6% 12.7%	12/2023 14,620 11,432 3,189 1,356 1,833 (194) 1,638 (194) 1,638 555 1,084 +57.4% +114.6% +136.5% +125.8% 21.8% 9,3% 12.5%	12/2023 13,746 10,550 3,195 1,335 1,861 (192) 1,669 (20) 1,649 531 1,118 +78.4% +110.3% +139.1% +160.6% 23.2% 9,7% 13.5%		Net Chg. +6,043 +4,790 +1,252 +276 (5) +976 (20) +951 +263 +689 - - - - - - - - - - - - - - - - - - -

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	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Real Estate Trading	4,175	12,925	20,052	29,016	11,067	25,121	38,287	-	+18,235
Real Estate Leasing and Other	540	1,080	1,657	2,226	560	1,126	1,706	-	+49
Sales	4,715	14,006	21,709	31,242	11,627	26,247	39,993	-	+18,284
Real Estate Trading	438	1,616	2,751	4,051	1,757	4,001	6,153		+3,402
Real Estate Leasing and Other	186	362	584	780	182	374	579		(5)
Segment Profit	624	1,978	3,335	4,831	1,939	4,375	6,732	-	+3,397
Adjustment	(384)	(885)	(1,357)	(1,854)	(468)	(1,071)	(1,568)	-	(211)
Operating Profit	239	1,093	1,978	2,976	1,470	3,303	5,164	-	+3,186
Real Estate Trading	10.5%	12.5%	13.7%	14.0%	15.9%	15.9%	16.1%	-	+2.4%
Real Estate Leasing and Other	34.4%	33.5%	35.2%	35.1%	32.5%	33.2%	33.9%	-	(1.3%)
Adjustment	(8.1%)	(6.3%)	(6.3%)	(5.9%)	(4.0%)	(4.1%)	(3.9%)	-	+2.3%
Operating Profit Margin	5.1%	7.8%	9.1%	9.5%	12.6%	12.6%	12.9%	-	+3.8%
Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Segmented Information	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
Segmented Information (Million Yen)									YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 12/2022	Q2 12/2022	Q3 12/2022	Q4 12/2022	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4	Net Chg.
(Million Yen) Real Estate Trading	Q1 12/2022 4,175	Q2 12/2022 8,750	Q3 12/2022 7,127	Q4 12/2022 8,964	Q1 12/2023 11,067	<b>Q2</b> <b>12/2023</b> 14,054	Q3 12/2023 13,166	Q4	Net Chg. +6,039
(Million Yen) Real Estate Trading Real Estate Leasing and Other	Q1 12/2022 4,175 540	Q2 12/2022 8,750 540	Q3 12/2022 7,127 577	Q4 12/2022 8,964 569	Q1 12/2023 11,067 560	Q2 12/2023 14,054 566	Q3 12/2023 13,166 580	Q4	Net Chg. +6,039 +3
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales	Q1 12/2022 4,175 540 <b>4,715</b>	Q2 12/2022 8,750 540 <b>9,291</b>	Q3 12/2022 7,127 577 <b>7,703</b>	Q4 12/2022 8,964 569 <b>9,533</b>	Q1 12/2023 11,067 560 11,627	Q2 12/2023 14,054 566 14,620	Q3 12/2023 13,166 580 13,746	Q4	Net Chg. +6,039 +3 +6,043
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading	Q1 12/2022 4,175 540 <b>4,715</b> 438	Q2 12/2022 8,750 540 <b>9,291</b> 1,178	Q3 12/2022 7,127 577 <b>7,703</b> 1,135	Q4 12/2022 8,964 569 <b>9,533</b> 1,300	Q1 12/2023 11,067 560 11,627 1,757	Q2 12/2023 14,054 566 14,620 2,244	Q3 12/2023 13,166 580 13,746 2,152	Q4	Net Chg. +6,039 +3 +6,043 +1,017
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other	Q1 12/2022 4,175 540 4,715 438 186	Q2 12/2022 8,750 540 <b>9,291</b> 1,178 176	Q3 12/2022 7,127 577 <b>7,703</b> 1,135 222	Q4 12/2022 8,964 569 <b>9,533</b> 1,300 196	Q1 12/2023 11,067 560 11,627 1,757 182	Q2 12/2023 14,054 566 14,620 2,244 192	Q3 12/2023 13,166 580 13,746 2,152 205	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17)
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit	Q1 12/2022 4,175 540 4,715 438 186 624	Q2 12/2022 8,750 540 <b>9,291</b> 1,178 176 <b>1,354</b>	Q3 12/2022 7,127 577 7,703 1,135 222 1,357	Q4 12/2022 8,964 569 <b>9,533</b> 1,300 196 <b>1,496</b>	Q1 12/2023 11,067 560 11,627 1,757 182 1,939	Q2 12/2023 14,054 566 14,620 2,244 192 2,436	Q3 12/2023 13,166 580 13,746 2,152 205 2,357	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17) +1,000
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment	Q1 12/2022 4,175 540 4,715 438 186 624 (384)	Q2 12/2022 8,750 540 <b>9,291</b> 1,178 176 <b>1,354</b> (501)	Q3 12/2022 7,127 577 7,703 1,135 222 1,357 (472)	Q4 12/2022 8,964 569 <b>9,533</b> 1,300 196 <b>1,496</b> (497)	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468)	Q2 12/2023 14,054 566 14,620 2,244 192 2,436 (603)	Q3 12/2023 13,166 580 13,746 2,152 205 2,357 (497)	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17) +1,000 (25)
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit	Q1 12/2022 4,175 540 4,715 438 186 624 (384) 239	Q2 12/2022 8,750 540 <b>9,291</b> 1,178 176 <b>1,354</b> (501) <b>854</b>	Q3 12/2022 7,127 577 7,703 1,135 222 1,357 (472) 885	Q4 12/2022 8,964 569 <b>9,533</b> 1,300 196 <b>1,496</b> (497) <b>998</b>	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470	Q2 12/2023 14,054 566 14,620 2,244 192 2,436 (603) 1,833	Q3 12/2023 13,166 580 13,746 2,152 205 2,357 (497) 1,861	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17) +1,000 (25) +976
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit Real Estate Trading	Q1 12/2022 4,175 540 4,715 438 186 624 (384) 239 10.5%	Q2 12/2022 8,750 540 9,291 1,178 176 1,354 (501) 854 13.5%	Q3 12/2022 7,127 577 7,703 1,135 222 1,357 (472) 885 15.9%	Q4 12/2022 8,964 569 <b>9,533</b> 1,300 196 <b>1,496</b> (497) <b>998</b> 14.5%	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470 15.9%	Q2 12/2023 14,054 566 14,620 2,244 192 2,436 (603) 1,833 16.0%	Q3 12/2023 13,166 580 13,746 2,152 205 2,357 (497) 1,861 16.3%	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17) +1,000 (25) +976 +0.4%
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit Real Estate Trading Real Estate Trading Real Estate Leasing and Other	Q1 12/2022 4,175 540 4,715 438 186 624 (384) 239 10.5% 34.4%	Q2 12/2022 8,750 540 9,291 1,178 176 1,354 (501) 854 13.5% 32.6%	Q3 12/2022 7,127 577 7,703 1,135 222 1,357 (472) 885 15.9% 38.5%	Q4 12/2022 8,964 569 9,533 1,300 196 (497) 998 14.5% 34.4%	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470 15.9% 32.5%	Q2 12/2023 14,054 566 14,620 2,244 192 2,436 (603) 1,833 16.0% 33.9%	Q3 12/2023 13,166 580 13,746 2,152 205 2,357 (497) 1,861 16.3% 35.3%	Q4	Net Chg. +6,039 +3 +6,043 +1,017 (17) +1,000 (25) +976 +0.4% (3.1%)

Source: Company Data, WRJ Calculation

## Balance Sheet (Quarterly)

			•	• •					
Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Cash and Deposit	14,539	17,836	16,651	17,754	18,033	18,450	20,803	-	+4,152
Accounts Receivables	27	23	32	23	44	39	65	-	+33
Real Estate for Sale	39,206	44,759	49,739	51,116	52,874	52,234	51,898	-	+2,159
Real Estate for Sale in Process	479	438	498	517	553	644	342	-	(156)
Other	731	642	629	764	760	539	440		(189)
Current Assets	54,982	63,698	67,549	70,174	72,264	71,906	73,548		+5,999
Tangible Assets	7,596	7,604	7,569	6,430	6,397	6,373	6,346	-	(1,223)
Intangible Assets	91	92	89	84	82	80	79	-	(10)
Investments and Other Assets	715	624	679	698	720	738	810	-	+131
Fixed Assets	8,403	8,320	8,338	7,213	7,201	7,192	7,236		(1,102)
Deferred Assets	43	66	62	60	54	49	55		(7)
Total Assets	63,429	72,086	75,950	77,448	79,520	79,148	80,840		+4,890
Accounts Payables	436	472	583	495	472	625	499	-	(84)
Short Term Debt	5,793	6,120	6,005	6,023	9,091	9,745	8,980	-	+2,975
Current Portion of Bonds Payable	865	1,007	3,052	3,091	3,068	3,095	980		(2,072)
Current Portion of Long-term Debt	3,882	4,791	6,806	6,520	5,926	3,589	4,718		(2,088)
Other	1,342	1,503	1,792	2,372	2,291	3,197	3,552		+1,760
Current Liabilities	12,318	13,893	18,238	18,501	20,848	20,251	18,729		+491
Bonds Payable	3,436	6,861	4,637	4,623	4,467	4,315	6,101		+1,464
Long Term Debt	23,870	27,072	28,384	29,049	28,538	27,769	28,088		(296)
Other	649	631	633	670	686	693	684		+51
Fixed Liabilities	27,955	34,564	33,654	34,342	33,691	32,777	34,873		+1,219
Total Liabilities	40,273	48,458	51,893	52,843	54,540	53,028	53,603		+1,710
Shareholders' Equity	23,063	23,535	23,964	24,511	24,887	26,027	27,144		+3,180
Other	93	. 92	93	93	. 93	. 93	93		, 0
Net Assets	23,156	23,627	24,057	24,604	24,980	26,120	27,237		+3,180
Total Liabilities & Net Assets	63,429	72,086	75,950	77,448	79,520	79,148	80,840		+4,890
Equity Capital	23,063	23,535	23,964	24,511	24,887	26,027	27,144		+3,180
Interest Bearing Debt	37,846	45,851	48,884	49,306	51,090	48,513	48,867		(17)
Net Debt	23,307	28,015	32,233	31,552	33,057	30,063	28,064		(4,169)
Equity Ratio	36.4%	32.6%	31.6%	31.6%	31.3%	32.9%	33.6%		(.,)
Net Debt Equity Ratio	101.1%	119.0%	134.5%	128.7%	132.8%	115.5%	103.4%		_
ROE (12 months)	4.5%	4.8%	5.2%	6.5%	9.6%	11.7%	14.1%		
ROA (12 months)	2.2%	2.3%	2.6%	3.3%	4.9%	5.9%	6.9%		
Days for Inventory Turnover	1,000	561	795	639	546	422	451		
Quick Ratio	118%	129%	91%	96%	87%	91%	111%		
Current Ratio	446%	458%	370%	379%	347%	355%	393%		
Source: Company Data, WR.I Calculation		10070	510/0	510/0	51170	55578	55578		

Source: Company Data, WRJ Calculation

## **Cash Flow Statement (Cumulative)**

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	Net Chg.
Operating Cash Flow	-	(8,042)	-	(11,491)	-	2,006	-	•	-
Investing Cash Flow	-	(185)	-	(157)	-	(128)	-		-
Operating Cash Flow and Investing Cash Flow	-	(8,227)	-	(11,648)	-	1,878	-		-
Financing Cash Flow	-	8,399	-	11,847	-	(1,266)	-	<u> </u>	-

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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