

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%	-	-	-
FY12/2024CoE		YoY	17.9%	15.6%	15.1%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY12/2023		26,247	3,303	2,918	1,929	-	-	-
Q3 to Q4 FY12/2023		25,393	2,633	2,325	1,724	-	-	-
Q1 to Q2 FY12/2024		31,502	5,029	4,645	3,064	-	-	-
Q3 to Q4 FY12/2024CoE		29,394	1,832	1,391	921	-	-	-
Q1 to Q2 FY12/2024		YoY	20.0%	52.2%	59.2%	-	-	-
Q3 to Q4 FY12/2024CoE		YoY	15.8%	(30.4%)	(40.2%)	(46.6%)	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (9 October 2024)


Outperform

MUGEN ESTATE, running purchase and resale of pre-owned real estate mostly in the Tokyo metropolitan area, continues to show solid performance. In light of the significant momentum in sales and operating profit, the Company's performance continues to “outperform” the strength of the real estate market. The Company's performance for Q1 to Q2 FY12/2024 suggests that assumptions of full-year Company forecasts were exceeded, but full-year Company forecasts have remained unchanged, presumably from a conservative perspective. Meanwhile, the purchase amount for Q1 to Q2 came in at no less than ¥25,295m (up 39.4% YoY) and real estate for sale outstanding (inventory) as of the end of Q2 has remained at a high level. As well, the Company is making a steady progress in its policy to enhance its sales force, while beginning to do so also for another policy to make its competitive business model to horizontally expand region-wise, having already posted sales in some part of the operations. At the moment, the Company is in the process of formulating its new midterm management plan to be followed by the existing one, the second midterm management plan (FY12/2022 to FY12/2024). As far as we could see, the Company is to release its new midterm management plan, when the actual results of FY12/2024 are confirmed, including impact of a horizontal expansion region-wise as well as the operations of asset management to start up in the near future.

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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 June 2024)	
No. of Shares	24,361,000 shares, including 772,825 treasury shares (as of the end of June 2024)	
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 19.42%, Shinichi Fujita 7.22%, Dream Come True Co., Ltd. 7.21%, MUGEN KIKAKU Co., Ltd. 4.92%, Celanese Co., Ltd. 4.24% (as of the end of June 2024, but for treasury shares)	
Head Office	Chiyoda-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 452, Parent: 356 (as of the end of June 2024)	

Source: Company Data

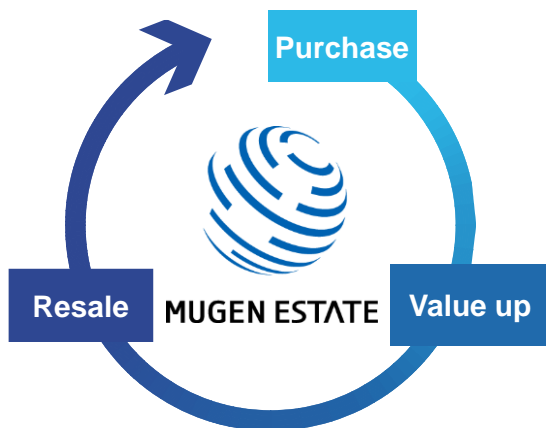
3.0 Corporate Philosophy

「MUGEN」 —Making Dreams Come True—

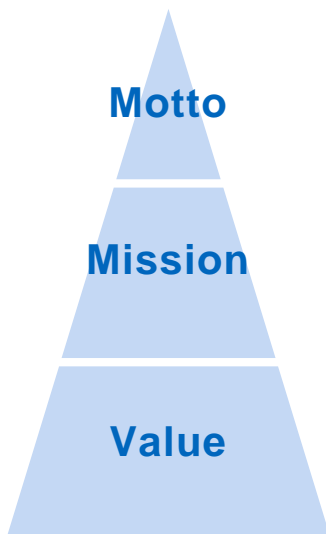
The Company, running up 「MUGEN」 - Making Dreams Come True - as its motto, is mainly involved with the operations of real estate purchase and resale (pre-owned properties) mostly in the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture). That is to say, the Company purchases pre-owned real estate and resells it as revitalized one by enhancing value, i.e., increasing asset value through refurbishment work on interior and/or exterior facilities. It takes a while to enhance value, while the Company is focusing on shortening the period during which each property is held as real estate for sale (inventory) by using its operations in subsidiary to complete the entire process within the group. Meanwhile, the Company aims to create significant added value by focusing on the purchase of properties that are considered to have significant potential for asset value enhancement, based on its solid capability to identify quality of pre-owned real estate.

The Operations of Real Estate Purchase and Resale (pre-owned properties)

Purchasing, increasing the value of,
and then reselling used real estate



Corporate Philosophy



「MUGEN」 —Making Dreams Come True—

**Creating new value in real estate and taking on challenges
to enrich the lives of all,
making their dreams come true**

**Pursuing speed
Taking on challenges inexhaustibly
The linking of diverse talents
Looking ahead
Fulfilling our responsibilities**

Renewal of Corporate Philosophy

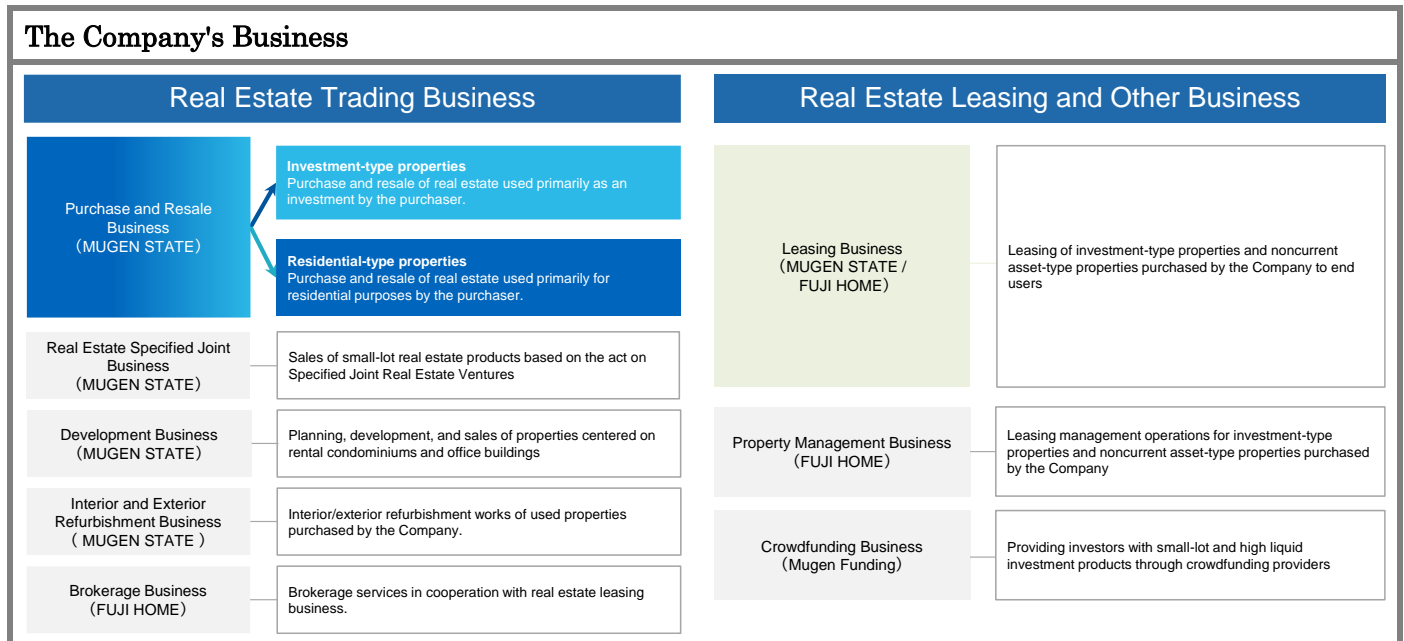
In January 2022, the Company has produced new corporate philosophy, going “our new dream, based on the idea of growing and continuing our business 50 or 100 years from now: renewed corporate philosophy, to bring together the power of the MUGEN ESTATE Group, to take on the challenge of the next leap forward.” The Company, running up 「MUGEN」 - Making Dreams Come True - as its motto, as above-mentioned, goes “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 “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 “creating new value in real estate and taking on challenges to enrich the lives of all.” Meanwhile, the Company runs up 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 us overwhelm others with speed - because speed is one of our competitive advantages
- Let us 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 us work together by taking advantage of our individual expertise - because it is by combining our respective strengths that we can achieve great things
- Let us 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
- Let us 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

The Real Estate Trading Business & The Real Estate Leasing and Other Business

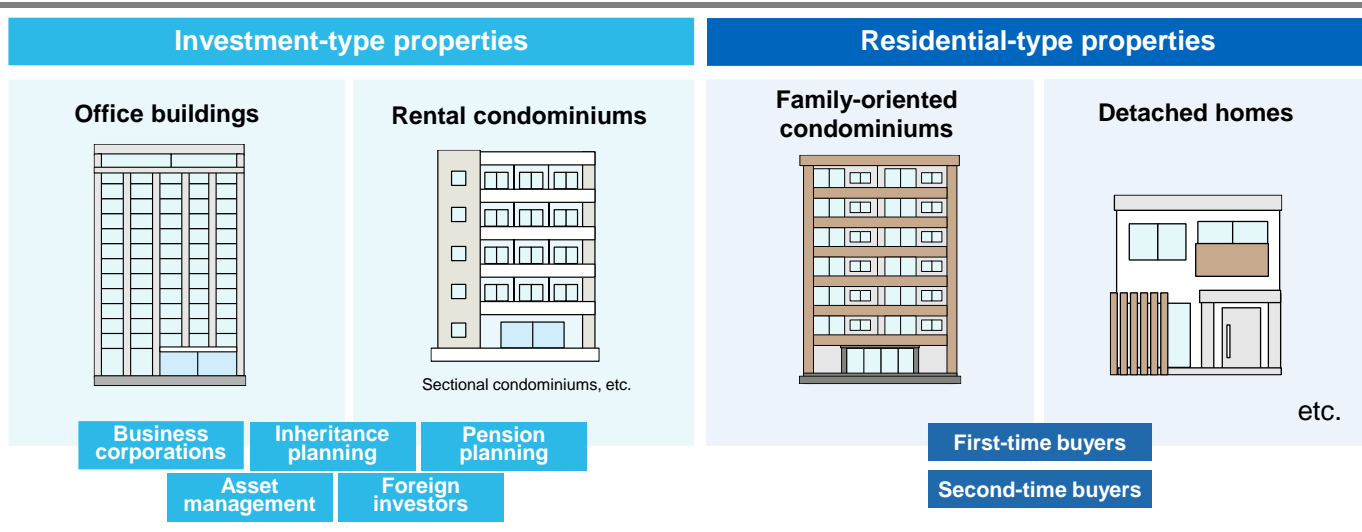
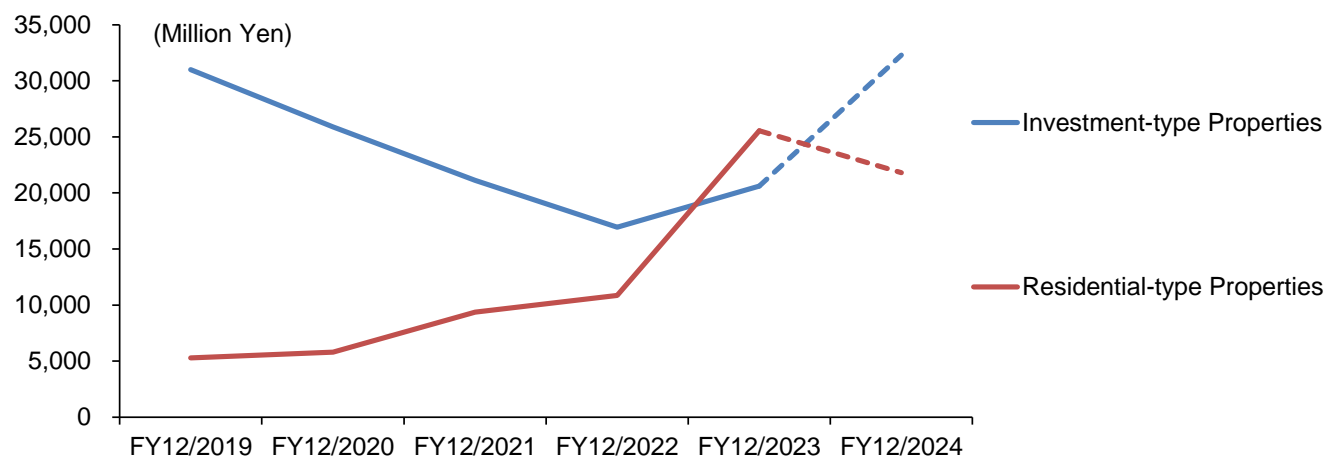
The Company is mainly involved with the operations of real estate purchase and resale (pre-owned properties), while the Company's operations comprises those on the Real Estate Trading Business side and those on the Real Estate Leasing and Other Business side by segment. Sales on the Real Estate Trading Business side account for the bulk of the Company's sales and the mainstay is those of the operations of real estate purchase and resale (pre-owned properties), thereby there is an aspect that the Company's performance hinges on that of the operations of real estate purchase and resale (pre-owned properties).



Source: Company Data

On the Real Estate Trading Business side, the Company also runs the operations of real estate specified joint (sales of small-lot real estate products based on the act on Real Estate Specified Joint Business) and the operations of real estate development (planning, development and sales of properties centered on rental condos and office buildings) as well as the operations of interior and exterior refurbishment (work on properties purchased by the Company) and the operations of real estate brokerage (services in cooperation with the operations of real estate leasing), both of which are run by FUJI HOME (wholly owned subsidiary). As well, on 1 October 2024, the Company (on a parent basis) has taken over the operations of work division (in charge of those on interior and exterior facilities) of FUJI HOME (wholly owned subsidiary) via company split for the sake of further improving the efficiency in all those operations. Meanwhile, sales on the Real Estate Leasing and Other Business side comprise those of the operation of leasing (from investment-type properties and noncurrent asset-type properties purchased by the Company) to end users run by the Company (on a parent basis) and FUJI HOME (wholly owned subsidiary) as well as those of the operations of property management (for investment-type properties and noncurrent asset-type properties purchased by the Company) run by FUJI HOME (wholly owned subsidiary). Further, the Company is also involved with the operations of crowdfunding (to provide investors with small-lot and high liquid investment products) run by Mugen Funding (wholly owned subsidiary).

Sales of the Operations of Real Estate Purchase and Resale (pre-owned properties)



Source: Company Data

Sales of the operations of real estate purchase and resale (pre-owned properties), which are the key source of earnings for the Company, comprise those of investment-type properties (office buildings, rental condos, condos owned sectionally, etc.) and those of residential-type properties (family-oriented condos, detached homes, etc.). With respect to investment-type properties, for which demand tends to fluctuate with changes in the real estate market conditions and interest rates, sale destinations comprise business corporations, retail investors (seeking for opportunities of investment to respond to their needs associated with inheritance planning, pension planning and asset management) and foreign investors. For some time, the Company has been seeing strength in the real estate market conditions, while interest rates having risen just marginally, resulting in strength in demand for investment-type properties as well, according to the Company.

In light of this, the Company is now focusing on purchase and resale of investment-type properties, while sales are buoyant. Meanwhile, the Company suggests that retail investors associated with inheritance planning are looking to tax-saving effect of owning real estate, while those of pension planning to rental income that can be earned from investing in investment-type properties. With respect to business corporations, foreign investors and retail investors associated with asset management are just pursuing so-called net investment income via investment in investment-type properties, while foreign investors are basically well-to-do retail investors based in Asian countries such as China and Taiwan.

On the other hand, the Company mentions first time buyers (to buy housing to reside for the first time) and second-time buyers (to make a replace purchase of housing to reside from that of owning at the moment). In other words, while the purchase of investment-type properties is literally for investment purposes, the purchase of residential-type properties is literally for residential purposes. Thus, the latter is said to enjoy more stable demand than the former. In light of this, the Company is laying out a policy of establishing residential-type properties as a stable source of earnings, while another one as well to maximize earnings from investment-type properties when the real estate market is strong at the same time. As above-mentioned, the latter policy is currently proving successful, while sales of residential-type properties have surged for FY12/2023. This is largely due to the success of the Company's strategy to expand sales of residential-type properties by means of the opening of new sales offices, which began for FY12/2021.

For FY12/2021, the Company has opened new sales offices in Kitasenju (September), Funabashi (October), Ogikubo (November), Akabane (November) and Ikebukuro (December), which was followed by another one in Kamata (December) for FY12/2022. All those new sales offices are located in the areas that belong to the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture), where the Company has been developing its operations so far. On the other hand, as will be explained in detail later, the Company has begun a horizontal expansion region-wise since FY12/2023, triggered by the opening of Osaka Sales Office (opened in May; currently, Osaka-Kita Sales Office). In other words, while the Company had previously focused its business development in the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture), it is now trying to see an ongoing increase in sales mainly of residential-type properties in areas other than the Tokyo metropolitan area from a long-term perspective, while maintaining and strengthening its operations in existing areas represented by the Tokyo metropolitan area at the same time, which is expected to bring in a stability for the Company performance.

The Operations of Real Estate Purchase and Resale (pre-owned properties)

The operations of real estate purchase and resale (pre-owned properties) has a business model to purchase residential-type properties and/or investment-type properties from individuals and/or companies via agents and resell to individuals and/or companies via agents after value enhancement, i.e., increasing asset value through refurbishment work on interior and/or exterior facilities. In this context, the term of “agents” represents real estate agents or so-called real estate brokers who function as an intermediary between the seller or lessor and the buyer or lessee in real estate transactions, such as buying and selling or renting, providing a support to help the contract come into effect. Some of the major brands that come to mind are MITSUI REHOUSE, Nomura Real Estate, MITSUBISHI ESTATE's Home Relay, Sumitomo Real Estate Sales, TOKYU LIVABLE and Odakyu Real Estate. In addition, it is said that there are innumerable real estate brokers in every region of Japan, including those that are privately owned and operate single stores. The Tokyo metropolitan area is not an exception.



Source: Company Data

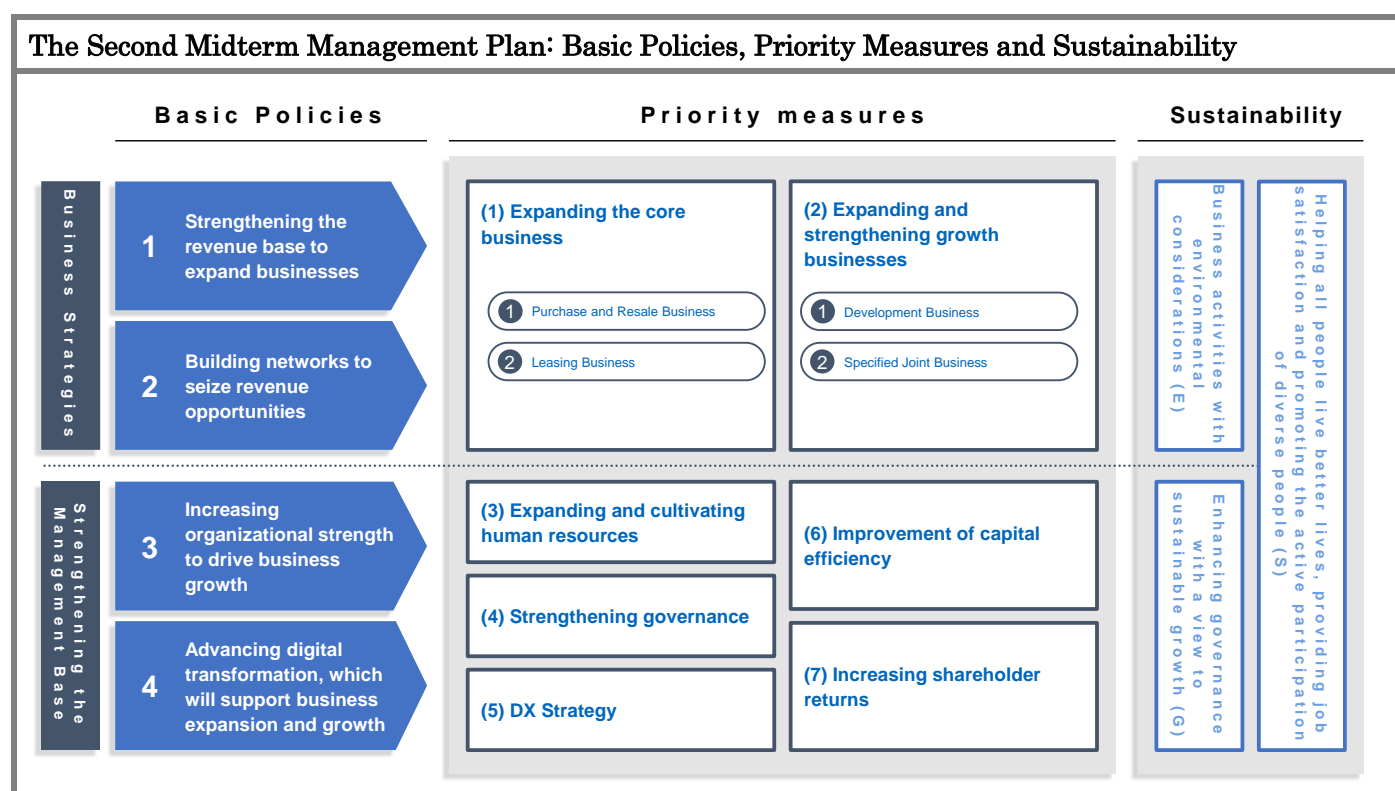
The Company, which had been developing its business with a focus on the Tokyo metropolitan area (Tokyo, Kanagawa, Saitama and Chiba by prefecture), has established comprehensive and close business relationships with various types of real estate brokers in the area and it is said that information on virtually all pre-owned real estate properties in the area is being gathered. Furthermore, this has been even more strengthened through the opening of new sales offices in the Tokyo metropolitan area, which was mentioned earlier. Now, the Company is in the process of a horizontal expansion region-wise, which means that the Company is to gradually set up similar situations in the new areas and their surrounding areas, where new sales offices have been opened.

Meanwhile, FUJI HOME (wholly owned subsidiary) is responsible for value enhancement, i.e., increasing asset value through refurbishment work on interior and/or exterior facilities, for both residential-type properties and investment-type properties. With respect to family-oriented condos owned sectionally (often purchased and resold on a unit basis), which is the mainstay in residential-type properties, the value enhancement is basically of interior facilities. The specific details include changing the floor plan and renovating Japanese-style rooms into Western-style rooms, as well as updating wallpaper, flooring and facilities such as bathrooms, toilets, kitchen units, etc. It appears that exterior work is not conducted from a practical perspective, as they are nothing but properties owned sectionally. The other thing is that FUJI HOME (wholly owned subsidiary) is responsible for value enhancement for properties based in the Tokyo metropolitan area or existing areas, while the Company is promoting the establishment of business relationships with local operators for its horizontal expansion region-wise.

With respect to office buildings and rental condos, the mainstay in investment-type properties, the value enhancement is essentially focused on exterior work, which is the opposite of what is done with residential-type properties. For example, with rental condos, the fact that the residents have not moved out after the purchase makes interior work difficult in the first place. As a result, meanwhile, the Company, as the owner, enjoys rental income during the period when the property is held as real estate for sale (inventory) and this is cited as a difference in the business model compared with residential-type properties. The specific details of the exterior work undertaken by FUJI HOME (wholly owned subsidiary) include entrance work, exterior wall painting and the repair of common facilities such as rooftop waterproofing. As well, FUJI HOME (wholly owned subsidiary) is also involved with real estate management related to investment-type properties that are the subject of exterior work. The specific details include operations of leasing, planning and soliciting as well as improvement in the state of collecting rents, etc. Meanwhile, as mentioned earlier, on 1 October 2024, the Company (on a parent basis) has taken over the operations of work division (in charge of those on interior and exterior facilities) of FUJI HOME (wholly owned subsidiary) via company split for the sake of further improving the efficiency in all those operations.

Sustainability

The Company has announced its actual results for FY12/2023, the second year of the second midterm management plan (FY12/2022 to FY12/2024), announced on 14 February 2022, which is followed by the announcement of the actual results of Q1 to Q2 for FY12/2024, the final year of the plan, while revealing its intention to promote business expansion and reinforcement of management base as well as pursuit of sustainability and shareholder returns with no changes to date for basic policies and priority measures set in the midterm management plan. Thus, the Company is attempting to realize a sustainable improvement in its business valuation, which is expected to lead to stable fulfillment of the criteria for listing on the Prime Market. The Company is currently aiming at a fulfilment for FY12/2024, the final year of the plan, with respect to a perspective of market capitalization of tradable shares, which is raised as an action assignment.



Source: Company Data

With respect to the priority measures, the Company has been particularly successful in (1) expanding the core business, which is also true of (3) expanding and cultivating human resources. To the former, the fact is contributing that the Company is steadily capturing an increase in demand for investment-type properties. Meanwhile, in terms of pursuing sustainability, the following content is being advocated in relation to the environment, social and governance, i.e., “business activities with environmental considerations,” “helping all people live better lives, providing job satisfaction and promoting the active participation of diverse people” and “enhancing governance with a view to sustainable growth,” respectively.

Company History

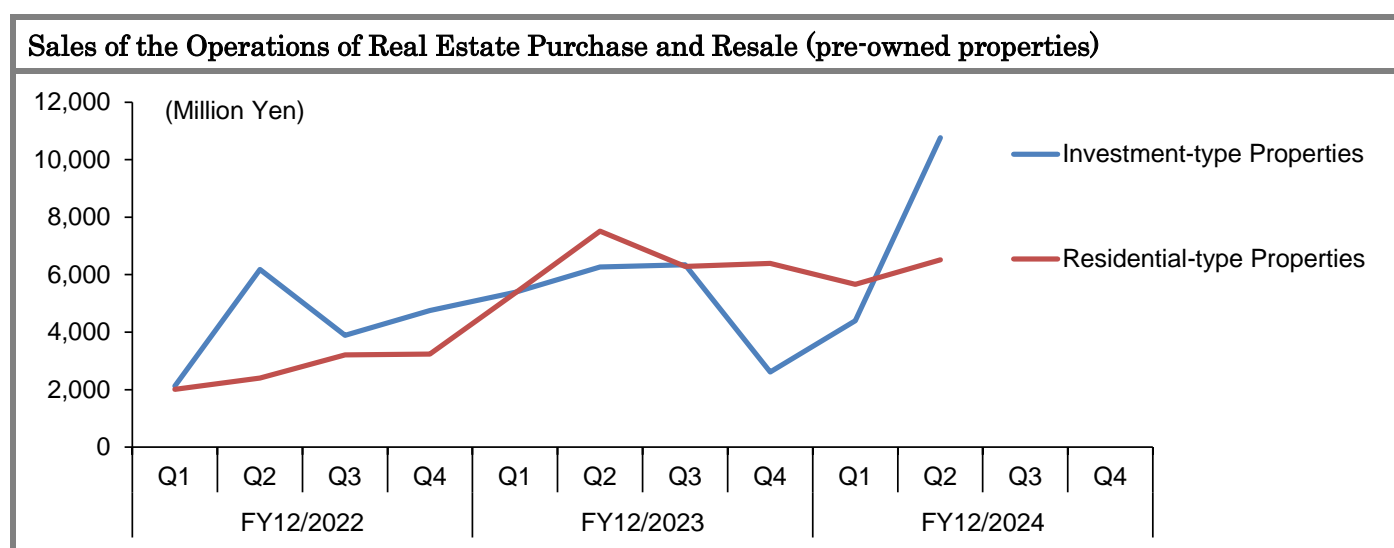
Date	Events
May 1990	MUGEN ESTATE founded
August 1997	Established FUJI HOME Co., Ltd. (consolidated subsidiary)
July 2005	Registered as a first-class architect's office
May 2010	Change from the Building Lots and Buildings Transaction license to that of the Minister of Land, Infrastructure, Transport and Tourism
June 2010	Established Yokohama Branch
June 2014	Listed on TSE Mothers
January 2015	Established Shinjuku Branch
February 2016	Listed on TSE 1st Section
June 2018	Obtained the Real Estate Specified Joint Enterprise license
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 Nihonbashi-Hamacho, Chuo-ku, Tokyo
May 2020	Established Nihonbashi Branch in Nihonbashi-Hamacho, Chuo-ku, Tokyo
July 2020	Integrated Nihonbashi brand with head office
September 2021	Opened Kitasenju Sales Office in Senju, Adachi-ku, Tokyo
October 2021	Opened Funabashi Sales Office in Honmachi, Funabashi-city, Chiba-prefecture
November 2021	Opened Ogikubo Sales Office in Ogikubo, Suginami-ku, Tokyo
November 2021	Opened Akabane Sales Office in Akabane, Kita-ku, Tokyo
December 2021	Opened Ikebukuro Sales Office in Nishi-Ikebukuro, Toshima-ku, Tokyo
April 2022	The listed market changed from TSE 1st Section to TSE Prime Market
December 2022	Opened Kamata Sales Office in Kamata, Oota-ku, Tokyo
May 2023	Opened Osaka Sales Office in Toyosaki, Kita-ku, Osaka (currently, Osaka-Kita Sales Office)
October 2023	The listed market changed from TSE Prime Market to TSE Standard Market
January 2024	Opened Sapporo Sales Office in Kitananajonishi, Kita-ku, Sapporo-city, Hokkaido
	Opened Nagoya Sales Office in Sakae, Naka-ku, Nagoya-city, Aichi-prefecture
	Opened Fukuoka Sales Office in Tenjin, Chuo-ku, Fukuoka-city, Fukuoka-prefecture
May 2024	Opened Shibuya Sales Office in Shibuya, Shibuya-ku, Tokyo
July 2024	Opened Osaka Branch in Umeda, Kita-ku, Osaka-city
August 2024	Opened Sendai Sales Office in Chuo, Aoba-ku, Sendai-city
October 2024	Implemented absorption-type company split for the operations of interior and exterior refurbishment of FUJI HOME Co., Ltd. (consolidated subsidiary)

4.0 Recent Trading and Prospects

Q1 to Q2 FY12/2024

For Q1 to Q2 FY12/2024, sales came in at ¥31,502m (up 20.0% YoY), operating profit ¥5,029m (up 52.2%), recurring profit ¥4,645m (up 59.2%) and profit attributable to owners of parent ¥3,064m (up 58.8%). Meanwhile, gross profit came in at ¥8,323m (up 41.2%) and SG&A expenses ¥3,294m (up 27.2%), implying gross profit margin of 26.4% (up 4.0% points) and SG&A ratio of 10.5% (up 0.6% points), having resulted in operating profit margin of 16.0% (up 3.4% points).

In line with an increase in sales, commissions paid to real estate brokers have increased. On top of this, the Company's policy to proactively enhance its workforce generated an increase in personnel costs as well as recruitment costs, having realized an increase in SG&A expenses, higher than sales. There is an aspect that an increase in sales drove refunds of consumption tax and thus tax and dues have declined, but the impact was not substantial enough to more than compensate for the impact of the issues in question. Still, there was an improvement in operating profit margin in line with an improvement in gross profit margin that had a major impact.



Source: Company Data, WRJ Calculation

Real Estate Trading Business (96.2% of sales and 93.9% of segment profit)

On the Real Estate Trading Business side (purchase and resale of pre-owned real estate, etc.), sales came in at ¥30,309m (up 20.7%), segment profit ¥5,799m (up 44.9%) and segment profit margin 19.1% (up 3.2% points). An increase in sales and earnings of the operations of real estate purchase and resale (pre-owned properties), having accounted for 90.2% of sales, drove the performance of this segment as a whole to a large extent and thus the Company's performance as well.

As for the operations of real estate purchase and resale (pre-owned properties), sales of investment-type properties (office buildings, rental condos, condos owned sectionally, etc.) came in at ¥15,162m (up 30.1%) and ¥12,182m (down 5.3%) for residential-type properties (family-oriented condos, detached homes, etc.). As well, the Company posted sales on the Real Estate Trading Business side for Q1 to Q2, equating to ¥2,509m (up 779.3%) in the operations of real estate development, ¥390m (up 58.5%) in the operations of real estate specified joint and ¥63m (down 1.1%) in other operations.

A substantial increase in sales of investment-type properties is mainly attributable to buoyant sales of high-priced properties after the beginning of Q2. It is said that there have been cases where sales of a single property have exceeded ¥1,000m and that the Company saw an increase in its exposure to properties priced at ¥500m or higher, up to some 50% of total. The Company suggests that it sees strength of investment enthusiasm amongst investors in Japan as well as well-to-do retail investors based in China and Taiwan, which is backed by a limited rise in interest rates, etc.

All those high-priced properties have a strong tendency to see gross profit margin relatively higher, which appears to have significantly contributed to a major improvement in the Company's gross profit margin. Meanwhile, the Company suggests that sales of residential-type properties have risen over the same period of the previous year on an apple-to-apple basis. The Company suffered from non-reappearance of sales on large-scale properties which were posted during the same period of the previous year, while this was more than compensated for by other factors including an emerging contribution from Osaka-Kita Sales Office. Nevertheless, this was not substantial enough to more than compensate for the fact that sales of land posted during the same period of the previous year did not reappear.

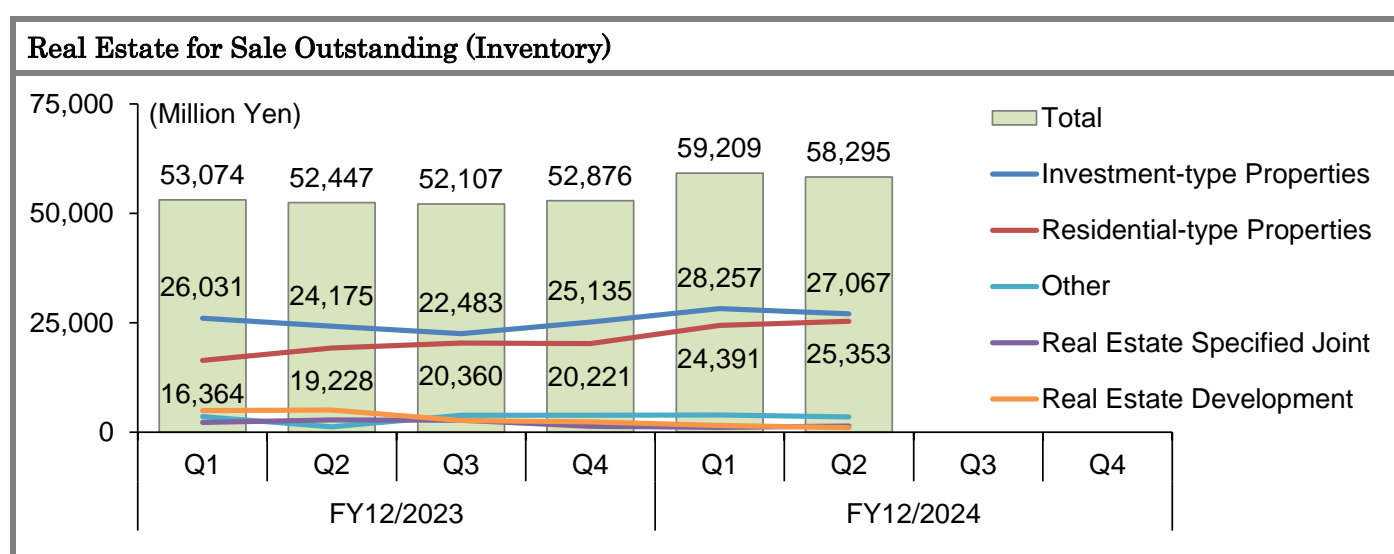
Meanwhile, the Company opened Shibuya Sales Office in May 2024 with the aim of promoting its horizontal expansion region-wise, which was followed by the opening of Osaka Branch in July 2024. For the opening of Shibuya Sales Office, the Company attempts to thoroughly pursue the potential for regional development of business in the Tokyo metropolitan area, while attempting to further enhance business development in the Kansai region together with Osaka Sales Office opened in May 2023 (currently, Osaka-Kita Sales Office). In addition, the Company has also opened Sendai Sales Office after the beginning of August.

Real Estate Leasing and Other Business (3.8% of sales and 6.0% of segment profit)

On the Real Estate Leasing and Other Business side (acquisition of income from lease, etc.), sales came in at ¥1,193m (up 5.9%), segment profit ¥378m (up 1.1%) and segment profit margin 31.7% (down 1.5% points). Most of sales are of income from lease, generated from investment-type properties in the operations of real estate purchase and resale (pre-owned properties), during the period for them to be held as real estate for sale outstanding (inventory), comprising office buildings, rental condos, condos owned sectionally, etc.

Real Estate for Sale Outstanding (Inventory)

Real estate for sale outstanding (inventory) as of the end of Q2 has remained at a high level. As the Company posted sales of ¥31,502m and cost of sales of ¥23,178m for Q1 to Q2, real estate for sale outstanding (inventory) has declined to a corresponding extent, but this was basically compensated for by the fact that the Company saw the purchase amount of ¥25,295m (up 39.4% YoY) during the relevant period.



Source: Company Data, WRJ Calculation

In particular, there was a significant increase in investment-type properties in the operations of real estate purchase and resale (pre-owned properties), i.e., the Company saw the purchase amount of ¥11,339m (up 79.0%), collectively for office buildings, rental condos, condos owned sectionally, etc. Meanwhile, Company forecasts assume the purchase amount of ¥44,448m (up 33.2%) for FY12/2024, implying the progress rate of 59.6% in the actual results of Q1 to Q2. In the operations of real estate purchase and resale (pre-owned properties), the Company saw a high level of the progress rate for residential-type properties, while a low level of the progress rate for investment-type properties due to a factor that Company forecasts assume a sizable expansion in the first place. In light of this, the Company is laying out a policy to basically focus on the purchases of investment-type properties for H2.

Horizontal Expansion Region-Wise

Following the opening of Osaka Sales Office (currently, Osaka-Kita Sales Office) in May 2023, the Company has opened Sapporo Sales Office, Nagoya Sales Office and Fukuoka Sales Office in January 2024. Then, what followed next was the aforementioned opening of Shibuya Sales Office, Osaka Branch and Sendai Sales Office. Meanwhile, the Company has begun to see sales for Osaka-Kita Sales Office since the beginning of Q2 (April to June), i.e., sales of ¥40m for investment-type properties and sales of ¥431m for residential-type properties, belonging to the mainstay operations of real estate purchase and resale (pre-owned properties).

In other words, this suggests that there is a certain time lag between the opening of a sales office and the start of sales, while it appears that sales at each sales office and/or branch can be expected to continue to rise steadily following the initial startup period. According to the Company, it has a policy to open a sales office and/or a branch in areas where it has not previously been operating, but where there is significant potential for the Company's operations of real estate purchase and resale (pre-owned properties) to post increasing sales for the future. At the beginning of the operations in Osaka-Kita Sales Office, the Company suggests that it had some difficulties finding local companies in charge of refurbishment work and that it took time to get the interior finished to the required specifications, but all those problems have been resolved to date and thus the operations of both purchasing and selling are now in a favorable condition.

As well, the Company is increasing the number of sales representatives to help expand sales of the properties it has acquired at the same time. As of the end of Q2, the number of sales representatives stood at 234, compared to 138 as of the end of FY12/2023, representing an increase of 96 (up 69.6%) in the number of sales representatives over the six-month period. Further, the Company has laid out a policy to diversify its sources of earnings by means of leveraging its knowledge of real estate, scheduling to start up the operations of asset management in January 2025, for example.

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.
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024		
Sales	11,627	26,247	39,993	51,640	12,307	31,502	-	-	-	+5,255
Cost of Sales	8,922	20,354	30,904	40,233	9,648	23,178	-	-	-	+2,824
Gross Profit	2,704	5,893	9,088	11,406	2,659	8,323	-	-	-	+2,430
SG&A Expenses	1,233	2,589	3,924	5,469	1,477	3,294	-	-	-	+705
Operating Profit	1,470	3,303	5,164	5,936	1,182	5,029	-	-	-	+1,726
Non Operating Balance	(191)	(385)	(577)	(693)	(189)	(384)	-	-	-	+1
Recurring Profit	1,279	2,918	4,587	5,243	993	4,645	-	-	-	+1,727
Extraordinary Balance	-	(1)	(21)	(21)	-	2	-	-	-	+3
Profit before Income Taxes	1,279	2,917	4,566	5,222	993	4,647	-	-	-	+1,730
Total Income Taxes	433	988	1,519	1,568	341	1,583	-	-	-	+595
Profit Attributable to Owners of Parent	845	1,929	3,047	3,653	651	3,064	-	-	-	+1,135
Sales YoY	+146.6%	+87.4%	+84.2%	+65.3%	+5.8%	+20.0%	-	-	-	-
Operating Profit YoY	+513.0%	+202.2%	+161.1%	+99.4%	(19.6%)	+52.2%	-	-	-	-
Recurring Profit YoY	-	+267.8%	+207.5%	+127.1%	(22.4%)	+59.2%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+676.7%	+228.1%	+199.4%	+133.5%	(23.0%)	+58.8%	-	-	-	-
Gross Profit Margin	23.3%	22.5%	22.7%	22.1%	21.6%	26.4%	-	-	-	+4.0%
SG&A Ratio	10.6%	9.9%	9.8%	10.6%	12.0%	10.5%	-	-	-	+0.6%
Operating Profit Margin	12.7%	12.6%	12.9%	11.5%	9.6%	16.0%	-	-	-	+3.4%
Recurring Profit Margin	11.0%	11.1%	11.5%	10.2%	8.1%	14.7%	-	-	-	+3.6%
Profit Attributable to Owners of Parent Margin	7.3%	7.3%	7.6%	7.1%	5.3%	9.7%	-	-	-	+2.4%
Total Income Taxes / Profit before Income Taxes	33.9%	33.9%	33.3%	30.0%	34.3%	34.1%	-	-	-	+0.2%

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.
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024		
Sales	11,627	14,619	13,745	11,646	12,307	19,195	-	-	-	+4,576
Cost of Sales	8,922	11,432	10,550	9,329	9,648	13,530	-	-	-	+2,098
Gross Profit	2,704	3,189	3,195	2,318	2,659	5,664	-	-	-	+2,475
SG&A Expenses	1,233	1,356	1,335	1,545	1,477	1,817	-	-	-	+461
Operating Profit	1,470	1,832	1,860	771	1,182	3,847	-	-	-	+2,015
Non Operating Balance	(191)	(194)	(192)	(116)	(189)	(195)	-	-	-	(1)
Recurring Profit	1,279	1,638	1,669	655	993	3,652	-	-	-	+2,014
Extraordinary Balance	-	(1)	(20)	-	-	2	-	-	-	+3
Profit before Income Taxes	1,279	1,638	1,649	656	993	3,654	-	-	-	+2,016
Total Income Taxes	433	555	531	49	341	1,242	-	-	-	+687
Profit Attributable to Owners of Parent	845	1,084	1,117	606	651	2,413	-	-	-	+1,329
Sales YoY	+146.6%	+57.3%	+78.4%	+22.2%	+5.8%	+31.3%	-	-	-	-
Operating Profit YoY	+513.0%	+114.5%	+110.2%	(22.7%)	(19.6%)	+110.0%	-	-	-	-
Recurring Profit YoY	-	+136.4%	+139.1%	(19.9%)	(22.4%)	+123.0%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+676.7%	+125.8%	+160.4%	+10.8%	(23.0%)	+122.6%	-	-	-	-
Gross Profit Margin	23.3%	21.8%	23.2%	19.9%	21.6%	29.5%	-	-	-	+7.7%
SG&A Ratio	10.6%	9.3%	9.7%	13.3%	12.0%	9.5%	-	-	-	+0.2%
Operating Profit Margin	12.7%	12.5%	13.5%	6.6%	9.6%	20.0%	-	-	-	+7.5%
Recurring Profit Margin	11.0%	11.2%	12.1%	5.6%	8.1%	19.0%	-	-	-	+7.8%
Profit Attributable to Owners of Parent Margin	7.3%	7.4%	8.1%	5.2%	5.3%	12.6%	-	-	-	+5.2%
Total Income Taxes / Profit before Income Taxes	33.9%	33.9%	32.2%	7.5%	34.3%	34.0%	-	-	-	+0.1%

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)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	12/2024	Net Chg.
Real Estate Trading	11,067	25,121	38,287	49,353	11,730	30,309	-	-	-	+5,188
Real Estate Leasing and Other	560	1,126	1,706	2,286	577	1,193	-	-	-	+67
Sales	11,627	26,247	39,993	51,640	12,307	31,502	-	-	-	+5,255
Real Estate Trading	1,757	4,001	6,153	7,194	1,539	5,799	-	-	-	+1,798
Real Estate Leasing and Other	182	374	579	771	177	378	-	-	-	+4
Segment Profit	1,939	4,375	6,732	7,966	1,716	6,177	-	-	-	+1,802
Adjustment	(468)	(1,071)	(1,568)	(2,030)	(534)	(1,148)	-	-	-	(77)
Operating Profit	1,470	3,303	5,164	5,936	1,182	5,029	-	-	-	+1,726
Real Estate Trading	15.9%	15.9%	16.1%	14.6%	13.1%	19.1%	-	-	-	+3.2%
Real Estate Leasing and Other	32.5%	33.2%	33.9%	33.8%	30.7%	31.7%	-	-	-	(1.5%)
Adjustment	(4.0%)	(4.1%)	(3.9%)	(3.9%)	(4.3%)	(3.6%)	-	-	-	+0.4%
Operating Profit Margin	12.6%	12.6%	12.9%	11.5%	9.6%	16.0%	-	-	-	+3.4%

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)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	12/2024	Net Chg.
Real Estate Trading	11,067	14,054	13,166	11,066	11,730	18,579	-	-	-	+4,525
Real Estate Leasing and Other	560	566	580	580	577	616	-	-	-	+50
Sales	11,627	14,619	13,745	11,646	12,307	19,195	-	-	-	+4,576
Real Estate Trading	1,757	2,244	2,152	1,041	1,539	4,260	-	-	-	+2,016
Real Estate Leasing and Other	182	192	205	192	177	201	-	-	-	+9
Segment Profit	1,939	2,436	2,357	1,234	1,716	4,461	-	-	-	+2,025
Adjustment	(468)	(603)	(497)	(462)	(534)	(614)	-	-	-	(11)
Operating Profit	1,470	1,832	1,860	771	1,182	3,847	-	-	-	+2,015
Real Estate Trading	15.9%	16.0%	16.3%	9.4%	13.1%	22.9%	-	-	-	+7.0%
Real Estate Leasing and Other	32.5%	33.9%	35.3%	33.1%	30.7%	32.6%	-	-	-	(1.3%)
Adjustment	(4.0%)	(4.1%)	(3.6%)	(4.0%)	(4.3%)	(3.2%)	-	-	-	+0.9%
Operating Profit Margin	12.6%	12.5%	13.5%	6.6%	9.6%	20.0%	-	-	-	+7.5%

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 12/2023	Q2 12/2023	Q3 12/2023	Q4 12/2023	Q1 12/2024	Q2 12/2024	Q3 12/2024	Q4 12/2024		
Cash and Deposit	18,033	18,450	20,803	20,420	18,754	20,101	-	-	-	+1,651
Accounts Receivables	44	39	65	35	42	50	-	-	-	+11
Real Estate for Sale	52,874	52,234	51,898	52,644	58,968	58,098	-	-	-	+5,864
Real Estate for Sale in Process	553	644	342	477	335	619	-	-	-	(25)
Other	760	539	440	613	1,468	1,033	-	-	-	+494
Current Assets	72,264	71,906	73,548	74,189	79,567	79,901	-	-	-	+7,995
Tangible Assets	6,397	6,373	6,346	5,156	5,251	5,321	-	-	-	(1,052)
Intangible Assets	82	80	79	81	79	78	-	-	-	(2)
Investments and Other Assets	720	738	810	880	870	871	-	-	-	+133
Fixed Assets	7,201	7,192	7,236	6,119	6,201	6,271	-	-	-	(921)
Deferred Assets	54	49	55	53	52	49	-	-	-	+0
Total Assets	79,520	79,148	80,840	80,362	85,820	86,223	-	-	-	+7,075
Accounts Payables	472	625	499	466	782	694	-	-	-	+69
Short-Term Debt	9,091	9,745	8,980	9,153	10,524	9,207	-	-	-	(538)
Current Portion of Bonds Payable	3,068	3,095	980	1,041	1,078	4,110	-	-	-	+1,015
Current Portion of Long-term Debt	5,926	3,589	4,718	5,407	4,727	4,994	-	-	-	+1,405
Other	2,291	3,197	3,552	3,417	2,305	3,641	-	-	-	+444
Current Liabilities	20,848	20,251	18,729	19,484	19,416	22,646	-	-	-	+2,395
Bonds Payable	4,467	4,315	6,101	6,150	6,222	3,149	-	-	-	(1,166)
Long-Term Debt	28,538	27,769	28,088	25,894	32,111	29,804	-	-	-	+2,035
Other	686	693	684	990	1,060	1,134	-	-	-	+441
Fixed Liabilities	33,691	32,777	34,873	33,034	39,393	34,087	-	-	-	+1,310
Total Liabilities	54,540	53,028	53,603	52,518	58,809	56,733	-	-	-	+3,705
Shareholders' Equity	24,887	26,027	27,144	27,751	26,918	29,397	-	-	-	+3,370
Other	93	93	93	93	92	92	-	-	-	(1)
Net Assets	24,980	26,120	27,237	27,844	27,011	29,489	-	-	-	+3,369
Total Liabilities and Net Assets	79,520	79,148	80,840	80,362	85,820	86,223	-	-	-	+7,075
Equity Capital	24,887	26,027	27,144	27,751	26,918	29,397	-	-	-	+3,370
Interest-Bearing Debt	51,090	48,513	48,867	47,645	54,662	51,264	-	-	-	+2,751
Net Debt	33,057	30,063	28,064	27,225	35,908	31,163	-	-	-	+1,100
Equity Ratio	31.3%	32.9%	33.6%	34.5%	31.4%	34.1%	-	-	-	-
Net Debt-to-Equity Ratio	132.8%	115.5%	103.4%	98.1%	133.4%	106.0%	-	-	-	-
ROE (12 months)	9.6%	11.7%	14.1%	14.0%	13.4%	17.3%	-	-	-	-
ROA (12 months)	4.9%	5.9%	6.9%	6.6%	6.0%	8.4%	-	-	-	-
Days for Inventory Turnover	546	422	451	519	560	396	-	-	-	-
Quick Ratio	87%	91%	111%	105%	97%	89%	-	-	-	-
Current Ratio	347%	355%	393%	381%	410%	353%	-	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

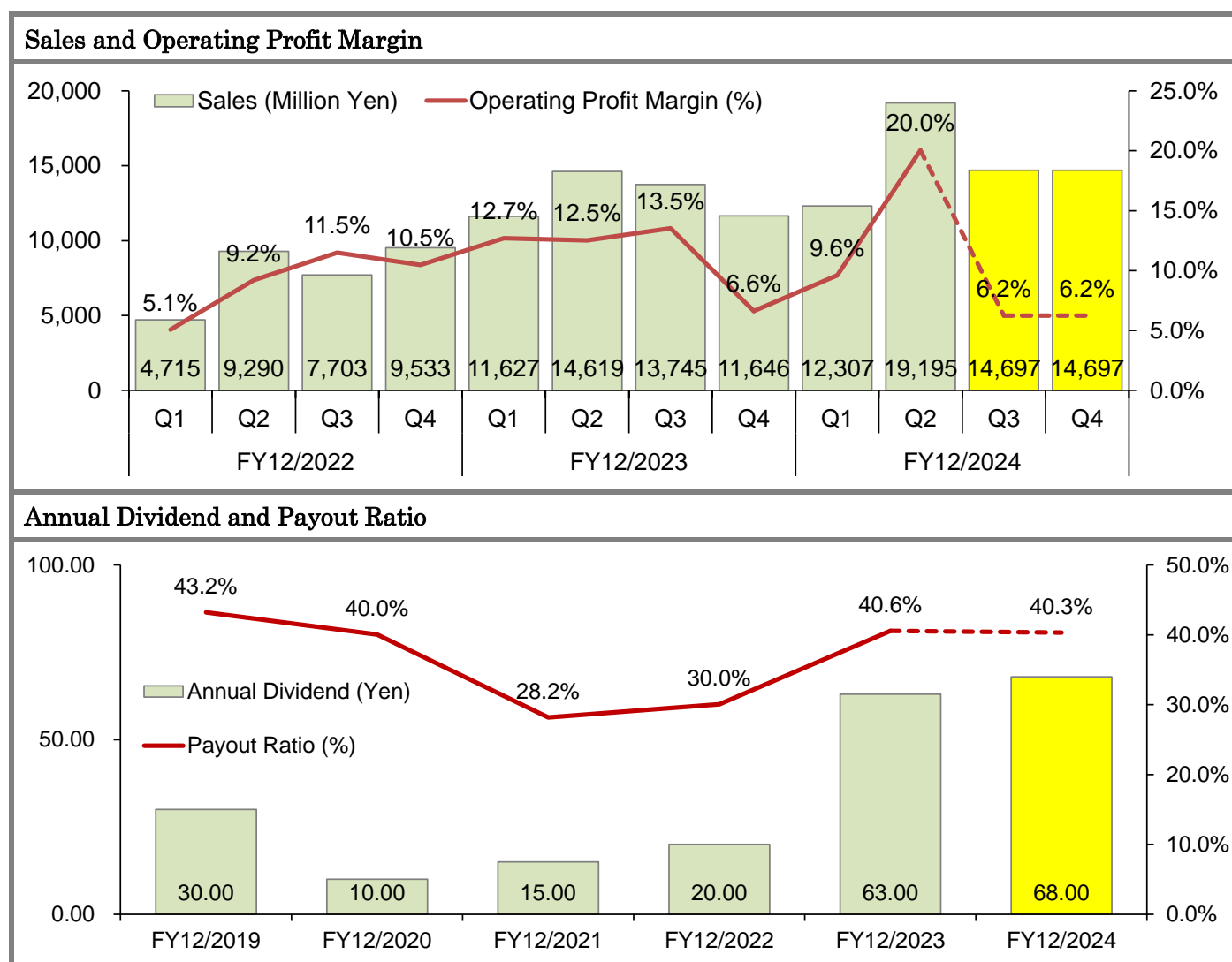
Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 12/2023	Q1 to Q2 12/2023	Q1 to Q3 12/2023	Q1 to Q4 12/2023	Q1 12/2024	Q1 to Q2 12/2024	Q1 to Q3 12/2024	Q1 to Q4 12/2024		
Operating Cash Flow	-	2,006	-	5,374	-	(2,204)	-	-	-	(4,210)
Investing Cash Flow	-	(128)	-	(498)	-	(294)	-	-	-	(166)
Operating Cash Flow and Investing Cash Flow	-	1,878	-	4,876	-	(2,498)	-	-	-	(4,376)
Financing Cash Flow	-	(1,266)	-	(2,153)	-	2,023	-	-	-	+3,289

Source: Company Data, WRJ Calculation

FY12/2024 Company Forecasts

FY12/2024 initial Company forecasts, announced on 14 February 2024, have remained unchanged, 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, Company forecasts are going for prospective ROE of 13.7% for FY12/2024 versus the actual results of 14.0% for FY12/2023.

For Q1 to Q2, the Company saw the progress rate of 51.7% in sales and 73.3% in operating profit, implying a major overshoot for earnings. It appears that Company forecasts have remained unchanged because of conservative attitudes paying respect to a risk factor that the timing of posting sales may delay into the following fiscal year with respect to high-priced properties belonging to investment-type properties (office buildings, rental condos, condos owned sectionally, etc.), carrying gross profit margin relatively higher and so on. For example, the Company suggests that it is also a risk factor that a potential rise in interest rates may dampen enthusiasm for investment-type properties.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY12/2024: H2 Company forecasts, pro rata)

Company forecasts have remained unchanged also for planned annual dividend, going for ¥68.00 per share, implying payout ratio of 40.3%, for FY12/2024. The Company's dividend policy basically advocates continuation of a stability for dividend, while strengthening its financial position and enhancing internal reserves for the purpose of long-term business expansion at the same time. Meanwhile, the Company states that it will determine allocation of earnings to shareholders through comprehensive considerations of capital cost 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 higher 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%. The said target for payout ratio has been adopted since FY12/2023 versus 30% or higher for FY12/2022. From FY12/2022 to FY12/2023, the Company increased annual dividend significantly, given that it saw ¥3,653m (up 133.5%) in profit attributable to owners of parent, the source of dividend, for FY12/2023, as well as that target for payout ratio was raised from 30% or higher to 40% or higher, i.e., an increase from ¥20.00 per share, implying payout ratio 30.0% to ¥63.00, implying payout ratio 40.6%.

Elsewhere, on 9 August 2024, the Company announced that it had completed the acquisition of its own shares, which it had begun on 17 June. In order to improve the return of earnings to shareholders and increase capital efficiency, the Company acquired 400,100 common shares (total acquisition prices of ¥499m) through market purchases on the Tokyo Stock Exchange.

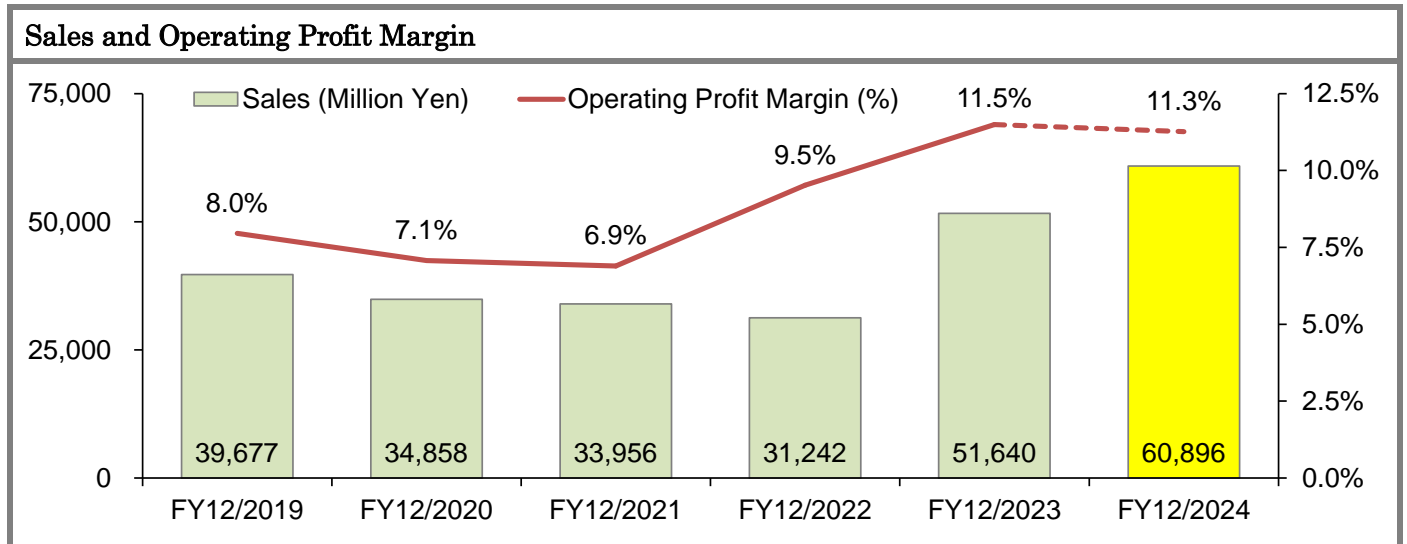
FY12/2024 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY12/2024CoE	14-Feb-24	Q4 Results	60,896	6,861	6,036	3,985
FY12/2024CoE	10-May-24	Q1 Results	60,896	6,861	6,036	3,985
FY12/2024CoE	9-Aug-24	Q2 Results	60,896	6,861	6,036	3,985
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY12/2024CoE	14-Feb-24	Q4 Results	60,896	6,861	6,036	3,985
FY12/2024CoE	9-Aug-24	Q2 Results	60,896	6,861	6,036	3,985
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY12/2024CoE	14-Feb-24	Q4 Results	-	-	-	-
Q1 to Q2 FY12/2024CoE	10-May-24	Q1 Results	-	-	-	-
Q1 to Q2 FY12/2024Act	9-Aug-24	Q2 Results	31,502	5,029	4,645	3,064
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY12/2024CoE	14-Feb-24	Q4 Results	-	-	-	-
Q1 to Q2 FY12/2024Act	9-Aug-24	Q2 Results	31,502	5,029	4,645	3,064
		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 FY12/2024CoE	14-Feb-24	Q4 Results	-	-	-	-
Q3 to Q4 FY12/2024CoE	10-May-24	Q1 Results	-	-	-	-
Q3 to Q4 FY12/2024CoE	9-Aug-24	Q2 Results	29,394	1,832	1,391	921
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY12/2024CoE	14-Feb-24	Q4 Results	-	-	-	-
Q3 to Q4 FY12/2024CoE	9-Aug-24	Q2 Results	29,394	1,832	1,391	921
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation

Long-Term Prospects

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, 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%) and operating profit margin of 11.3% (down 0.2% points). In other words, the Company is now going for prospective performance, exceeding that of the midterm management plan, i.e., by ¥7,672m (14.4%) in sales and ¥1,870m (37.5%) in operating profit, while there is a further upside potential as was implied earlier.



Source: Company Data, WRJ Calculation

At the moment, the Company is in the process of formulating its new midterm management plan to be followed by the existing one, the second midterm management plan (FY12/2022 to FY12/2024). As far as we could see, the Company is to release its new midterm management plan, when the actual results of FY12/2024 are confirmed, including impact of a horizontal expansion region-wise as well as the operations of asset management to start up in the near future.

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	47,302	+7,069
Gross Profit	6,475	5,864	5,788	7,150	11,406	13,594	+2,188
SG&A Expenses	3,317	3,398	3,445	4,173	5,469	6,733	+1,264
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%	22.3%	+0.2%
SG&A Ratio	8.4%	9.7%	10.1%	13.4%	10.6%	11.1%	+0.5%
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

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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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