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Sanyo Homes (1420)

Consolidated Fiscal Year (Million Yen)		Sales	Operaitng Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2024		45,860	952	935	648	58.31	25.00	1,338.62
FY03/2025		45,518	956	1,167	673	60.21	25.00	1,367.23
FY03/2026CoE		61,000	2,000	1,800	1,200	107.09	25.00	-
FY03/2025	YoY	(0.7%)	0.3%	24.9%	3.8%	-	-	-
FY03/2026CoE	YoY	34.0%	109.2%	54.1%	78.3%	-	-	-
Consolidated Quarter (Million Yen)		**Sales**	**Operaitng Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 FY03/2025		7,059	(582)	(593)	(417)	-	-	-
Q2 FY03/2025		8,764	(131)	(154)	(123)	-	-	-
Q3 FY03/2025		10,141	332	621	416	-	-	-
Q4 FY03/2025		19,553	1,337	1,293	798	-	-	-
Q1 FY03/2026		10,475	79	47	17	-	-	-
Q1 FY03/2026	YoY	48.4%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (27 August 2025)

Rapid Recovery

On 7 August 2025, Sanyo Homes, running operations of mainly building houses on a contract basis and developing condos for sale, released its results for Q1 (April to June) FY03/2026. It has been revealed that the Company is achieving a rapid recovery in earnings situation compared to the same period of the previous year due to the recovery on the Condos Business side, which is responsible for developing condos for sale. For Q1 (April to June), sales were boosted by the completion and delivery of "Grancrea iiNE Town in Mizuho," as well as the posting of sales from properties delivered out of plan. Meanwhile, on the Hosing Business side, which is responsible for mainly building houses on a contract basis, the Company saw operating loss expanded year on year, although order intake has started to pick up, which is far more than compensated for by the recovery on the Condos Business side. As a new initiative, the Company has announced plans to utilize its owned assets. It will lease land and buildings it owns in Wakayama-prefecture to an international school scheduled to locally open in September 2027, aiming to generate stable rental income from a long-term perspective. According to the disclosure dated 22 August 2025 (in Japanese), the Company intends to raise funds for the renovation of existing buildings into educational facilities through both debt and equity financing. Furthermore, it is reportedly considering engaging in construction contracts for student dormitories and related infrastructure.

The Company's business model, etc.: Sanyo Homes (1420) Earnings to Surge (7 July 2025).

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2.0 Company Profile

Putting forward a Comprehensive Proposal for Housing Life

Company Name	Sanyo Homes Corporation Company Website IR Information Share price (Japanese)
Founded	11 October 1996
Listing	4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1420) 9 April 2014: Tokyo Stock Exchange 1st section 9 April 2013: Tokyo Stock Exchange 2nd section
Capital	¥5,945m (as of the end of June 2025)
No. of Shares	12,620,000 shares, including 1,414,086 treasury shares (as of the end of June 2025)
Main Features	● Rooted in Kubota House Co. Ltd. or provider of custom-built houses (prefabricated steel structure) ● Focus on real estate solutions to make the most of land ● Condos Business, developing condos for sale, the key earnings pillar
Business Segments	Ⅰ. Housing Business (mainly building houses on a contract basis: detached houses, real estate solutions, renovation, renewal distribution and frontier) Ⅱ. Condos Business (developing condos for sale) Ⅲ. Other (life support and so on)
Representative	Hisashi Matsuoka, President & Representative Director
Shareholders	LIXIL Corp. 26.05%, ORIX Corp. 14.01%, Kansai Electric Power 12.48%, SECOM Co. 10.92%, Custody Bank of Japan 5.91% (as of the end of March 2025, but for treasury shares)
Head Office	Nishi-ku, Osaka-city, Osaka-prefecture, JAPAN
No. of Personnel	Consolidated: 763, Parent: 323 (as of the end of March 2025)

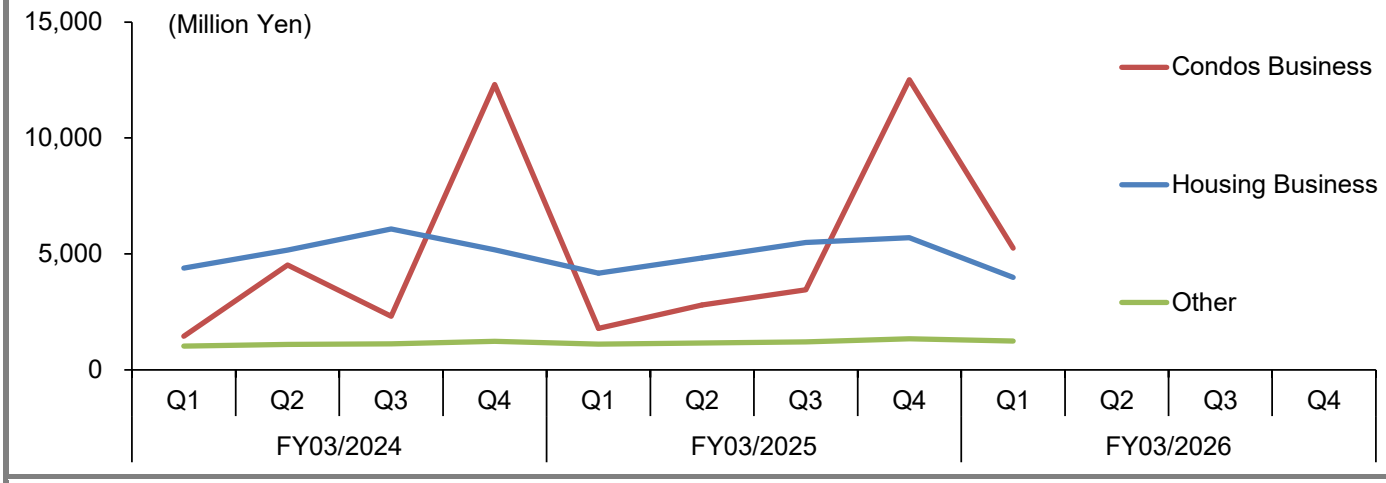
Source: Company Data

3.0 Recent Trading and Prospects

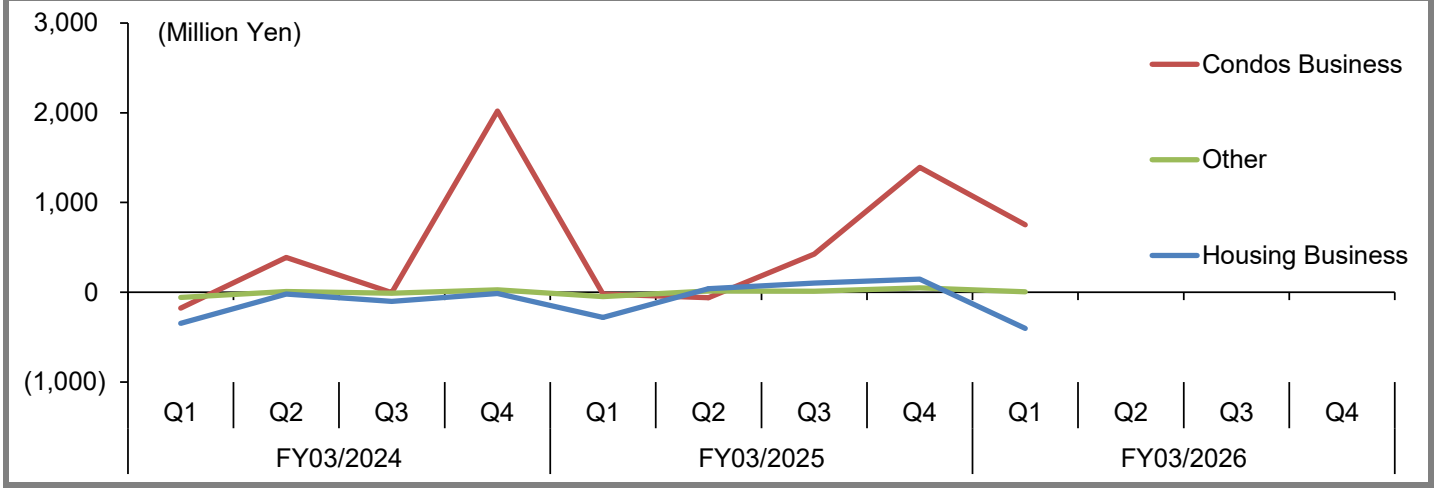
Q1 (April to June) FY03/2026

For Q1 (April to June) FY03/2026, sales came in at ¥10,475m (up 48.4% YoY), operating profit ¥79m (¥661m improvement), recurring profit ¥47m (¥641m improvement) and profit attributable to owners of parent ¥17m (¥435m improvement), while operating profit margin 0.8% (up 9.0% points).

Sales



Operating Profit

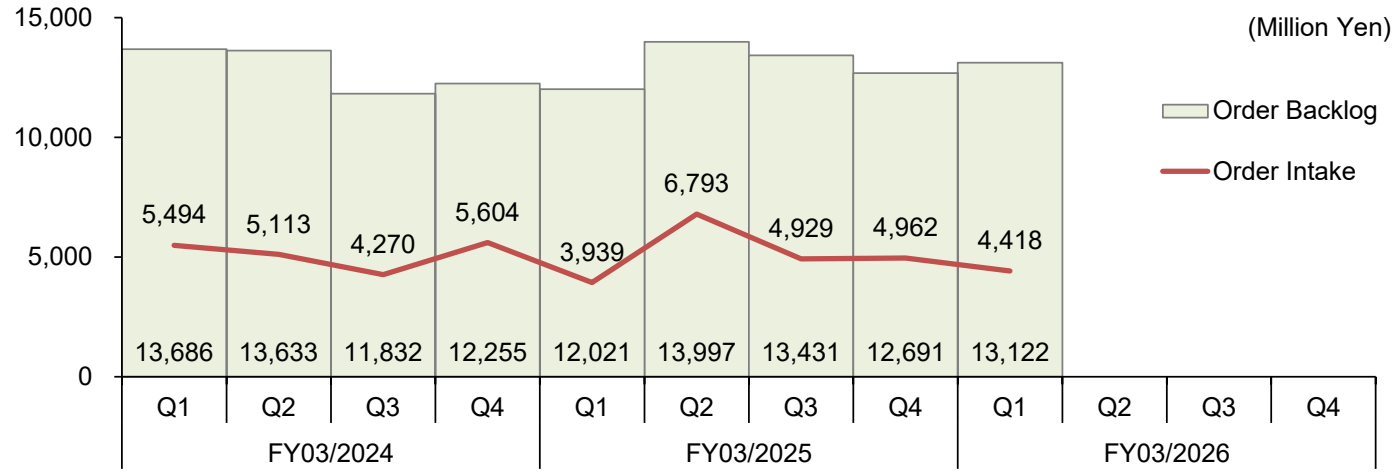


Source: Company Data, WRJ Calculation

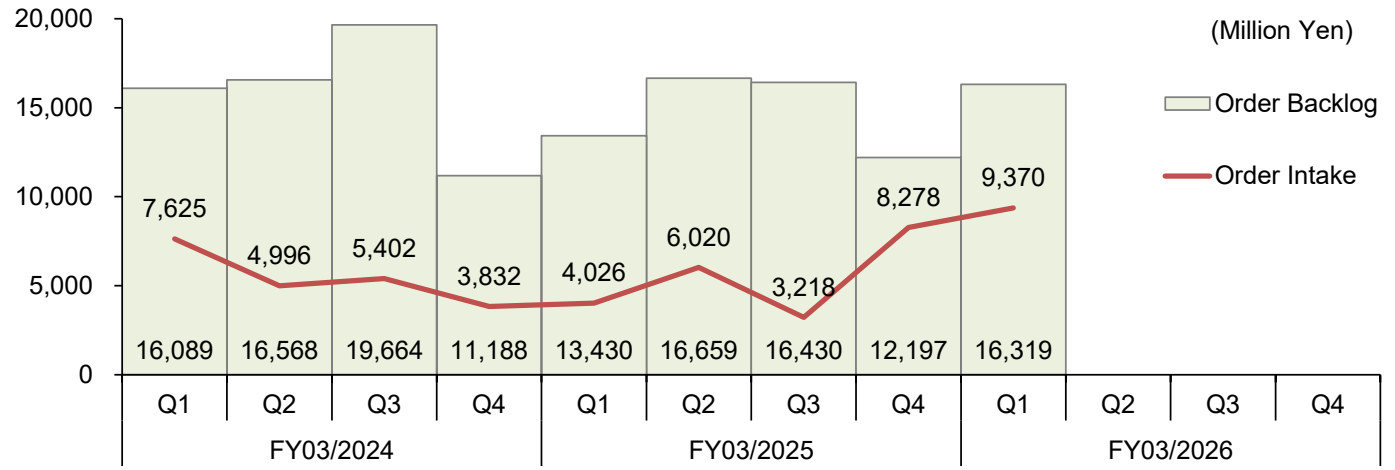
Housing Business (38.1% of sales)

On the Housing Business side, which is responsible for mainly building houses on a contract basis, sales came in at ¥3,987m (down 4.5%), operating profit minus ¥403m (¥121m decline) and operating profit margin minus 10.1% (down 3.4% points). Meanwhile, order intake came in at ¥4,418m (up 12.2%) and order backlog stood at ¥13,122m (up 9.2%). According to the Company, while gross profit margin continues to improve for the mainstay operations of detached houses, sales have been sluggish. Meanwhile, the other mainstay operations of real estate solutions have contributed to an increase in both order intake and order backlog on the Housing Business side, supported by solid demand. However, for Q1 (April to June), the adoption rate of the Company's proprietary lightweight steel-frame components in properties for which sales were posted has declined, having resulted in a decline in the earnings situations on this side as a whole.

Housing Business: Order Intake and Order Backlog



Condos Business: Order Intake and Order Backlog



Source: Company Data, WRJ Calculation

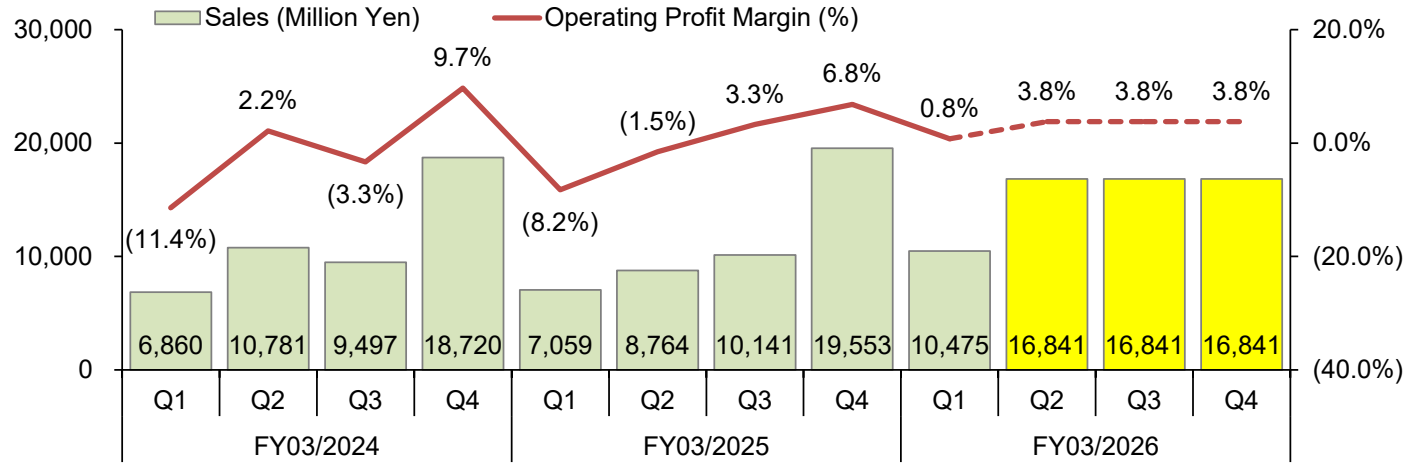
Condos Business (50.1% of sales)

On the Condos Business side, which is responsible for developing condos for sale, sales came in at ¥5,248m (up 194.2%), operating profit ¥753m (¥775m improvement) and operating profit margin 14.4% (up 15.6% points). Meanwhile, order intake came in at ¥9,370m (up 132.7%) and order backlog stood at ¥16,319m (up 21.5%). During the same period of the previous year, no new properties had been completed, while sales were posted solely from condos completed (inventory). In contrast, for Q1 (April to June), the newly completed "Grancrea iiNE Town in Mizuho (135 units in Mizuho-ku, Nagoya-city)" contributed to sales through the delivery of units that had already been ordered at the time of completion, while sales were posted also for condos completed (inventory) that were delivered during the relevant period. On top of this, sales were posted for properties delivered out of plan, resulting in nearly a threefold increase on the Condos Business side compared to the same period of the previous year. Looking ahead to the H2 (October to March), demand for six properties of condos scheduled for completion has proven solid, with order intake exceeding twice the level posted during the same period of the previous year.

FY03/2026 Company Forecasts

FY03/2026 Company forecasts, announced on 12 May 2025, have remained unchanged, going for prospective sales of ¥61,000m (up 34.0% YoY), operating profit of ¥2,000m (up 109.2%), recurring profit of ¥1,800m (up 54.1%) and profit attributable to owners of parent of ¥1,200m (up 78.3%), while operating profit margin of 3.3% (up 1.2% points). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥25.00 per share (as of the end of year only) for FY03/2026, implying payout ratio of 23.4%.

Sales and Operating Profit Margin



Source: Company Data, WRJ Calculation (Q2/Q3/Q4 FY03/2026: Company forecasts during the relevant period, pro rata)

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q1 to Q2 03/2025	Cons.Act Q1 to Q3 03/2025	Cons.Act Q1 to Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q1 to Q2 03/2026	Cons.Act Q1 to Q3 03/2026	Cons.Act Q1 to Q4 03/2026	YoY Net Chg.
Sales	**7,059**	**15,823**	**25,965**	**45,518**	**10,475**	**-**	**-**	**-**	**+3,416**
Cost of Sales	5,635	12,608	20,369	36,282	8,213	-	-	-	+2,577
Gross Profit	1,424	3,214	5,595	9,235	2,262	-	-	-	+838
SG&A Expenses	2,006	3,928	5,976	8,279	2,183	-	-	-	+176
Operating Profit	**(582)**	**(713)**	**(380)**	**956**	**79**	**-**	**-**	**-**	**+661**
Non Operating Balance	(11)	(33)	254	211	(31)	-	-	-	(20)
Recurring Profit	**(593)**	**(747)**	**(126)**	**1,167**	**47**	**-**	**-**	**-**	**+641**
Extraordinary Balance	-	-	-	(83)	2	-	-	-	+2
Profit before Income Taxes	(593)	(747)	(126)	1,084	50	-	-	-	+643
Total Income Taxes	(175)	(206)	(0)	411	32	-	-	-	+208
Profit Attributable to Owners of Parent	**(417)**	**(541)**	**(125)**	**673**	**17**	**-**	**-**	**-**	**+435**
Sales YoY	+2.9%	(10.3%)	(4.3%)	(0.7%)	+48.4%	-	-	-	-
Operating Profit YoY	-	-	-	+0.3%	-	-	-	-	-
Recurring Profit YoY	-	-	-	+24.9%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	+3.8%	-	-	-	-	-
Gross Profit Margin	20.2%	20.3%	21.6%	20.3%	21.6%	-	-	-	+1.4%
SG&A Ratio	28.4%	24.8%	23.0%	18.2%	20.8%	-	-	-	(7.6%)
Operating Profit Margin	(8.2%)	(4.5%)	(1.5%)	2.1%	0.8%	-	-	-	+9.0%
Recurring Profit Margin	(8.4%)	(4.7%)	(0.5%)	2.6%	0.5%	-	-	-	+8.9%
Profit Attributable to Owners of Parent Margin	(5.9%)	(3.4%)	(0.5%)	1.5%	0.2%	-	-	-	+6.1%
Total Income Taxes / Profit before Income Taxes	-	-	-	37.9%	64.6%	-	-	-	-

Income Statement (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q2 03/2025	Cons.Act Q3 03/2025	Cons.Act Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	YoY Net Chg.
Sales	**7,059**	**8,764**	**10,141**	**19,553**	**10,475**	**-**	**-**	**-**	**+3,416**
Cost of Sales	5,635	6,973	7,760	15,913	8,213	-	-	-	+2,577
Gross Profit	1,424	1,790	2,380	3,639	2,262	-	-	-	+838
SG&A Expenses	2,006	1,922	2,048	2,302	2,183	-	-	-	+176
Operating Profit	**(582)**	**(131)**	**332**	**1,337**	**79**	**-**	**-**	**-**	**+661**
Non Operating Balance	(11)	(22)	288	(43)	(31)	-	-	-	(20)
Recurring Profit	**(593)**	**(154)**	**621**	**1,293**	**47**	**-**	**-**	**-**	**+641**
Extraordinary Balance	-	-	-	(83)	2	-	-	-	+2
Profit before Income Taxes	(593)	(154)	621	1,210	50	-	-	-	+643
Total Income Taxes	(175)	(30)	205	411	32	-	-	-	+208
Profit Attributable to Owners of Parent	**(417)**	**(123)**	**416**	**798**	**17**	**-**	**-**	**-**	**+435**
Sales YoY	+2.9%	(18.7%)	+6.8%	+4.4%	+48.4%	-	-	-	-
Operating Profit YoY	-	-	-	(26.4%)	-	-	-	-	-
Recurring Profit YoY	-	-	-	(29.5%)	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	(37.2%)	-	-	-	-	-
Gross Profit Margin	20.2%	20.4%	23.5%	18.6%	21.6%	-	-	-	+1.4%
SG&A Ratio	28.4%	21.9%	20.2%	11.8%	20.8%	-	-	-	(7.6%)
Operating Profit Margin	(8.2%)	(1.5%)	3.3%	6.8%	0.8%	-	-	-	+9.0%
Recurring Profit Margin	(8.4%)	(1.8%)	6.1%	6.6%	0.5%	-	-	-	+8.9%
Profit Attributable to Owners of Parent Margin	(5.9%)	(1.4%)	4.1%	4.1%	0.2%	-	-	-	+6.1%
Total Income Taxes / Profit before Income Taxes	-	-	33.1%	34.0%	64.6%	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q1 to Q2 03/2025	Cons.Act Q1 to Q3 03/2025	Cons.Act Q1 to Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q1 to Q2 03/2026	Cons.Act Q1 to Q3 03/2026	Cons.Act Q1 to Q4 03/2026	YoY Net Chg.
Housing Business	4,173	8,991	14,486	20,189	3,987	-	-	-	(186)
Condos Business	1,784	4,575	8,022	20,534	5,248	-	-	-	+3,464
Other	1,101	2,257	3,456	4,795	1,239	-	-	-	+138
Sales	**7,059**	**15,823**	**25,965**	**45,518**	**10,475**	**-**	**-**	**-**	**+3,416**
Housing Business	(281)	(243)	(140)	5	(403)	-	-	-	(121)
Condos Business	(22)	(85)	340	1,732	753	-	-	-	+775
Other	(48)	(33)	(20)	29	4	-	-	-	+53
Total	**(352)**	**(361)**	**179**	**1,767**	**355**	**-**	**-**	**-**	**+707**
Elimination	(229)	(352)	(560)	(811)	(275)	-	-	-	(46)
Operating Profit	**(582)**	**(713)**	**(380)**	**956**	**79**	**-**	**-**	**-**	**+661**
Housing Business	(6.7%)	(2.7%)	(1.0%)	0.0%	(10.1%)	-	-	-	(3.4%)
Condos Business	(1.2%)	(1.9%)	4.2%	8.4%	14.4%	-	-	-	+15.6%
Other	(4.4%)	(1.5%)	(0.6%)	0.6%	0.4%	-	-	-	+4.8%
Elimination	(3.3%)	(2.2%)	(2.2%)	(1.8%)	(2.6%)	-	-	-	+0.6%
Operating Profit Margin	**(8.2%)**	**(4.5%)**	**(1.5%)**	**2.1%**	**0.8%**	**-**	**-**	**-**	**+9.0%**

Segmented Information (Million Yen)	Cons.Act Q1 03/2025	Cons.Act Q2 03/2025	Cons.Act Q3 03/2025	Cons.Act Q4 03/2025	Cons.Act Q1 03/2026	Cons.Act Q2 03/2026	Cons.Act Q3 03/2026	Cons.Act Q4 03/2026	YoY Net Chg.
Housing Business	4,173	4,817	5,495	5,702	3,987	-	-	-	(186)
Condos Business	1,784	2,790	3,447	12,511	5,248	-	-	-	+3,464
Other	1,101	1,156	1,199	1,338	1,239	-	-	-	+138
Sales	**7,059**	**8,764**	**10,141**	**19,553**	**10,475**	**-**	**-**	**-**	**+3,416**
Housing Business	(281)	38	102	146	(403)	-	-	-	(121)
Condos Business	(22)	(62)	425	1,392	753	-	-	-	+775
Other	(48)	15	12	50	4	-	-	-	+53
Total	**(352)**	**(8)**	**540**	**1,588**	**355**	**-**	**-**	**-**	**+707**
Elimination	(229)	(122)	(207)	(251)	(275)	-	-	-	(46)
Operating Profit	**(582)**	**(131)**	**332**	**1,337**	**79**	**-**	**-**	**-**	**+661**
Housing Business	(6.7%)	0.8%	1.9%	2.6%	(10.1%)	-	-	-	(3.4%)
Condos Business	(1.2%)	(2.3%)	12.3%	11.1%	14.4%	-	-	-	+15.6%
Other	(4.4%)	1.3%	1.0%	3.7%	0.4%	-	-	-	+4.8%
Elimination	(3.3%)	(1.4%)	(2.0%)	(1.3%)	(2.6%)	-	-	-	+0.6%
Operating Profit Margin	**(8.2%)**	**(1.5%)**	**3.3%**	**6.8%**	**0.8%**	**-**	**-**	**-**	**+9.0%**

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.
Cash and Deposit	7,641	8,480	7,329	10,432	8,175	-	-	-	+534
Accounts Receivables	1,775	1,701	2,130	1,877	1,881	-	-	-	+106
Inventory	28,553	35,083	35,390	32,138	32,770	-	-	-	+4,216
Other	910	1,245	1,426	844	1,105	-	-	-	+195
Current Assets	**38,881**	**46,511**	**46,276**	**45,291**	**43,932**	**-**	**-**	**-**	**+5,051**
Tangible Assets	3,208	3,241	3,207	3,086	3,034	-	-	-	(174)
Intangible Assets	71	63	58	60	56	-	-	-	(15)
Investments and Other Assets	2,549	2,643	2,396	2,114	2,106	-	-	-	(443)
Fixed Assets	**5,830**	**5,947**	**5,662**	**5,261**	**5,197**	**-**	**-**	**-**	**(633)**
Total Assets	**44,711**	**52,458**	**51,939**	**50,553**	**49,130**	**-**	**-**	**-**	**+4,418**
Accounts Payables	2,629	2,954	3,186	7,944	3,401	-	-	-	+771
Short-Term Debt	11,888	15,458	15,026	8,294	9,996	-	-	-	(1,892)
Corporate Bond (Less Than 1 Year)	100	100	100	100	100	-	-	-	0
Advances Re. on Uncompleted Contracts	3,361	3,877	3,866	3,744	4,039	-	-	-	+677
Advances Received	404	587	589	684	1,653	-	-	-	+1,248
Other	1,851	1,622	1,586	2,549	4,515	-	-	-	+2,663
Current Liabilities	**20,235**	**24,599**	**24,354**	**23,316**	**23,705**	**-**	**-**	**-**	**+3,469**
Long-Term Debt	8,168	11,704	10,996	9,913	8,390	-	-	-	+222
Corporate Bond	200	150	150	100	100	-	-	-	(100)
Other	1,919	1,889	1,907	1,902	1,894	-	-	-	(24)
Fixed Liabilities	**10,287**	**13,743**	**13,053**	**11,915**	**10,384**	**-**	**-**	**-**	**+97**
Total Liabilities	**30,523**	**38,342**	**37,407**	**35,232**	**34,090**	**-**	**-**	**-**	**+3,566**
Shareholders' Equity	**14,205**	**14,135**	**14,551**	**15,350**	**15,070**	**-**	**-**	**-**	**+865**
Other	(17)	(18)	(20)	(28)	(30)	-	-	-	(13)
Net Assets	**14,188**	**14,116**	**14,531**	**15,321**	**15,039**	**-**	**-**	**-**	**+851**
Total Liabilities and Net Assets	**44,711**	**52,458**	**51,939**	**50,553**	**49,130**	**-**	**-**	**-**	**+4,418**
Equity Capital	14,188	14,116	14,531	15,321	15,039	-	-	-	+851
Interest-Bearing Debt	20,356	27,412	26,272	18,407	18,586	-	-	-	(1,770)
Net Debt	12,714	18,931	18,942	7,974	10,410	-	-	-	(2,304)
Equity Ratio	31.7%	26.9%	28.0%	30.3%	30.6%	-	-	-	-
Net Debt-to-Equity Ratio	89.6%	134.1%	130.4%	52.1%	69.2%	-	-	-	-
ROE (12 months)	5.7%	3.5%	8.1%	4.5%	7.6%	-	-	-	-
ROA (12 months)	2.5%	1.5%	3.3%	2.4%	3.9%	-	-	-	-
Days for Inventory Turnover	462	459	416	184	364	-	-	-	-
Quick Ratio	47%	41%	39%	53%	42%	-	-	-	-
Current Ratio	192%	189%	190%	194%	185%	-	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.
Operating Cash Flow	-	(13,265)	-	(2,371)	-	-	-	-	-
Investing Cash Flow	-	(109)	-	(46)	-	-	-	-	-
Operating CF and Investing CF	**-**	**(13,374)**	**-**	**(2,418)**	**-**	**-**	**-**	**-**	**-**
Financing Cash Flow	-	10,215	-	1,210	-	-	-	-	-

Source: Company Data, WRJ Calculation

Disclaimer

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