# Walden Research Japan

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# **MUGEN ESTATE (3299)**

Consolidated Fiscal Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)			Profit	Profit	Owners of Parent	(Yen)	(Yen)	(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%	-	-	-
Consolidated Half Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	<b>Owners of Parent</b>	(Yen)	(Yen)	(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%	58.8%	-	-	-
Q3 to Q4 FY12/2024CoE	YoY	15.8%	(30.4%)	(40.2%)	(46.6%)	-	-	-

Source: Company Data, WRJ Calculation

# 1.0 Results Update (22 August 2024)

#### **Strengths of Large Properties**

On 9 August 2024, MUGEN ESTATE, running operations to purchase and resell pre-owned real estate mostly in the Tokyo metropolitan area, released its Q1 to Q2 FY12/2024 results. It has been revealed that sales are expanding faster than expected for large investment-oriented properties which carry high gross profit margin. Consequently, the Company saw 73.3% of prospective full-year operating profit having been achieved at this stage. Meanwhile, it is suggested that the Company is increasing its purchases of properties, those of investment-oriented in particular. For the actual results of Q1 to Q2, the total amount of properties purchased came in at \$25,295m (up 39.4% YoY), of which those of investment-oriented equated to \$11,339m (up 79.0%), according to the Company. Meanwhile, with an objective of achieving growth from a long-term perspective, the Company has continued amplifying its sales force, while implementing measures to expand region-wise at the same time. We are to have an interview with the management to obtain further details in order to update our Company Report and release afresh.

Our Company Report: MUGEN ESTATE (3299) Inventory Turnover (15 April 2024)

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

# 2.0 Company Profile

	Creating New Value III Real Estate
Company Name	MUGEN ESTATE Co., Ltd. <u>Company HP</u> <u>IR Information</u> <u>Share Price (Japanese)</u>
Established	2 May 1990
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 3299)
	4 April 2022: Tokyo Stock Exchange Prime Market
	5 February 2016: Tokyo Stock Exchange 1st section
	18 June 2014: Tokyo Stock Exchange Mothers
Capital	¥2,552m (as of the end of June 2024)
No. of Shares	24,361,000 shares, including 772,825 treasury shares (as of the end of June 2024)
Main Features	• 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)

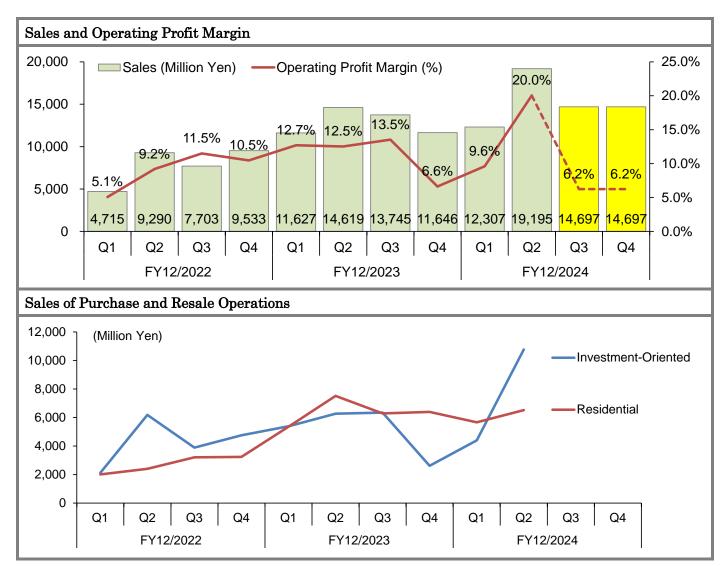
**Creating New Value in Real Estate** 

Source: Company Data

# **3.0 Recent Trading and Prospects**

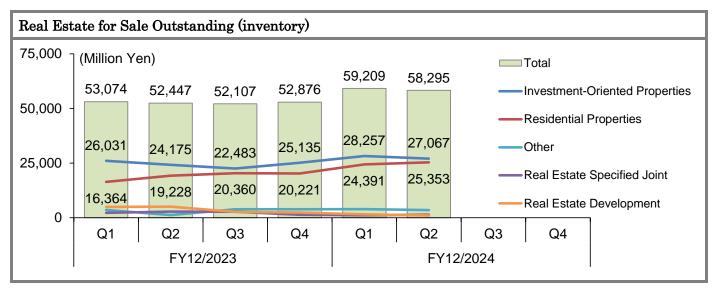
#### Q1 to Q2 FY12/2024

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).



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

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). By domain, sales of purchase and resale operations for investment-oriented properties (mostly pre-owned condos on a single building basis) came in at \$15,162m (up 30.1%) and \$12,182m (down 5.3%) for residential properties (mostly pre-owned condos on a unit-by-unit basis), while the Company's performance hinges on the collective trading of both. As well, sales of real estate development operations came in at \$2,509m (up 779.3%), sales of real estate specified joint operations \$390m (up 58.5%) and sales of other operations \$63m (down 1.1%).



Source: Company Data, WRJ Calculation

Real estate for sale outstanding (inventory) has remained at a high level. Substantially increased sales have cut back on the level, which was principally compensated for by progress made in purchases of properties. Meanwhile, the Company is now amplifying its sales force to sell all those properties. The sales force stood at 138 in terms of headcount as of the end of FY12/2023 versus 234 as of the end of Q2, implying an increase of 96 (up 69.6%) during the relevant period, i.e., 6 months. At the same time, the Company is keen on setting up new sales offices as found in those of having been set up in Sapporo, Nagoya and Fukuoka in January 2024, which was followed by another one in Shibuya set up in May. Then, on 5 July, the Company has set up a branch in Osaka.

In other words, the Company is now in the process of promoting full-scale horizontal expansion on a regionwise basis. For example, Osaka sales office, set up in May 2023, has begun posting sales of purchase and resale operations for Q2 (April to June), i.e., ¥40m for those of investment-oriented properties and ¥431m for those of residential properties. At the same time, the Company is keen on utilizing own knowledge on real estate, planning to start up real estate management operations in January 2025 and diversify sources of earnings.

#### 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 have remained unchanged also for planned annual dividend, going for \$68.00 per share for FY12/2024, implying payout ratio of 40.3%. As well, the Company suggests total return ratio of 51.9%, taking into account the share buyback having been completed to date.

# 4.0 Financial Statements

### Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	Net Chg.
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	
					001101/101				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)									YoY Net Chg.
(Million Yen) Sales	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4 12/2023	Q1 12/2024	Q2 12/2024	Q3	Q4	Net Chg.
Sales	Q1 12/2023 <b>11,627</b>	Q2 12/2023 14,619	Q3 12/2023 <b>13,745</b>	Q4 12/2023 11,646	Q1 12/2024 12,307	Q2 12/2024 19,195	Q3	Q4	Net Chg. +4,576
Sales Cost of Sales	Q1 12/2023 <b>11,627</b> 8,922	Q2 12/2023 <b>14,619</b> 11,432	Q3 12/2023 <b>13,745</b> 10,550	Q4 12/2023 <b>11,646</b> 9,329	Q1 12/2024 12,307 9,648	Q2 12/2024 19,195 13,530	Q3	Q4	Net Chg. +4,576 +2,098
Sales Cost of Sales Gross Profit	Q1 12/2023 11,627 8,922 2,704	Q2 12/2023 14,619 11,432 3,189	Q3 12/2023 13,745 10,550 3,195	Q4 12/2023 11,646 9,329 2,318	Q1 12/2024 12,307 9,648 2,659	Q2 12/2024 19,195 13,530 5,664	Q3	Q4	Net Chg. +4,576 +2,098 +2,475
Sales Cost of Sales Gross Profit SG&A Expenses	Q1 12/2023 11,627 8,922 2,704 1,233	Q2 12/2023 14,619 11,432 3,189 1,356	Q3 12/2023 13,745 10,550 3,195 1,335	Q4 12/2023 11,646 9,329 2,318 1,545	Q1 12/2024 12,307 9,648 2,659 1,477	Q2 12/2024 19,195 13,530 5,664 1,817	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 12/2023 11,627 8,922 2,704 1,233 1,470	Q2 12/2023 14,619 11,432 3,189 1,356 1,832	Q3 12/2023 13,745 10,550 3,195 1,335 1,360	Q4 12/2023 11,646 9,329 2,318 1,545 771	Q1 12/2024 12,307 9,648 2,659 1,477 1,182	Q2 12/2024 19,195 13,530 5,664 1,817 3,847	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191)	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194)	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192)	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116)	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189)	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195)	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1)
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191)	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116)	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189)	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1)	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20)	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 655	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 655 - 656	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 - 993	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 655 - 6556 49	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 - 993 341	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,417	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 655 - 656 49 606	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 - 993 341 651	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent Sales YoY	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845 +146.6%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,649 531 1,117	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6556 49 606 +22.2%	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8%	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845 +146.6%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,649 531 1,117 +78.4% +110.2%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6556 49 606 +22.2% (22.7%)	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%)	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +110.0%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5% +136.4%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,649 531 1,117 +78.4% +110.2% +139.1%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6556 49 606 +22.2% (22.7%) (19.9%)	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%) (22.4%)	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +31.3% +110.0% +123.0%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 - 1,279 433 845 +146.6% +513.0% - +676.7%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5% +136.4% +125.8%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,649 531 1,117 +78.4% +110.2% +139.1% +160.4%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6556 49 606 +22.2% (22.7%) (19.9%) +10.8%	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%) (22.4%) (23.0%)	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +110.0% +123.0% +122.6%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687 +1,329
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Recurring Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5% +136.4% +125.8% 21.8%	Q3 12/2023 13,745 1,355 1,335 1,860 (192) 1,669 (20) 1,649 531 1,117 +78.4% +110.2% +139.1% +160.4% 23.2%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6566 49 606 +22.2% (22.7%) (19.9%) +10.8%	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%) (22.4%) (23.0%) 21.6%	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +110.0% +123.0% +122.6%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687 +1,329 - - - - - - - - - - - - - - - - - - -
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin         SG&A Ratio	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3% 10.6%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5% +114.5% +136.4% +125.8% 21.8% 9,3%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,117 +78.4% +110.2% +139.1% +160.4% 23.2% 9,7%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 6555 - 6566 49 606 +22.2% (22.7%) (19.9%) +10.8% 19.9% 13.3%	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%) (22.4%) (23.0%) 21.6% 12.0%	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +110.0% +123.0% +122.6% 29,5% 9,5%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687 +1,329 - - - - - - - - - - - - - - - - - - -
Sales         Cost of Sales         Gross Profit         SG&A Expenses         Operating Profit         Non Operating Balance         Recurring Profit         Extraordinary Balance         Profit before Income Taxes         Total Income Taxes         Profit Attributable to Owners of Parent         Sales YoY         Operating Profit YoY         Profit Attributable to Owners of Parent YoY         Gross Profit Margin         SG&A Ratio         Operating Profit Margin	Q1 12/2023 11,627 8,922 2,704 1,233 1,470 (191) 1,279 433 845 +146.6% +513.0% - +676.7% 23.3% 10.6% 12.7%	Q2 12/2023 14,619 11,432 3,189 1,356 1,832 (194) 1,638 (1) 1,638 555 1,084 +57.3% +114.5% +136.4% +125.8% 21.8% 9.3% 12.5%	Q3 12/2023 13,745 10,550 3,195 1,335 1,860 (192) 1,669 (20) 1,649 531 1,117 +78.4% +110.2% +139.1% +160.4% 23.2% 9,7% 13.5%	Q4 12/2023 11,646 9,329 2,318 1,545 771 (116) 655 - 6566 49 606 +22.2% (22.7%) (19.9%) +10.8% 19.9% 13.3% 6.6%	Q1 12/2024 12,307 9,648 2,659 1,477 1,182 (189) 993 341 651 +5.8% (19.6%) (22.4%) (23.0%) 21.6% 12.0% 9.6%	Q2 12/2024 19,195 13,530 5,664 1,817 3,847 (195) 3,652 2 3,654 1,242 2,413 +31.3% +110.0% +123.0% +122.6% 29,5% 9,5% 20.0%	Q3	Q4	Net Chg. +4,576 +2,098 +2,475 +461 +2,015 (1) +2,014 +3 +2,016 +687 +1,329 - - - - - - - - - - - - - - - - - - -

Source: Company Data, WRJ Calculation

# Segmented Information (Cumulative / Quarterly)

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Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2023	12/2023	12/2023	12/2023	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	
Segmented Information	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	ΥοΥ
Segmented Information (Million Yen)									YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 12/2023	Q2 12/2023	Q3 12/2023	Q4 12/2023	Q1 12/2024	Q2 12/2024	Q3	Q4	Net Chg.
(Million Yen) Real Estate Trading	Q1 12/2023 11,067	Q2 12/2023 14,054	Q3 12/2023 13,166	Q4 12/2023 11,066	Q1 12/2024 11,730	Q2 12/2024 18,579	Q3	Q4	Net Chg. +4,525
(Million Yen) Real Estate Trading Real Estate Leasing and Other	Q1 12/2023 11,067 560	Q2 12/2023 14,054 566	Q3 12/2023 13,166 580	Q4 12/2023 11,066 580	Q1 12/2024 11,730 577	Q2 12/2024 18,579 616	Q3	Q4	Net Chg. +4,525 +50
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales	Q1 12/2023 11,067 560 <b>11,627</b>	Q2 12/2023 14,054 566 <b>14,619</b>	Q3 12/2023 13,166 580 <b>13,745</b>	Q4 12/2023 11,066 580 <b>11,646</b>	Q1 12/2024 11,730 577 12,307	Q2 12/2024 18,579 616 19,195	Q3	Q4	Net Chg. +4,525 +50 +4,576
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading	Q1 12/2023 11,067 560 11,627 1,757	Q2 12/2023 14,054 566 <b>14,619</b> 2,244	Q3 12/2023 13,166 580 <b>13,745</b> 2,152	Q4 12/2023 11,066 580 <b>11,646</b> 1,041	Q1 12/2024 11,730 577 12,307 1,539	Q2 12/2024 18,579 616 19,195 4,260	Q3	Q4	Net Chg. +4,525 +50 <b>+4,576</b> +2,016
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other	Q1 12/2023 11,067 560 <b>11,627</b> 1,757 182	Q2 12/2023 14,054 566 <b>14,619</b> 2,244 192	Q3 12/2023 13,166 580 <b>13,745</b> 2,152 205	Q4 12/2023 11,066 580 <b>11,646</b> 1,041 192	Q1 12/2024 11,730 577 12,307 1,539 177	Q2 12/2024 18,579 616 19,195 4,260 201	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit	Q1 12/2023 11,067 560 11,627 1,757 182 1,939	Q2 12/2023 14,054 566 14,619 2,244 192 2,436	Q3 12/2023 13,166 580 13,745 2,152 205 2,357	Q4 12/2023 11,066 580 11,646 1,041 192 1,234	Q1 12/2024 11,730 577 12,307 1,539 1777 1,716	Q2 12/2024 18,579 616 19,195 4,260 201 4,461	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9 +2,025
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468)	Q2 12/2023 14,054 566 14,619 2,244 192 2,436 (603)	Q3 12/2023 13,166 580 13,745 2,152 205 2,357 (497)	Q4 12/2023 11,066 580 11,646 1,041 192 1,234 (462)	Q1 12/2024 11,730 577 12,307 1,539 1777 1,716 (534)	Q2 12/2024 18,579 616 19,195 4,260 201 4,461 (614)	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9 +2,025 (11)
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470	Q2 12/2023 14,054 566 14,619 2,244 192 2,436 (603) 1,832	Q3 12/2023 13,166 580 13,745 2,152 2,055 2,357 (497) 1,860	Q4 12/2023 11,066 580 11,646 1,041 192 1,234 (462) 771	Q1 12/2024 11,730 577 12,307 1,539 1777 1,716 (534) 1,182	Q2 12/2024 18,579 616 19,195 4,260 201 4,461 (614) 3,847	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9 +2,025 (11) +2,015
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit Real Estate Trading	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470 15.9%	Q2 12/2023 14,054 566 14,619 2,244 192 2,436 (603) 1,832 16.0%	Q3 12/2023 13,166 580 13,745 2,152 2,05 2,357 (497) 1,860 16.3%	Q4 12/2023 11,066 580 11,646 1,041 192 1,234 (462) 771 9,4%	Q1 12/2024 11,730 577 12,307 1,539 1777 1,716 (534) 1,182 13.1%	Q2 12/2024 18,579 616 19,195 4,260 201 4,461 (614) 3,847 22.9%	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9 +2,025 (11) +2,015 +7.0%
(Million Yen) Real Estate Trading Real Estate Leasing and Other Sales Real Estate Trading Real Estate Leasing and Other Segment Profit Adjustment Operating Profit Real Estate Trading Real Estate Leasing and Other	Q1 12/2023 11,067 560 11,627 1,757 182 1,939 (468) 1,470 15.9% 32.5%	Q2 12/2023 14,054 566 14,619 2,244 192 2,436 (603) 1,832 16.0% 33.9%	Q3 12/2023 13,166 580 13,745 2,152 2,055 2,357 (497) 1,860 16.3% 35.3%	Q4 12/2023 11,066 580 11,646 1,041 192 1,234 (462) 771 9,4% 33.1%	Q1 12/2024 11,730 577 12,307 1,539 1777 1,716 (534) 1,182 13.1% 30.7%	Q2 12/2024 18,579 616 19,195 4,260 201 4,461 (614) 3,847 22.9% 32.6%	Q3	Q4	Net Chg. +4,525 +50 +4,576 +2,016 +9 +2,025 (11) +2,015 +7.0% (1.3%)

Source: Company Data, WRJ Calculation

# Balance Sheet (Quarterly)

Poloneo Choot	Cons.Act	Cono Act	Cono Act	Cono Aot	Cono Act	Cons.Act	Cana Aat	Cons.Act	
Balance Sheet	Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	12/2023	Q2 12/2023	us 12/2023	04 12/2023	12/2024	12/2024	us 12/2024	12/2024	Net Chg.
Cash and Deposit	18,033	18,450	20,803	20,420	18,754	20,101	12/2024	12/2024	+1,651
Accounts Receivables	44	18,450	20,803	20,420	42	20,101	-		+11
Real Estate for Sale	44 52,874	52,234	51,898	52,644	42 58,968	58,098	-		+5,864
Real Estate for Sale in Process	553	52,234 644	342	52,044 477	335	58,098 619	-		
Other	553 760	539	342 440	613	335 1,468		-		(25) +494
Current Assets		539 71,906				1,033	-		
	72,264	,	73,548	74,189	79,567	79,901	-	- 1	+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	-	- 1	(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									

Source: Company Data, WRJ Calculation

# **Cash Flow Statement (Cumulative)**

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	12/2023	12/2023	12/2023	12/2023	12/2024	12/2024	12/2024	12/2024	Net Chg.
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

### 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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