

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)
FY12/2022	31,242	2,976	2,309	1,564	66.56	20.00	1,044.67
FY12/2023	51,640	5,936	5,243	3,653	155.27	63.00	1,177.77
FY12/2024CoE	60,896	6,861	6,036	3,985	168.64	68.00	-
FY12/2023	YoY	65.3%	99.4%	127.1%	133.5%	-	-
FY12/2024CoE	YoY	17.9%	15.6%	15.1%	9.1%	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (15 April 2024)


Inventory Turnover

MUGEN ESTATE, running operations to purchase and resell pre-owned real estate mostly in the Tokyo metropolitan area, has been successfully expanding sales of residential real estate (purchase and resale of pre-owned condos on a unit-by-unit basis, etc.), which is to be followed by buoyant sales of investment-oriented real estate (purchase and resale of pre-owned condos on a single building basis, etc.) for FY12/2024, in line with a new policy to focus on the said operations, in light of the current state in the real estate market. As of the beginning of the fiscal year, real estate for sale (inventory) stood at a level only edged up over the previous year, but it appears that the Company is trying to get at steady increase in sales and earnings by means of raising inventory turnover with a decent respect to profitability where the trend of real estate market is well considered, as it did for FY12/2023. In fact, the Company is keen on raising inventory turnover from a long-term perspective, while the Company is planning to raise amount of purchase for real estate by more than 30% on a year-on-year basis for FY12/2024, implying that the Company is likely seeing a trend of ever increasing for its business performance from a long-term perspective. By the way, it appears that the Company is to release its next midterm management plan (FY12/2025 to FY12/2027) at the stage of announcing the actual results for FY12/2024 to reveal its prospective performance toward FY12/2027, the final year of the plan.

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2.0 Company Profile

Creating New Value in Real Estate

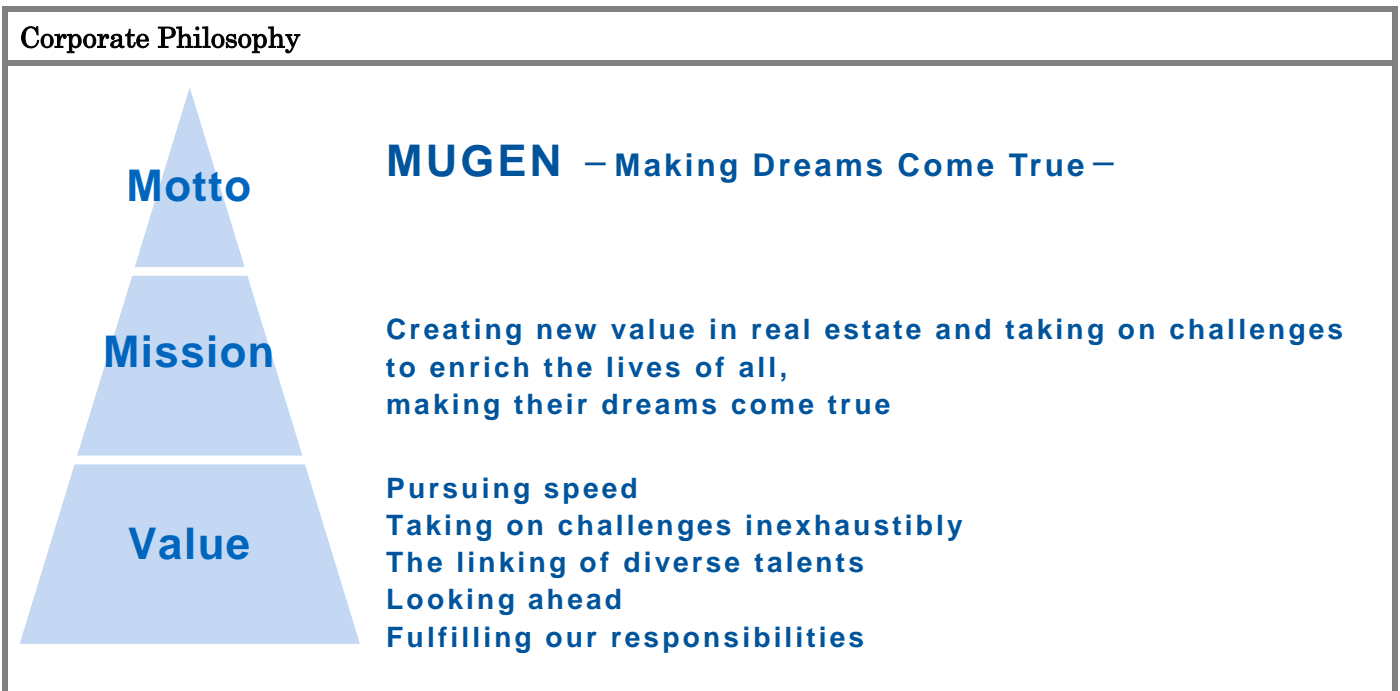
Company Name	MUGEN ESTATE Co., Ltd. Company HP IR Information Share Price (Japanese)	 MUGEN ESTATE
Established	2 May 1990	
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 3299) 4 April 2022: Tokyo Stock Exchange Prime Market 5 February 2016: Tokyo Stock Exchange 1st section 18 June 2014: Tokyo Stock Exchange Mothers	
Capital	¥2,552m (as of the end of December 2023)	
No. of Shares	24,361,000 shares, including 798,325 treasury shares (as of the end of Dec. 2023)	
Main Features	<ul style="list-style-type: none"> ● Operations mostly in the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture) ● Solid capability to identify quality of pre-owned real estate and accumulation of knowhow ● Purchase and resale of properties via real estate brokers 	
Segments	I . Real Estate Trading Business (purchase and resale of pre-owned real estate, etc.) II . Real Estate Leasing and Other Business (acquisition of income from lease, etc.)	
Representatives	Chairperson & Representative Director: Susumu Fujita President & Representative Director: Shinichi Fujita	
Shareholders	Susumu Fujita 19.35%, Shinichi Fujita 8.85%, Dream Come True Co., Ltd. 7.21%, Celanese Co., Ltd. 4.24%, Master Trust Bank of Japan, T. 3.45% (as of the end of December 2023, but for treasury shares)	
Head Office	Chiyoda-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 363, Parent: 283 (as of the end of December 2023)	

Source: Company Data

3.0 Corporate Philosophy

MUGEN - Making Dreams Come True -

The Company is running operations of purchase and resale for pre-owned real estate mostly in the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture). The pre-owned real estate purchased is sold as revitalized real estate after enhancement of asset value via interior/exterior work, implemented during the period of being held as real estate for sale (inventory) by the Company. At the same time, the Company claims that it focuses on purchase of real estate, where there is a plenty of room to do so by means of making the best use of own solid capability to identify quality of pre-owned real estate, which is one of the strengths with the Company. Meanwhile, on 14 February 2022, the Company announced its Second Midterm Management Plan (FY12/2022 to FY12/2024) and revealed that it had come up with new corporate philosophy on this occasion, going that “our new dream, based on the idea of growing and continuing our business 50 or 100 years from now: renewed corporate philosophy, to bring together the power of the MUGEN ESTATE Group, to take on the challenge of the next leap forward.”



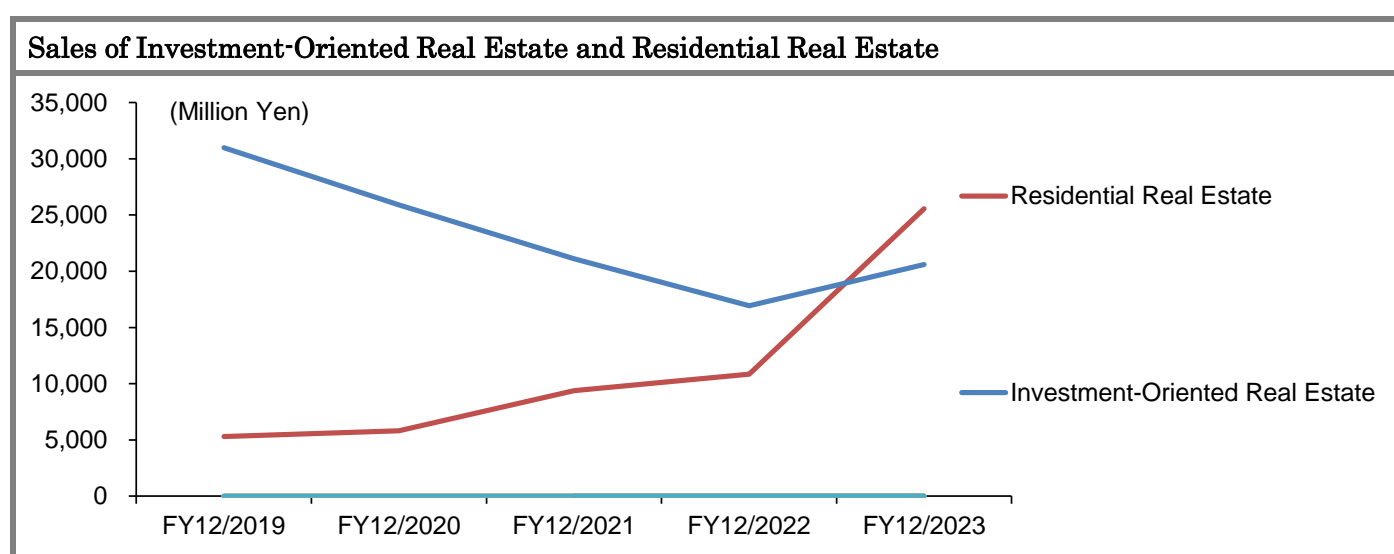
Source: Company Data

Motto and Mission

The Company raises Motto of “MUGEN - Making Dreams Come True -,” going that “the corporate motto of our group is an expression of our desire to help customers make their dreams of buying a home come true” and “by making customers' dreams come true, we also aim to achieve development as a company and realize aspirations of our stakeholders,” while also going that “the company name, MUGEN ESTATE, derives from the *MUGEN*, i.e., the corporate motto,” at the same time. With respect to Mission, the Company goes that “creating new value in real estate and taking on challenges to enrich the lives of all.”

Value

Meanwhile, the Company raises Value, i.e., “pursuing speed”, “taking on challenges inexhaustibly,” “the linking of diverse talents”, “looking ahead” and “fulfilling our responsibilities.” Further, the Company advocates Value in depth as follows: “let’s overwhelm others with speed - because speed is one of our competitive advantages,” “let’s remain willing to take on challenges at all times to achieve personal development - because it is by overcoming challenges that we can make dreams come true,” “let’s work together by taking advantage of our individual expertise - because it is by combining our respective strengths that we can achieve great things,” “let’s look ahead whenever we take action - because it is by understanding a person’s real intention that we can enable them to feel secure and win their trust” and “let’s fulfill our responsibilities for all of our stakeholders with the spirit of *Sampo Yoshi* (good for seller, good for buyer and good for society) – because it is by fulfilling our responsibilities sincerely, one by one, that we can achieve things and win trust.”



Source: Company Data

Investment-Oriented Real Estate and Residential Real Estate

In terms of sales, the Company is principally exposed to residential real estate (purchase and resale of pre-owned condos on a unit-by-unit basis, etc.) and investment-oriented real estate (purchase and resale of pre-owned condos on a single building basis, etc.). For FY12/2023, the Company saw sales surging for residential real estate where it has been placing emphasis on sales expansion. Meanwhile, for FY12/2024, the Company has come up with a new policy to focus on sales expansion for investment-oriented real estate in light of the current state in the real estate market. On the Real Estate Leasing and Other Business side, sales are posted mostly for income from lease on properties purchased during the period of being held as real estate for sale (inventory). Further, the Company is also involved with operations of new business. The Company has been posting sales for operations of real estate specified joint, i.e., sale of real estate in small lots based on Real Estate Specified Joint Enterprise Act, since FY12/2021, which was followed by those of operations of real estate development, i.e., planning, development and sale for properties mainly of rented condos and/or commercial buildings, since FY12/2022. Elsewhere, the Company newly set up a sales office in Osaka in May 2023, which was followed by three new sales offices in Sapporo, Nagoya and Fukuoka in January 2024, looking to a gradually increasing contribution from all those new sales offices from a long-term perspective.

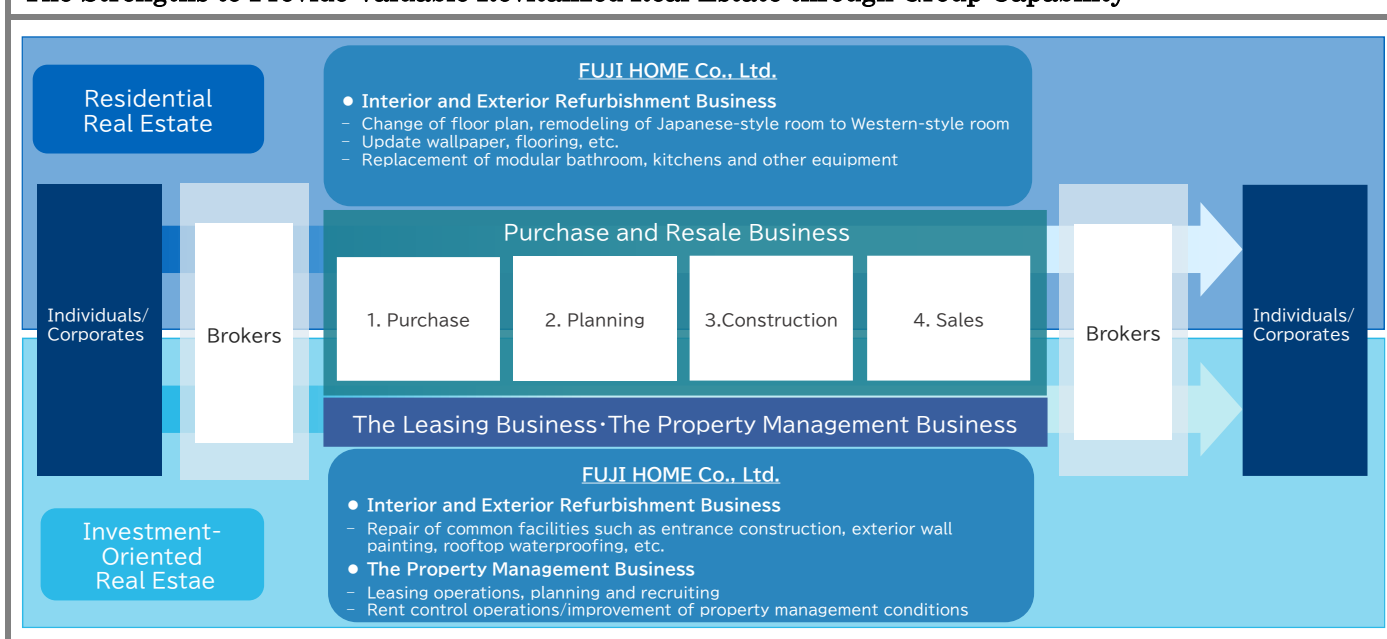
A High Consciousness for Cost of Capital and Share Price

It was revealed that the Company is keen on improving capital efficiency, etc., in the results briefing for FY12/2023, held on the web (15 February 2024). With respect to the actual results for FY12/2023, the Company saw ROE of 14.0% with net profit to sales of 7.1%, total asset turnover of 0.65 times and financial leverage of 3.0 times, which is already higher than the Company's perceived cost of shareholder's equity (9% to 11%), realizing a level higher than 1.0 time for PBR for the Company's shares. Meanwhile, the Company is going for ROE of 15.0% or higher as target from a midterm perspective, assuming net profit to sales of 6.0% or higher, total asset turnover of 1.0 time or higher and financial leverage of 2.5 times or higher,

Assumptions of the target from a midterm perspective are achieved for net profit to sales and financial leverage in terms of the actual results for FY12/2023, but not for total asset turnover, which is raised as an issue to be tackled promptly for the sake of achieving the target. Meanwhile, FY12/2024 Company forecasts are going for ROE of 13.7% with inventory turnover of 1.08 times (versus 0.95 times in the previous year). For the Company, where it has a high exposure to inventory or real estate for sale out of total assets (65.5% as of the end of FY12/2023), it is the case that the Company's effort to raise inventory turnover has a direct impact to raise total asset turnover, which is to also drive sales accordingly as is taken for granted. Elsewhere, the Company perceives a tendency for prices of real estate to rise as time goes by, given ongoing strengths in the state of real estate market, leading to an aspect to emerge that intentional extension of period to hold inventory or real estate for sale enhances profitability (net profit to sales). Thus, in terms of a perspective to raise capital efficiency, the Company is currently in the pursuit of optimal balance between profitability and inventory turnover or "net profit to sales and total asset turnover."

At the above-mentioned results briefing, it was also referred to that the Company is strengthening business bases in various aspects, including improvement of employee engagement, enhancement of corporate Governance and promotion of DX, in addition to making aggressive efforts in hiring and developing human resources. With respect to Sustainability, the Company has reaffirmed materialities for itself to address in light of recent changes in the social environment and social demand, while having begun to compile the group's supply chain GHG emissions (Scope 3) with respect to the aspect of Environment as well as focusing on the formulation of a human rights policy and the promotion of women's activities project on the aspect of Social at the same time.

The Strengths to Provide Valuable Revitalized Real Estate through Group Capability



Source: Company Data

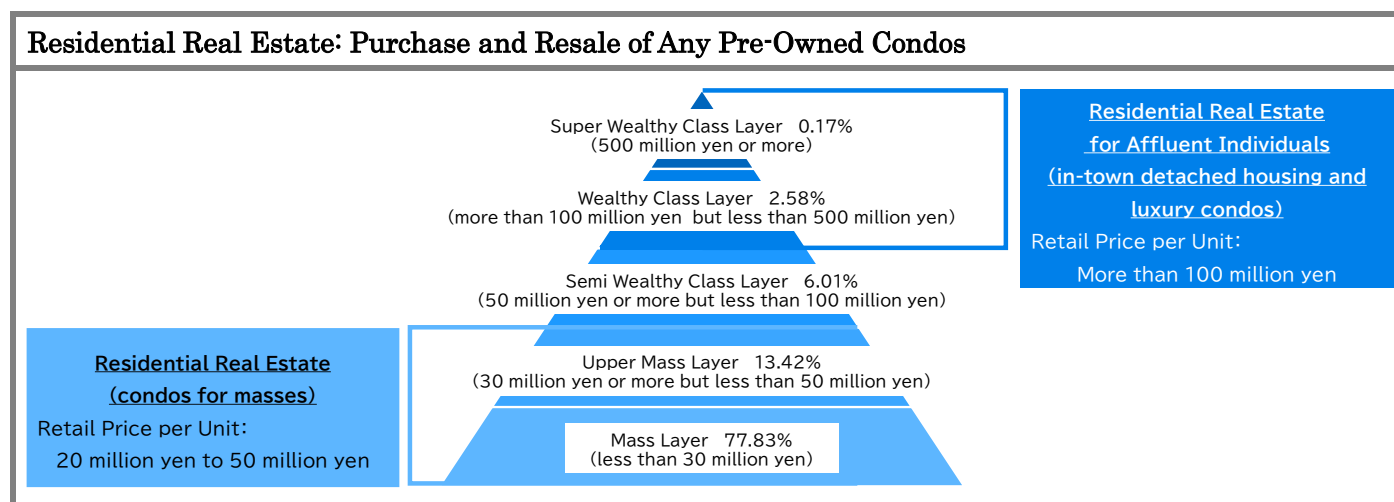
Provision of Valuable Revitalized Real Estate through Group Capability

The Company states that its strength is to provide valuable revitalized real estate through its group capability. In other words, the Company is able to run operations of purchase and resale for residential real estate and investment-oriented real estate all at once by means of taking advantage of real estate brokers and FUJI HOME (100% subsidiary). With respect to the operations of purchase and resale for residential real estate, the Company is basically involved with purchase for pre-owned condos sectionally owned by individuals (often on a unit-by-unit basis) and sale to individuals, while pre-owned condos owned by corporates and/or affluent individuals on a single building basis and sale to corporates and/or affluent individuals for the operations of investment real estate.

The operations of purchase and resale for both of residential real estate and investment-oriented real estate are conducted through a variety of real estate brokers with which the Company has developed a close working relationship, while FUJI HOME (100% subsidiary) enhances asset value of all those properties purchased via interior/exterior work implemented during the period of being held as real estate for sale (inventory), generating the key aspect of value creation by the Company, which is the background for the reason why the properties provided by the Company to the market is regarded as valuable revitalized real estate.

Interior work for residential real estate, which is said to be held as inventory for a rather shorter period of time, basically comprises “change of floor plan and refurbishment of a Japanese-style room to a Western-style room,” “renewal of wallpaper, wood floor, etc.” and “replacement of facilities such as bathtub, toilet bowl, unit kitchen, etc.” By the way, as the mainstay objects of purchase and resale for residential real estate are pre-owned condos owned by individuals on a unit-by-unit basis, the Company is hardly involved with exterior work, basically requiring being conducted on a single building basis. At the same time, the Company suggests that it has a policy to decide the specific content and conduct actual interior work, accessing an extent to realize the most favorable cost efficiency in light of general needs.

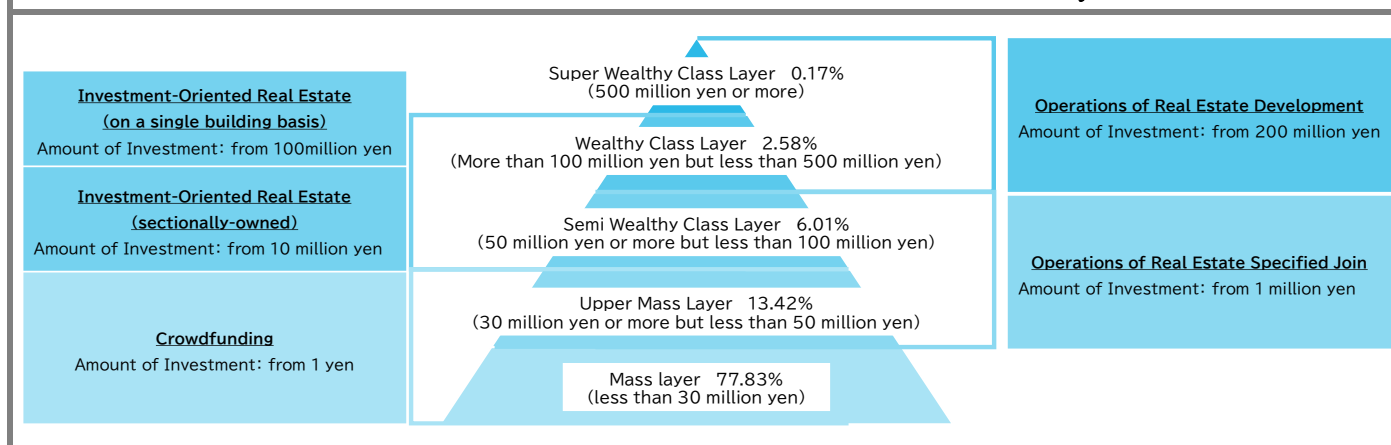
With respect to investment-oriented real estate, which is said to be held as inventory for a rather longer period of time with inhabitants holding over, the Company implements exterior work, basically comprising “refurbishment of co-ownership facilities such as work on entrance, exterior wall painting and rooftop water proofing.” Meanwhile, it appears that the Company is hardly involved with interior work as the existing inhabitants hold over. At the same time, the fact that they hold over leads to acquisition of income from lease for the Company during the period of properties held as inventory, because the Company holds those of generating income in conclusion. In order to enhance such income, the Company is keen on being in charge of administration of all those properties, i.e., “leasing, planning and recruiting” and “rent administration & improvement of administrative conditions,” through FUJI HOME (100% subsidiary).



Source: Company Data / a) each of the ratio of the layers equates that of the number of households belonging to the said layer out of total (as of CY2021), b) the number shown in parentheses: the amount of net financial assets and c) estimated by NRI, based on data from NATIONAL TAX AGENCY, MIC, Health Ministry, National Institute of Population and Social Security Research, Tokyo Stock Exchange and its proprietary questionnaire investigations

The Company states that it has established a scheme to gather the latest information on any pre-owned condos, including that of having not been quoted on REINS yet, located in the Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture) where it runs most of its operations, through a variety of real estate brokers with which the Company has developed a close working relationship. In other words, the Company develops operations of purchase and resale for condos for masses (retail price per unit: ¥20m to ¥50m) as well as in-town detached housing and luxury condos for affluent individuals (retail price per unit: ¥100m or more), i.e., so extensively, which is one of the features with the Company, being distinguished from its trades. By the way, “REINS” represents a computer network system operated by the Real Estate Information Network System, which is designated by the Minister of Land, Infrastructure, Transport and Tourism. The term is named after the initial letters of Real Estate Information Network System, which is used as the common name of the organization and the system.

Investment-Oriented Real Estate to Provide Diverse Investors with Extensive Objects to Invest in

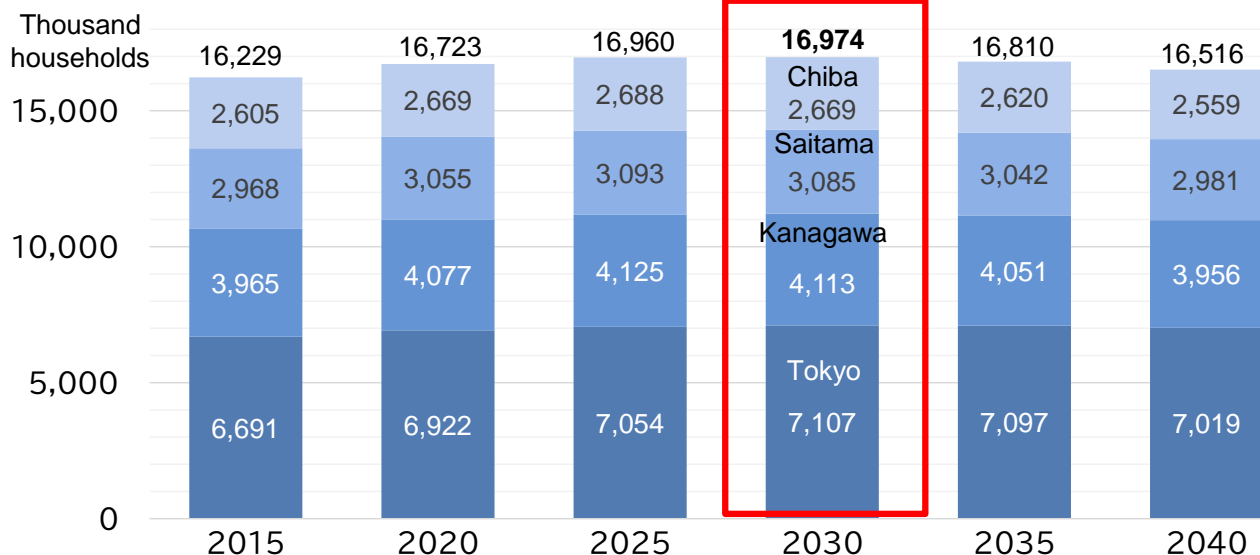


Source: Company Data / a) each of the ratio of the layers equates that of the number of households belonging to the said layer out of total (as of CY2021), b) the number shown in parentheses: the amount of net financial assets and c) estimated by NRI, based on data from NATIONAL TAX AGENCY, MIC, Health Ministry, National Institute of Population and Social Security Research, Tokyo Stock Exchange and its proprietary questionnaire investigations

Meanwhile, the same is true of investment-oriented real estate, i.e., the Company provides diverse investors of wide range of the layers with extensive objects to invest in. As mentioned earlier, the Company is basically involved with purchase and resale for pre-owned condos owned by corporates and/or affluent individuals on a single building basis and sale to corporates and/or affluent individuals (amount of investment: ¥100m or more), while providing upper mass layer with sectionally-owned ones (amount of investment: ¥10m or more) as objects to invest in at the same time. Further, the Company also provides mass layer with cloud-funding (amount of investment: ¥1 or more) as objects to invest in. The Company raises funds by means of crowdfunding, based on a business alliance with [funds company limited](#) to run online marketplace of collecting loan funds. In addition to an aspect of diversification of fundraising, the Company finds a meaning in an aspect for this to work as adverting towards mass layer.

By the way, the Company has begun new operations of real estate development and real estate specified joint, representing those of planning, development and sale for properties mainly of rented condos and/or commercial buildings and those of sale for real estate in small lots based on Real Estate Specified Joint Enterprise Act, respectively, while the Company provides semi wealthy class layer with them as objects to invest in.

Predictions Regarding the Number of Households in the Tokyo Metropolitan Area

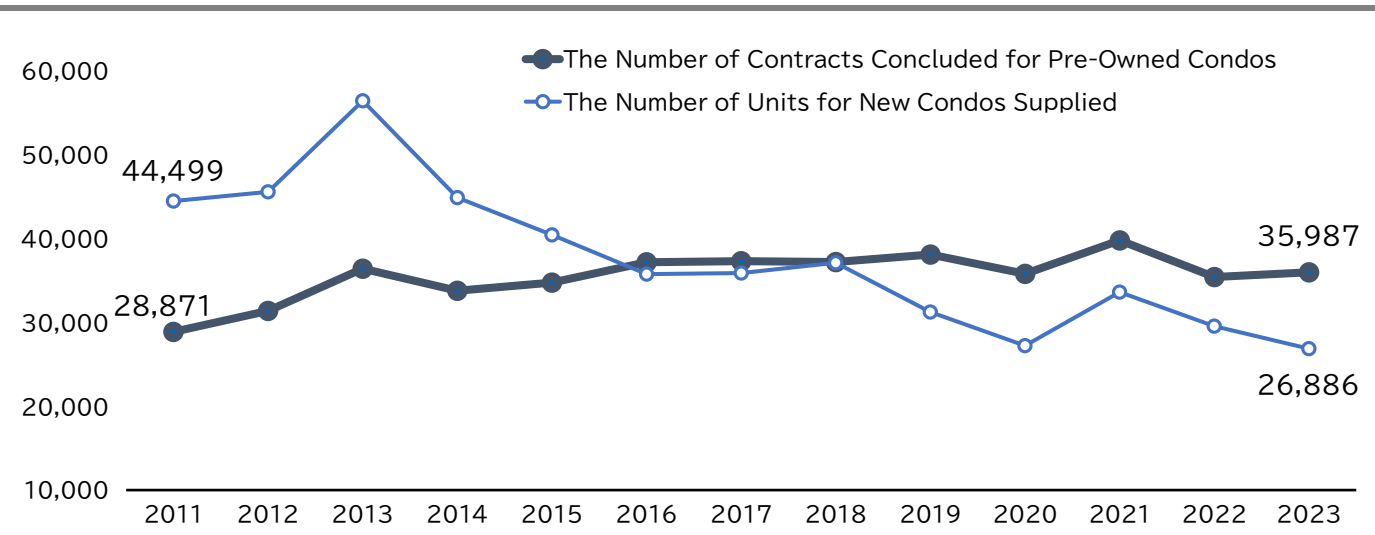


Source: Company Data / extracted and made up from data of National Institute of Population and Social Security Research: Predictions Regarding the Number of Households in Japan by Prefecture (April 2019)

Predictions Regarding the Number of Households in the Tokyo Metropolitan Area

According to the Company's estimates, the number of households in the Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture) where the Company runs most of its operations, will be on the rise towards 2025 /2030, although Japan's population will be on the decline. For the 2015 results, the number of households equated 16.2m and 16.7m for the 2020 results, which is estimated to be followed by an increase up to some 17.0m in 2025 and some 17.0m (up 0.08% from 2025) in 2030. Meanwhile, towards 2035 / 2040, the number of households is estimated to decline, but just marginally, i.e., 16.8m in 2035 and 16.5m in 2040.

The Trends in the Market for Condos in the Tokyo Metropolitan Area



Source: Company Data / a) the number of contracts concluded for pre-owned condos: REINS and b) the number of units for new condos supplied: Real Estate Economy Institute Co.

The Number of Contracts Concluded for Pre-Owned Condos in the Tokyo Metropolitan Area

With respect to pre-owned condos in the Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture), which are the mainstay merchandises for the Company, the number of contracts concluded is estimated to see an ever-increasing trend from a long-term perspective. In fact, the number has been seeing an underlying trend of ever-increasing from 2011 to 2023. In contrast, the number of units for new condos supplied has been seeing an underlying trend of ever-decreasing during the relevant period.

Consequently, although it was the case that the number of units for new condos supplied far exceeded that of contracts concluded for pre-owned condos in 2011, it is the case during the period from 2019 to 2023 that the number of contracts concluded for pre-owned condos has been exceeding that of new condos supplied, having had gone through the period from 2016 to 2018 when the two were generally in competition. Meanwhile, there is an aspect for supply of new condos to end up with a corresponding increase in supply of pre-owned condos in the future. In light of this, the Company states that the number of contracts conclude for pre-owned condos is likely to continue seeing an underlying trend of ever increasing, even in the phase for the number of households to diminish gradually, while anticipating for a strength in demand for such properties to more than a certain level.

Thus, the mainstay market with which the Company is confronted will have an ever-increasing trend from a long-term perspective for both supply and demand, implying a good opportunity to continuously expand sales. On top of this, it appears that the Company is trying to achieve a growth rate rather faster than the market by means of leveraging its aforementioned competitive advantages.

Company History

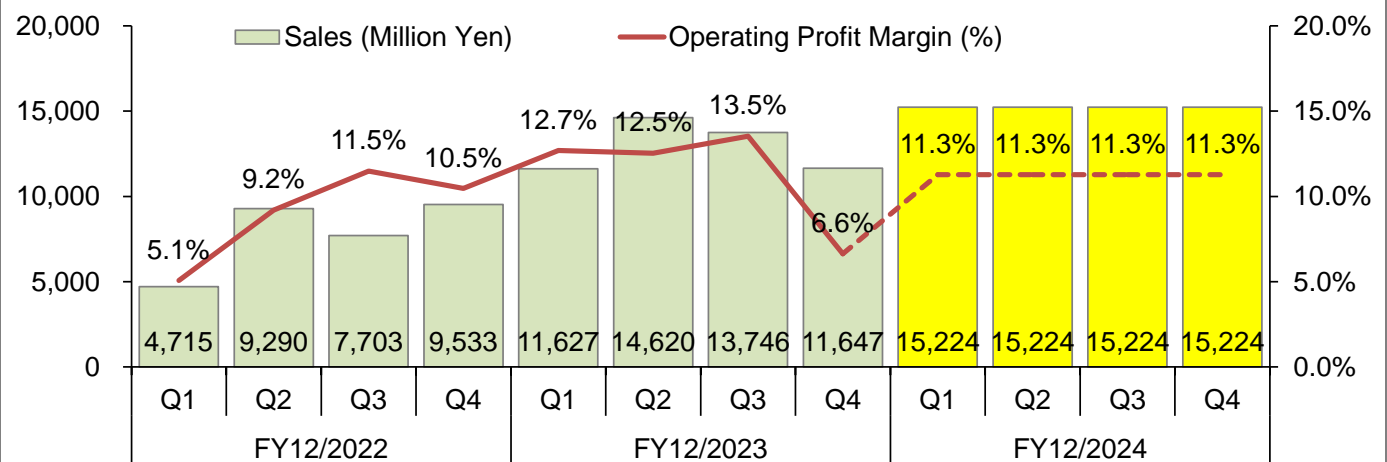
Date	Events
May 1990	Founded
August 1997	Established FUJI HOME Co., Ltd. (consolidated subsidiary)
July 2005	Registered as a first-class architect's office
May 2010	Change from the Building Lots and Buildings Transaction license to the Minister of Land, Infrastructure, Transport and Tourism license
June 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 the Tokyo Metropolitan Government
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 with the head office
September 2021	Set up Kitasenju sales office in Senju, Adachi-ku, Tokyo
October 2021	Set up Funabashi sales office in Honmachi, Funabashi-city, Chiba-prefecture
November 2021	Set up Ogikubo sales office in Ogikubo, Suginami-ku, Tokyo
November 2021	Set up Akabane sales office in Akabane, Kita-ku, Tokyo
December 2021	Set up Ikebukuro sales office in Nishi-Ikebukuro, Toshima-ku, Tokyo
April 2022	Moved from Tokyo Stock Exchange 1st section to Prime Market
December 2022	Set up Kamata sales office in Kamata, Ohta-ku, Tokyo
May 2023	Set up Osaka sales office in Toyosaki, Kita-ku, Osaka-city
October 2023	Listing of shares, transitioned to Tokyo Stock Exchange Standard Market
January 2024	Set up Sapporo sales office in Kitashichiyonishi, Kita-ku, Sapporo-city, Hokkaido
	Set up Nagoya sales office in Sakae, Naka-ku, Nagoya-city, Aichi-prefecture
	Set up Fukuoka sales office in Tenjin, Chuo-ku, Fukuoka-city, Fukuoka-prefecture

4.0 Recent Trading and Prospects

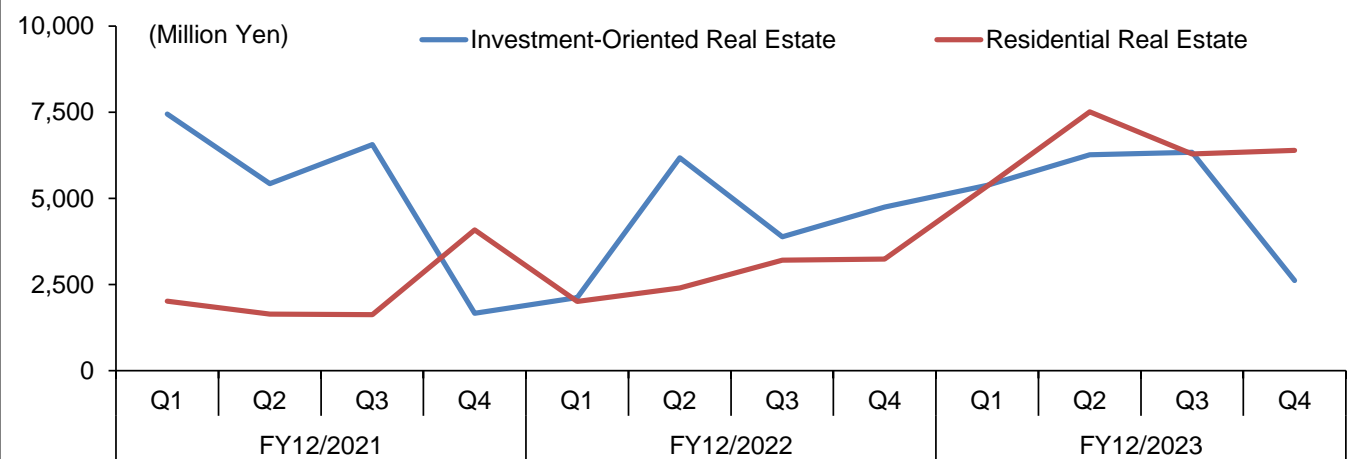
FY12/2023

For FY12/2023, sales came in at ¥51,640m (up 65.3% YoY), operating profit ¥5,936m (up 99.4%), recurring profit ¥5,243m (up 127.1%) and profit attributable to owners of parent ¥3,653m (up 133.5%). Meanwhile, gross profit came in at ¥11,406m (up 59.5%) and SG&A expenses ¥5,469m (up 31.1%), implying gross profit margin of 22.1% (down 0.8% points) and SG&A ratio of 10.6% (down 2.8% points), having resulted in operating profit margin of 11.5% (up 2.0% points). At the same time, FY12/2024 Company forecasts, announced on 14 February 2024, are going for prospective sales of ¥60,896m (up 17.9%), operating profit of ¥6,861m (up 15.6%) and operating profit margin of 11.3% (down 0.2% points).

Sales and Operating Profit Margin



Sales of Investment-Oriented Real Estate and Residential Real Estate



Source: Company Data, WRJ Calculation: Quarters of FY12/2024, full-year Company forecasts, pro rata

From FY12/2022 to FY12/2023, the Company saw a doubling at the operating level, basically as sales have surged with a high level of gross profit margin almost maintaining. SG&A expenses have also increased, but decreased as ratio to sales, having raised operating profit margin to a corresponding extent. According to the Company, SG&A expenses have risen due to increased commissions paid to real estate brokers in line with increased amount of sales, while an increase in personnel costs is mentioned as another factor, which was brought in by the success of its policy to make an aggressive progress in hiring for the sake of sales promotions from a long-term perspective.

Real Estate Trading Business (95.6% of sales and 90.3% of segment profit)

On the Real Estate Trading Business side (purchase and resale of pre-owned real estate, etc.), sales came in at ¥49,353m (up 70.1%) for FY12/2023, segment profit ¥7,194m (up 77.6%) and segment profit margin 14.6% (up 0.6% points). At the same time, FY12/2024 Company forecasts are going for prospective sales of ¥58,504m (up 18.5% YoY).

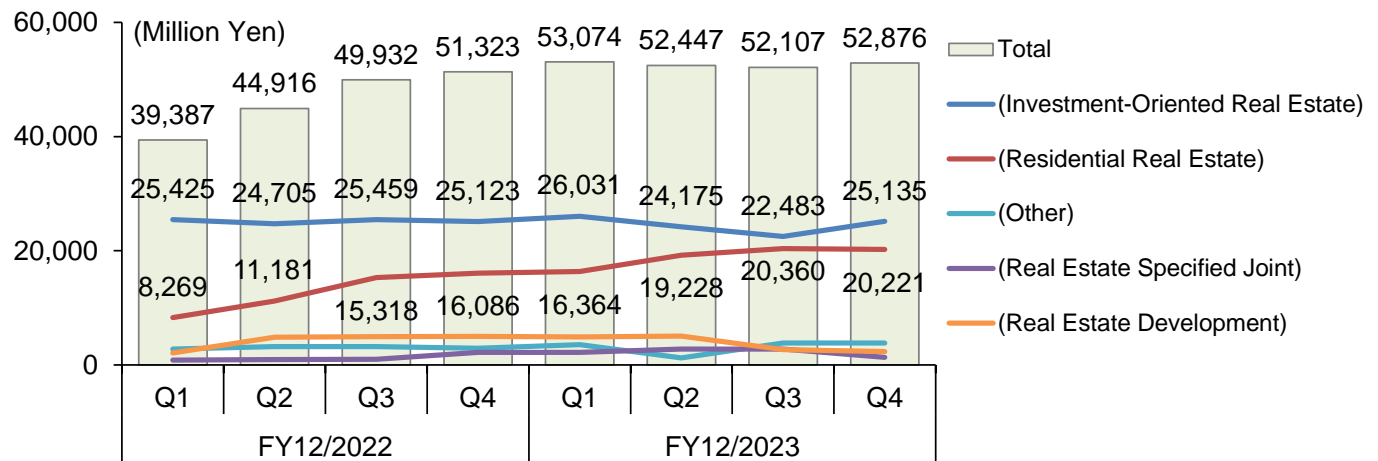
For FY12/2023, sales of investment-oriented real estate (purchase and resale of pre-owned condos on a single building basis, etc.) came in at ¥20,609m (up 21.7%) and sales of residential real estate (purchase and resale of pre-owned condos on a unit-by-unit basis, etc.) ¥25,554m (up 135.4%). Collectively, the two operations made net increase of ¥18,366m in sales, equating no less than 90.0% out of the Company as a whole, i.e., ¥20,397m. According to the Company, sales were driven by strengths in the market for real estate, success in its policy to aggressively promote sales and favorable sales of high-priced properties. With respect to investment-oriented real estate, the Company states that it has steadily captured increased demand from investors both domestic and overseas against a backdrop of low interest rates. Meanwhile, sales have increased 2.4 times over the previous year for residential real estate, the Company sees a tremendously large impact stemming from having set up new sales offices across the board in respective existing regional areas of operations in order to aggressively promote sales. In other words, the Company has made a significant progress in cultivating demand far deeper than before in all the respective existing regional areas.

Meanwhile, the Company is also undertaking the task of entering new operations and sales are beginning to emerge in earnest, which are those of real estate specified joint, i.e., sale of real estate in small lots based on Real Estate Specified Joint Enterprise Act and those of real estate development, i.e., planning, development and sale for properties mainly of rented condos and/or commercial buildings. For the operations of real estate specified joint, sales came in at ¥1,919m (up 108.0%). According to the Company, sales doubled over the previous year as The Setagaya Project (2nd phase) and The Nursing Care Edogawa Project (1st phase) were sold out during the relevant period. For the operations of real estate development, meanwhile, sales came in at ¥976m (up 428.7%). According to the Company, sales of planned and developed properties have finally begun to take off with three buildings (Asakusa, Ueno EAST and Oshiage) being sold for FY12/2023. By the way, sales of Other came in at ¥292m (up 162.1%).

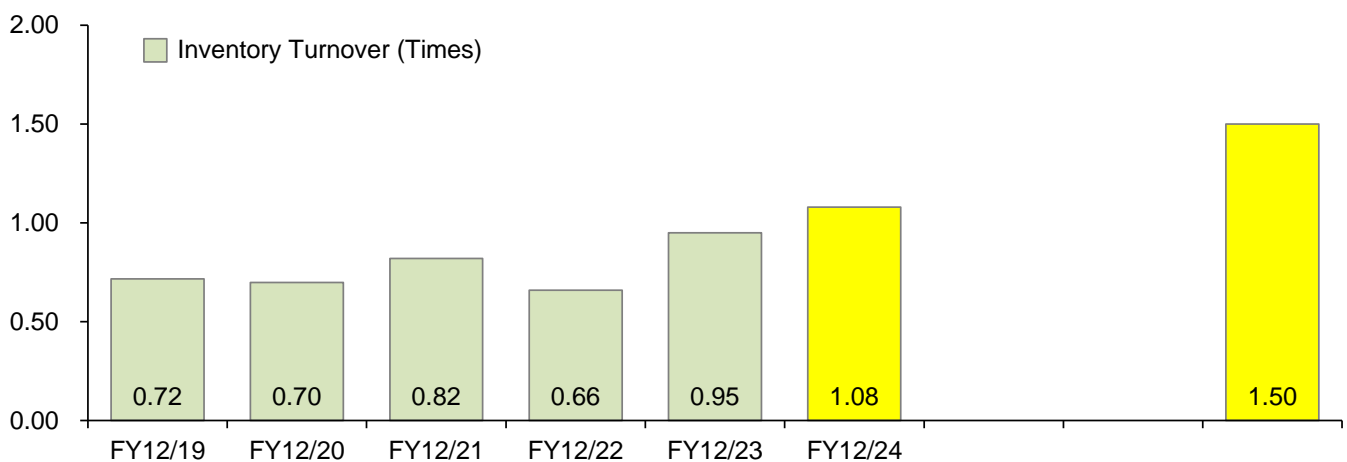
Real Estate Leasing and Other Business (4.4% of sales and 9.7% of segment profit)

On the Real Estate Leasing and Other Business side (acquisition of income from lease, etc.), sales came in at ¥2,286m (up 2.7%) for FY12/2023, segment profit ¥771m (down 1.1%) and segment profit margin 33.8% (down 1.3% points). The Company sees a trend in sales being in line with income from lease, comprising most of sales in this segment, stemming from real estate for sale outstanding (inventory) associated with investment-oriented real estate. It should be the case that the former saw a trend of being almost unchanged as the latter has remained almost unchanged throughout the relevant period, i.e., FY12/2023. Meanwhile, for FY12/2024, as the latter will be on the rise and thus the former, which will be also true of sales in this segment as a whole.

Real Estate for Sale Outstanding (Inventory)



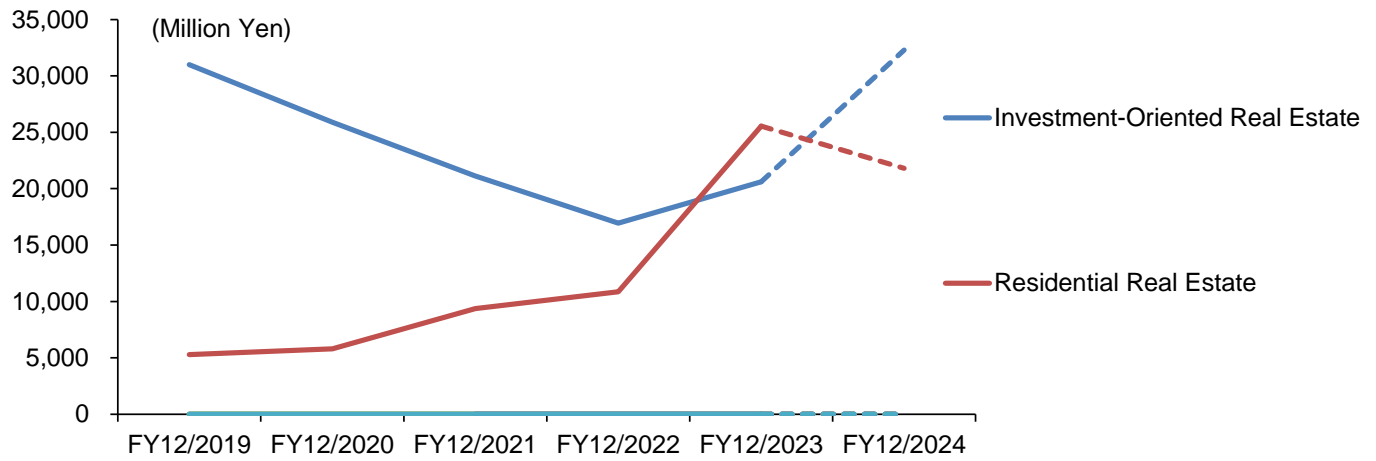
Inventory Turnover (Times)



Source: Company Data, WRJ Calculation

For FY12/2023, sales on the Real Estate Trading Business side came in at ¥49,353m (up 70.1%) versus ¥33,370m (down 6.3%) for amount of purchase, while real estate for sale outstanding (inventory) stood at ¥52,876m (up 3.0%) as of the end of the period. With respect to inventory turnover (12-month sales on the Real Estate Trading Business side, divided by amount of inventory averaged between the beginning and the end of a relevant period), the Company saw a level as low as 0.66 times for FY12/2022, but it was followed by a recovery up to 0.95 times for FY12/2023. It appears to be the case that the Company has succeeded in rapid expansion of sales of real estate for sale (inventory) with a decent respect to profitability. Meanwhile, the Company plans to raise its inventory turnover also from a long-term perspective. Although the timing is not specified, the Company has set a goal of achieving inventory turnover of 1.50 times in the future. FY12/2024 Company forecasts assume inventory turnover of 1.08 times, which appears to be the key driver to meet prospective sales of ¥58,504m (up 18.5%) on the Real Estate Trading Business side. As mentioned earlier, the Company sees the level of real estate for sale outstanding (inventory), up no more than 3.0% as of the beginning of FY12/2024 in terms of year-on-year comparison and therefore it would be not easy to see an increase in sales as much as assumed in Company forecasts, if it were not for a rise in inventory turnover.

Sales of Investment-Oriented Real Estate and Residential Real Estate



Source: Company Data

Meanwhile, for FY12/2024, the Company plans to purchase ¥44,448m (up 33.2%), of which ¥24,947m (up 112.2%) being associated with investment-oriented real estate, ¥16,700m (down 19.4%) residential real estate, ¥2,100m (up 186.7%) operations of real estate specified joint and ¥700m (up 305.4%) operations of real estate development. Thus, the Company has introduced a policy to focus on purchase of investment-oriented real estate rather than residential real estate in light of the latest trend in the real estate market. With respect to operations of real estate specified joint, the Company plans to purchase properties for two projects, while one project for operations of real estate development, considering the external environment, such as rising material and labor costs as well as profitability.

At the same time, FY12/2024 Company forecasts assume trends of sales of all those operations being in line with trends of the above-mentioned purchase for respective operations. In other words, sales of residential real estate will decline, but this is to be more than compensated for by an increases in sales of investment-oriented real estate, resulting in an increase in sales for the Company as a whole. On the other hand, sales of operations other than the two will remain rather insignificant in terms of impact to drive sales of the Company as a whole.

FY12/2023 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY12/2023CoE	14-Feb-23	Q4 Results	45,865	3,625	2,840	1,863
FY12/2023CoE	12-May-23	Q1 Results	45,865	3,625	2,840	1,863
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY12/2023CoE	18-Jul-23	Revision	46,139	4,632	3,860	2,522
		Amount of Gap	274	1,007	1,020	659
		Rate of Gap	0.6%	27.8%	35.9%	35.4%
FY12/2023CoE	4-Aug-23	Q2 Results	46,139	4,632	3,860	2,522
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY12/2023CoE	7-Nov-23	Revision	50,836	5,804	5,035	3,090
		Amount of Gap	4,697	1,171	1,174	567
		Rate of Gap	10.2%	25.3%	30.4%	22.5%
FY12/2023CoE	14-Nov-23	Q3 Results	50,836	5,804	5,035	3,090
FY12/2023Act	14-Feb-24	Q4 Results	51,640	5,936	5,243	3,653
		Amount of Gap	804	132	208	563
		Rate of Gap	1.6%	2.3%	4.1%	18.2%
FY12/2023CoE	14-Feb-23	Q4 Results	45,865	3,625	2,840	1,863
FY12/2023Act	14-Feb-24	Q4 Results	51,640	5,936	5,243	3,653
		Amount of Gap	5,775	2,311	2,403	1,790
		Rate of Gap	12.6%	63.8%	84.6%	96.1%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY12/2023CoE	14-Feb-23	Q4 Results	-	-	-	-
Q1 to Q2 FY12/2023Act	4-Aug-23	Q2 Results	26,247	3,303	2,918	1,929
		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 FY12/2023CoE	4-Aug-23	Q2 Results	19,892	1,329	942	593
Q3 to Q4 FY12/2023CoE	7-Nov-23	Revision	24,589	2,501	2,117	1,161
		Amount of Gap	4,697	1,172	1,175	568
		Rate of Gap	23.6%	88.2%	124.7%	95.8%
Q3 to Q4 FY12/2023CoE	14-Nov-23	Q3 Results	24,589	2,501	2,117	1,161
Q3 to Q4 FY12/2023Act	14-Feb-24	Q4 Results	25,393	2,633	2,325	1,724
		Amount of Gap	804	132	208	563
		Rate of Gap	3.3%	5.3%	9.8%	48.5%
Q3 to Q4 FY12/2023CoE	4-Aug-23	Q2 Results	19,892	1,329	942	593
Q3 to Q4 FY12/2023Act	14-Feb-24	Q4 Results	25,393	2,633	2,325	1,724
		Amount of Gap	5,501	1,304	1,383	1,131
		Rate of Gap	27.7%	98.1%	146.8%	190.7%

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		Net Chg.
	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	12/2023	
Sales	4,715	14,006	21,709	31,242	11,627	26,247	39,993	51,640		+20,397
Cost of Sales	3,618	10,963	16,723	24,092	8,922	20,354	30,904	40,233		+16,141
Gross Profit	1,096	3,043	4,986	7,150	2,704	5,893	9,088	11,406		+4,256
SG&A Expenses	856	1,949	3,008	4,173	1,233	2,589	3,924	5,469		+1,296
Operating Profit	239	1,093	1,978	2,976	1,470	3,303	5,164	5,936		+2,960
Non Operating Balance	(139)	(300)	(487)	(667)	(191)	(385)	(577)	(693)		(26)
Recurring Profit	100	793	1,491	2,309	1,279	2,918	4,587	5,243		+2,934
Extraordinary Balance	-	-	-	(31)	-	(1)	(21)	(21)		+10
Profit before Income Taxes	100	793	1,491	2,278	1,279	2,917	4,566	5,222		+2,944
Total Income Taxes	(8)	205	473	713	433	988	1,519	1,568		+855
Profit Attributable to Owners of Parent	108	588	1,017	1,564	845	1,929	3,047	3,653		+2,089
Sales YoY	(54.0%)	(21.3%)	(18.2%)	(8.0%)	+146.6%	+87.4%	+84.2%	+65.3%		-
Operating Profit YoY	(63.5%)	(17.1%)	+6.7%	+27.1%	+513.0%	+202.2%	+161.1%	+99.4%		-
Recurring Profit YoY	(80.6%)	(24.5%)	+3.4%	+30.4%	-	+267.8%	+207.5%	+127.1%		-
Profit Attributable to Owners of Parent YoY	(68.8%)	(20.3%)	(5.0%)	+22.6%	+676.7%	+228.1%	+199.4%	+133.5%		-
Gross Profit Margin	23.3%	21.7%	23.0%	22.9%	23.3%	22.5%	22.7%	22.1%		(0.8%)
SG&A Ratio	18.2%	13.9%	13.9%	13.4%	10.6%	9.9%	9.8%	10.6%		(2.8%)
Operating Profit Margin	5.1%	7.8%	9.1%	9.5%	12.7%	12.6%	12.9%	11.5%		+2.0%
Recurring Profit Margin	2.1%	5.7%	6.9%	7.4%	11.0%	11.1%	11.5%	10.2%		+2.8%
Profit Attributable to Owners of Parent Margin	2.3%	4.2%	4.7%	5.0%	7.3%	7.3%	7.6%	7.1%		+2.1%
Total Income Taxes / Profit before Income Taxes	(8.0%)	25.9%	31.7%	31.3%	33.9%	33.9%	33.3%	30.0%		(1.3%)

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		Net Chg.
	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	12/2023	
Sales	4,715	9,291	7,703	9,533	11,627	14,620	13,746	11,647		+2,114
Cost of Sales	3,618	7,345	5,760	7,369	8,922	11,432	10,550	9,329		+1,960
Gross Profit	1,096	1,947	1,943	2,164	2,704	3,189	3,195	2,318		+154
SG&A Expenses	856	1,093	1,059	1,165	1,233	1,356	1,335	1,545		+380
Operating Profit	239	854	885	998	1,470	1,833	1,861	772		(226)
Non Operating Balance	(139)	(161)	(187)	(180)	(191)	(194)	(192)	(116)		+64
Recurring Profit	100	693	698	818	1,279	1,639	1,669	656		(162)
Extraordinary Balance	-	-	-	(31)	-	(1)	(20)	-		+31
Profit before Income Taxes	100	693	698	787	1,279	1,638	1,649	656		(131)
Total Income Taxes	(8)	213	268	240	433	555	531	49		(191)
Profit Attributable to Owners of Parent	108	480	429	547	845	1,084	1,118	606		+59
Sales YoY	(54.0%)	+23.0%	(11.9%)	+28.6%	+146.6%	+57.4%	+78.4%	+22.2%		-
Operating Profit YoY	(63.5%)	+29.2%	+65.4%	+104.1%	+513.0%	+114.6%	+110.3%	(22.6%)		-
Recurring Profit YoY	(80.6%)	+29.8%	+78.1%	+149.4%	-	+136.5%	+139.1%	(19.8%)		-
Profit Attributable to Owners of Parent YoY	(68.8%)	+23.4%	+28.4%	+166.8%	+676.7%	+125.8%	+160.6%	+10.8%		-
Gross Profit Margin	23.3%	21.0%	25.2%	22.7%	23.3%	21.8%	23.2%	19.9%		(2.8%)
SG&A Ratio	18.2%	11.8%	13.7%	12.2%	10.6%	9.3%	9.7%	13.3%		+1.0%
Operating Profit Margin	5.1%	9.2%	11.5%	10.5%	12.7%	12.5%	13.5%	6.6%		(3.8%)
Recurring Profit Margin	2.1%	7.5%	9.1%	8.6%	11.0%	11.2%	12.1%	5.6%		(2.9%)
Profit Attributable to Owners of Parent Margin	2.3%	5.2%	5.6%	5.7%	7.3%	7.4%	8.1%	5.2%		(0.5%)
Total Income Taxes / Profit before Income Taxes	(8.0%)	30.7%	38.4%	30.5%	33.9%	33.9%	32.2%	7.5%		(23.0%)

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)	12/2022	12/2022	12/2022	12/2022	12/2023	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	49,353	49,353	+20,337
Real Estate Leasing and Other	540	1,080	1,657	2,226	560	1,126	1,706	2,286	2,286	+60
Sales	4,715	14,006	21,709	31,242	11,627	26,247	39,993	51,640	51,640	+20,397
Real Estate Trading	438	1,616	2,751	4,051	1,757	4,001	6,153	7,194	7,194	+3,143
Real Estate Leasing and Other	186	362	584	780	182	374	579	771	771	(9)
Segment Profit	624	1,978	3,335	4,831	1,939	4,375	6,732	7,966	7,966	+3,135
Adjustment	(384)	(885)	(1,357)	(1,854)	(468)	(1,071)	(1,568)	(2,030)	(2,030)	(176)
Operating Profit	239	1,093	1,978	2,976	1,470	3,303	5,164	5,936	5,936	+2,960
Real Estate Trading	10.5%	12.5%	13.7%	14.0%	15.9%	15.9%	16.1%	14.6%	14.6%	+0.6%
Real Estate Leasing and Other	34.4%	33.5%	35.2%	35.1%	32.5%	33.2%	33.9%	33.8%	33.8%	(1.3%)
Adjustment	(8.1%)	(6.3%)	(6.3%)	(5.9%)	(4.0%)	(4.1%)	(3.9%)	(3.9%)	(3.9%)	+2.0%
Operating Profit Margin	5.1%	7.8%	9.1%	9.5%	12.6%	12.6%	12.9%	11.5%	11.5%	+2.0%

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)	12/2022	12/2022	12/2022	12/2022	12/2023	12/2023	12/2023	12/2023	12/2023	Net Chg.
Real Estate Trading	4,175	8,750	7,127	8,964	11,067	14,054	13,166	11,066	11,066	+2,102
Real Estate Leasing and Other	540	540	577	569	560	566	580	580	580	+11
Sales	4,715	9,291	7,703	9,533	11,627	14,620	13,746	11,647	11,647	+2,114
Real Estate Trading	438	1,178	1,135	1,300	1,757	2,244	2,152	1,041	1,041	(259)
Real Estate Leasing and Other	186	176	222	196	182	192	205	192	192	(4)
Segment Profit	624	1,354	1,357	1,496	1,939	2,436	2,357	1,234	1,234	(262)
Adjustment	(384)	(501)	(472)	(497)	(468)	(603)	(497)	(462)	(462)	+35
Operating Profit	239	854	885	998	1,470	1,833	1,861	772	772	(226)
Real Estate Trading	10.5%	13.5%	15.9%	14.5%	15.9%	16.0%	16.3%	9.4%	9.4%	(5.1%)
Real Estate Leasing and Other	34.4%	32.6%	38.5%	34.4%	32.5%	33.9%	35.3%	33.1%	33.1%	(1.3%)
Adjustment	(8.1%)	(5.4%)	(6.1%)	(5.2%)	(4.0%)	(4.1%)	(3.6%)	(4.0%)	(4.0%)	+1.2%
Operating Profit Margin	5.1%	9.2%	11.5%	10.5%	12.6%	12.5%	13.5%	6.6%	6.6%	(3.8%)

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 12/2022	Q2 12/2022	Q3 12/2022	Q4 12/2022	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4 12/2023		
Cash and Deposit	14,539	17,836	16,651	17,754	18,033	18,450	20,803	20,420	+2,666	
Accounts Receivables	27	23	32	23	44	39	65	35	+12	
Real Estate for Sale	39,206	44,759	49,739	51,116	52,874	52,234	51,898	52,644	+1,528	
Real Estate for Sale in Process	479	438	498	517	553	644	342	477	(40)	
Other	731	642	629	764	760	539	440	613	(151)	
Current Assets	54,982	63,698	67,549	70,174	72,264	71,906	73,548	74,189	+4,015	
Tangible Assets	7,596	7,604	7,569	6,430	6,397	6,373	6,346	5,156	(1,274)	
Intangible Assets	91	92	89	84	82	80	79	81	(3)	
Investments and Other Assets	715	624	679	698	720	738	810	880	+182	
Fixed Assets	8,403	8,320	8,338	7,213	7,201	7,192	7,236	6,119	(1,094)	
Deferred Assets	43	66	62	60	54	49	55	53	(7)	
Total Assets	63,429	72,086	75,950	77,448	79,520	79,148	80,840	80,362	+2,914	
Accounts Payables	436	472	583	495	472	625	499	466	(29)	
Short Term Debt	5,793	6,120	6,005	6,023	9,091	9,745	8,980	9,153	+3,130	
Current Portion of Bonds Payable	865	1,007	3,052	3,091	3,068	3,095	980	1,041	(2,050)	
Current Portion of Long-term Debt	3,882	4,791	6,806	6,520	5,926	3,589	4,718	5,407	(1,113)	
Other	1,342	1,503	1,792	2,372	2,291	3,197	3,552	3,417	+1,045	
Current Liabilities	12,318	13,893	18,238	18,501	20,848	20,251	18,729	19,484	+983	
Bonds Payable	3,436	6,861	4,637	4,623	4,467	4,315	6,101	6,150	+1,527	
Long Term Debt	23,870	27,072	28,384	29,049	28,538	27,769	28,088	25,894	(3,155)	
Other	649	631	633	670	686	693	684	990	+320	
Fixed Liabilities	27,955	34,564	33,654	34,342	33,691	32,777	34,873	33,034	(1,308)	
Total Liabilities	40,273	48,458	51,893	52,843	54,540	53,028	53,603	52,518	(325)	
Shareholders' Equity	23,063	23,535	23,964	24,511	24,887	26,027	27,144	27,751	+3,240	
Other	93	92	93	93	93	93	93	93	0	
Net Assets	23,156	23,627	24,057	24,604	24,980	26,120	27,237	27,844	+3,240	
Total Liabilities & Net Assets	63,429	72,086	75,950	77,448	79,520	79,148	80,840	80,362	+2,914	
Equity Capital	23,063	23,535	23,964	24,511	24,887	26,027	27,144	27,751	+3,240	
Interest Bearing Debt	37,846	45,851	48,884	49,306	51,090	48,513	48,867	47,645	(1,661)	
Net Debt	23,307	28,015	32,233	31,552	33,057	30,063	28,064	27,225	(4,327)	
Equity Ratio	36.4%	32.6%	31.6%	31.6%	31.3%	32.9%	33.6%	34.5%	-	
Net Debt Equity Ratio	101.1%	119.0%	134.5%	128.7%	132.8%	115.5%	103.4%	98.1%	-	
ROE (12 months)	4.5%	4.8%	5.2%	6.5%	9.6%	11.7%	14.1%	14.0%	-	
ROA (12 months)	2.2%	2.3%	2.6%	3.3%	4.9%	5.9%	6.9%	6.6%	-	
Days for Inventory Turnover	1,000	561	795	639	546	422	451	519	-	
Quick Ratio	118%	129%	91%	96%	87%	91%	111%	105%	-	
Current Ratio	446%	458%	370%	379%	347%	355%	393%	381%	-	

Source: Company Data, WRJ Calculation

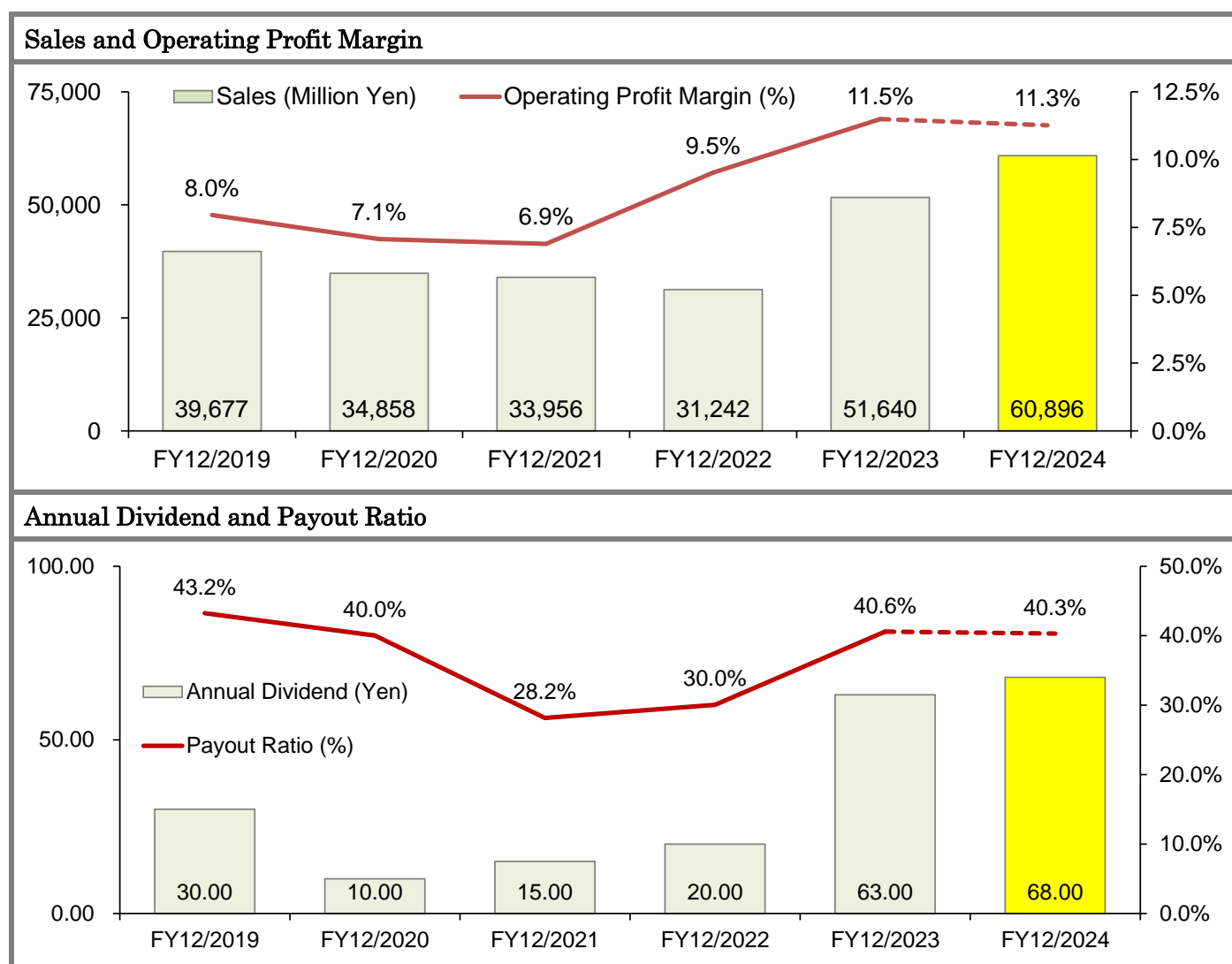
Cash Flow Statement (Cumulative)

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 12/2022	Q1 to Q2 12/2022	Q1 to Q3 12/2022	Q1 to Q4 12/2022	Q1 12/2023	Q1 to Q2 12/2023	Q1 to Q3 12/2023	Q1 to Q4 12/2023		
Operating Cash Flow	-	(8,042)	-	(11,491)	-	2,006	-	5,374	+16,865	
Investing Cash Flow	-	(185)	-	(157)	-	(128)	-	(498)	(341)	
Operating Cash Flow and Investing Cash Flow	-	(8,227)	-	(11,648)	-	1,878	-	4,876	+16,524	
Financing Cash Flow	-	8,399	-	11,847	-	(1,266)	-	(2,153)	(14,000)	

Source: Company Data, WRJ Calculation

FY12/2024 Company Forecasts

FY12/2024 Company forecasts, announced on 14 February 2024, are going for prospective sales of ¥60,896m (up 17.9% YoY), operating profit of ¥6,861m (up 15.6%), recurring profit of ¥6,036m (up 15.1%) and profit attributable to owners of parent of ¥3,985m (up 9.1%), while operating profit margin of 11.3% (down 0.2% points). At the same time, FY12/2024 Company forecasts are going for planned annual dividend of ¥68.00 per share, implying payout ratio of 40.3%.



Source: Company Data, WRJ Calculation

The Company's dividend policy fundamentally advocates continuation of stable dividend, while strengthening its financial position and enhancing internal reserves for the purpose of long-term business expansion. The Company also states that it will determine distribution of earnings to shareholders through comprehensive consideration of cost of capital and return on capital based on performance levels and balance sheet conditions. Moreover, the Company has set a target of seeing payout ratio of 40% or more from a long-term perspective and thus FY12/2024 Company forecasts are going for planned annual dividend of ¥68.00 per share, implying payout ratio 40.3%. By the way, the said target for payout ratio has been adopted since FY12/2023 versus 30% or more for FY12/2022. Thus, combined with surging earnings, it is the case that the Company has consequently paid dividend substantially increased for FY12/2023, i.e., ¥63.00 per share, equating no less than 3.15 times ¥20.00 for FY12/2022.

Second Midterm Management Plan

On 14 February 2022, the Company announced its Second Midterm Management Plan (FY12/2022 to FY12/2024) and had been calling for prospective sales of ¥53,224m, operating profit of ¥4,991m and operating profit margin of 9.4% for FY12/2024, the final year of the plan. Meanwhile, FY12/2024 Company forecasts are currently going for prospective sales of ¥60,896m (up 17.9% YoY), operating profit of ¥6,861m (up 15.6%) and operating profit margin of 11.3% (down 0.2% points) as above mentioned, while the details have already been discussed in this text.

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.
	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	
Sales	39,677	34,858	33,956	31,242	51,640	60,896	+9,256
Cost of Sales	33,202	28,994	28,168	24,092	40,233	-	-
Gross Profit	6,475	5,864	5,788	7,150	11,406	-	-
SG&A Expenses	3,317	3,398	3,445	4,173	5,469	-	-
Operating Profit	3,157	2,465	2,342	2,976	5,936	6,861	+925
Non Operating Balance	(664)	(680)	(572)	(667)	(693)	(825)	(132)
Recurring Profit	2,493	1,785	1,770	2,309	5,243	6,036	+793
Extraordinary Balance	7	23	6	(31)	(21)	-	-
Profit before Income Taxes	2,500	1,808	1,776	2,278	5,222	-	-
Total Income Taxes	811	1,209	500	713	1,568	-	-
Profit Attributable to Owners of Parent	1,688	599	1,276	1,564	3,653	3,985	+332
Sales YoY	(26.4%)	(12.1%)	(2.6%)	(8.0%)	+65.3%	+17.9%	-
Operating Profit YoY	(47.2%)	(21.9%)	(5.0%)	+27.1%	+99.4%	+15.6%	-
Recurring Profit YoY	(52.4%)	(28.4%)	(0.8%)	+30.4%	+127.1%	+15.1%	-
Profit Attributable to Owners of Parent YoY	(49.7%)	(64.5%)	+113.0%	+22.6%	+133.5%	+9.1%	-
Gross Profit Margin	16.3%	16.8%	17.0%	22.9%	22.1%	-	-
SG&A Ratio	8.4%	9.7%	10.1%	13.4%	10.6%	-	-
Operating Profit Margin	8.0%	7.1%	6.9%	9.5%	11.5%	11.3%	(0.2%)
Recurring Profit Margin	6.3%	5.1%	5.2%	7.4%	10.2%	9.9%	(0.2%)
Profit Attributable to Owners of Parent Margin	4.3%	1.7%	3.8%	5.0%	7.1%	6.5%	(0.5%)
Total Income Taxes / Profit before Income Taxes	32.4%	66.9%	28.2%	31.3%	30.0%	-	-

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.
	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	
Real Estate Trading	36,401	31,866	31,842	29,016	49,353	58,504	+9,151
Real Estate Leasing and Other	3,275	2,992	2,113	2,226	2,286	2,392	+106
Sales	39,677	34,858	33,956	31,242	51,640	60,896	+9,256
Real Estate Trading	3,296	2,812	3,119	4,051	7,194	-	-
Real Estate Leasing and Other	1,183	1,103	736	780	771	-	-
Segment Profit	4,480	3,916	3,855	4,831	7,966	-	-
Adjustment	(1,322)	(1,450)	(1,513)	(1,854)	(2,030)	-	-
Operating Profit	3,157	2,465	2,342	2,976	5,936	6,861	+925
Real Estate Trading	9.1%	8.8%	9.8%	14.0%	14.6%	-	-
Real Estate Leasing and Other	36.1%	36.9%	34.8%	35.1%	33.8%	-	-
Adjustment	(3.3%)	(4.2%)	(4.5%)	(5.9%)	(3.9%)	-	-
Operating Profit Margin	8.0%	7.1%	6.9%	9.5%	11.5%	11.3%	(0.2%)

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 12/2019	FY 12/2020	FY 12/2021	FY 12/2022	FY 12/2023	FY 12/2024	YoY Net Chg.
Cash and Deposit	13,708	16,065	17,565	17,754	20,420	-	-
Accounts Receivables	23	16	19	23	35	-	-
Real Estate for Sale	49,887	41,337	35,463	51,116	52,644	-	-
Real Estate for Sale in Process	147	283	630	517	477	-	-
Other	602	236	727	764	613	-	-
Current Assets	64,367	57,937	54,404	70,174	74,189	-	-
Tangible Assets	3,068	3,838	7,614	6,430	5,156	-	-
Intangible Assets	83	83	85	84	81	-	-
Investments and Other Assets	944	583	631	698	880	-	-
Fixed Assets	4,096	4,504	8,331	7,213	6,119	-	-
Deferred Assets	48	45	41	60	53	-	-
Total Assets	68,512	62,487	62,778	77,448	80,362	-	-
Accounts Payables	467	216	361	495	466	-	-
Short Term Debt	2,236	2,050	4,739	6,023	9,153	-	-
Current Portion of Bonds Payable	1,154	860	727	3,091	1,041	-	-
Current Portion of Long-term Debt	6,950	6,192	4,982	6,520	5,407	-	-
Other	1,378	1,819	1,359	2,372	3,417	-	-
Current Liabilities	12,185	11,137	12,168	18,501	19,484	-	-
Bonds Payable	3,225	3,307	3,219	4,623	6,150	-	-
Long Term Debt	29,393	24,713	23,192	29,049	25,894	-	-
Other	868	724	652	670	990	-	-
Fixed Liabilities	33,486	28,744	27,063	34,342	33,034	-	-
Total Liabilities	45,671	39,882	39,232	52,843	52,518	-	-
Shareholders' Equity	22,718	22,518	23,453	24,511	27,751	-	-
Other	122	87	93	93	93	-	-
Net Assets	22,840	22,605	23,546	24,604	27,844	-	-
Total Liabilities & Net Assets	68,512	62,487	62,778	77,448	80,362	-	-
Equity Capital	22,718	22,518	23,453	24,511	27,751	-	-
Interest Bearing Debt	42,958	37,122	36,859	49,306	47,645	-	-
Net Debt	29,250	21,057	19,294	31,552	27,225	-	-
Equity Ratio	33.2%	36.0%	37.4%	31.6%	34.5%	-	-
Net Debt Equity Ratio	128.8%	93.5%	82.3%	128.7%	98.1%	-	-
ROE (12 months)	7.6%	2.6%	5.6%	6.5%	14.0%	13.7%	-
ROA (12 months)	3.7%	2.7%	2.8%	3.3%	6.6%	-	-
Days for Inventory Turnover	550	523	467	782	481	-	-
Quick Ratio	113%	144%	145%	96%	105%	-	-
Current Ratio	528%	520%	447%	379%	381%	-	-

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 12/2019	FY 12/2020	FY 12/2021	FY 12/2022	FY 12/2023	FY 12/2024	YoY Net Chg.
Operating Cash Flow	3,276	10,981	3,307	(11,491)	5,374	-	-
Investing Cash Flow	(872)	(1,944)	(1,218)	(157)	(498)	-	-
Operating Cash Flow and Investing Cash Flow	2,404	9,037	2,089	(11,648)	4,876	-	-
Financing Cash Flow	712	(6,656)	(621)	11,847	(2,153)	-	-

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
	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	Net Chg.
No. of Shares FY End (thousand shares)	24,361	24,361	24,361	24,361	24,361	-	-
Net Profit / EPS (thousand shares)	24,330	23,979	23,962	23,498	23,527	-	-
Treasury Shares FY End (thousand shares)	282	382	586	897	798	-	-
Earnings Per Share	69.38	24.98	53.25	66.56	155.27	168.64	-
Earnings Per Share (Fully Diluted)	69.10	24.86	52.95	66.16	154.35	-	-
Book Value Per Share	943.48	939.11	986.47	1,044.67	1,177.77	-	-
Dividend Per Share	30.00	10.00	15.00	20.00	63.00	68.00	-
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
	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	69.38	24.98	53.25	66.56	155.27	168.64	-
Book Value Per Share	943.48	939.11	986.47	1,044.67	1,177.77	-	-
Dividend Per Share	30.00	10.00	15.00	20.00	63.00	68.00	-
Payout Ratio	43.2%	40.0%	28.2%	30.0%	40.6%	40.3%	-

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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