

Sells residences and other real estate with sales area centering on Aichi Prefecture

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For inquiries concerning the report, please contact info@stock-r.org

【 2983 Arr Planner Sector : Real Estate 】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Jan. 2019	16,635	-	762	-	679	-	423	-	423.5	1,512.3	0.0
Jan. 2020	19,183	15.3	687	-9.8	593	-12.7	434	2.6	434.1	1,946.4	0.0
Jan. 2021 f	22,000	14.7	550	-19.9	428	-27.8	277	-36.2	277.5	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending January 2021 are the company's forecasts.
It conducted 1-to-10 stock split on June 15, 2019. Per share indices are adjusted retroactively.

Sells Residences to First-Time Buyers while based in Aichi Prefecture

Arr Planner group receives contracts for custom-built homes, sells houses with lots for sale, and runs a real estate agency centering on Aichi Prefecture. The main target is first-time residence buyers. The group consists of Arr Planner and its consolidated subsidiary.

The single-family house business accounted for 96.1% of the company's net sales for fiscal year ended January 2020. Out of net sales of the single-family house business, about 30% were from custom-built homes and about 60% were from houses with lots for sale (including lots for sale).

As of the end of January, the company has 11 housing exhibitions and showrooms in Aichi Prefecture and three in Tokyo, and has nine real estate sales offices in Aichi Prefecture and two in Tokyo.

Figure 1 : Business Details

Segment	Sales composition ratio (Fiscal year ended Jan. 2020)	Business details
Single-family house business	96.1%	Procuring and selling custom-built homes, houses with lots for sale, and real estate Real estate agency
Other real estate business	3.8%	Purchasing, renovating and selling used real estate and income real estate
Others	0.1%	Fees, etc. concerning supervising houses Agency fees, etc. of fire insurance

Source: Prepared by Stock Research Center based on the notifiable prospectus.

Growth Strategy

For its mid- to long-term growth, the company seeks growth through 1) expanding business to the Tokyo metropolitan area, and 2) increasing its share in the Tokai region.

Regarding business expansion to Tokyo, while the company opened a Tokyo branch in Musashino City in October 2019, it renamed the location as its Kichijoji office in August 2020, relocated its Tokyo branch to Shinjuku Ward and opened its Shinjuku showroom at the new location. In June 2020, it opened a housing exhibition in Tachikawa City and in 2021, its consolidated subsidiary opened sales offices in Shinjuku and Kichijoji.

For business development in the Tokai area, the company is considering the setting up of sales offices in areas of Aichi Prefecture where it has not yet tapped into. Outside of Aichi Prefecture, the company is considering opening sales offices in Shizuoka, Gifu and Mie Prefectures.

Figure 2 : Financial Statements

Statement of income	Fiscal Year	Jan. 2019		Jan. 2020		Nine months to Jan. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		16,635	100.0	19,183	100.0	15,035	100.0
Cost of sales		13,374	80.4	15,487	80.7	12,355	82.2
Gross profit		3,261	19.6	3,695	19.3	2,679	17.8
Selling, general and administrative expenses		2,498	15.0	3,007	15.7	2,371	15.8
Operating profit		762	4.6	687	3.6	307	2.0
Non-operating income		8	-	6	-	10	-
Non-operating expenses		91	-	100	-	87	-
Interest expense		80	-	93	-	78	-
Ordinary profit		679	4.1	593	3.1	231	1.5
Profit before income taxes		643	3.9	649	3.4	225	1.5
Profit attributable to owners of parent		423	2.5	434	2.3	153	1.0

Balance sheet	Fiscal Year	Jan. 2019		Jan. 2020		Nine months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		11,876	90.1	13,600	90.0	14,755	89.7
Cash and deposits		2,787	21.2	2,281	15.1	2,716	16.5
Accounts receivable-trade		20	0.2	46	0.3	31	0.2
Real estate for sale		4,795	36.4	5,100	33.7	6,229	37.9
Real estate for sale in process		4,012	30.5	5,866	38.8	5,350	32.5
Non-current assets		1,298	9.9	1,512	10.0	1,692	10.3
Property, plant and equipment		978	7.4	1,175	7.8	1,295	7.9
Intangible assets		10	0.1	17	0.1	16	0.1
Investments and other assets		309	2.3	318	2.1	379	2.3
Total assets		13,175	100.0	15,113	100.0	16,447	100.0
Current liabilities		8,135	61.7	9,238	61.1	10,234	62.2
Accounts payable-trade		1,212	9.2	1,733	11.5	1,538	9.4
Short-term borrowings		3,959	30.0	3,400	22.5	4,625	28.1
Current portion of bonds payable & long-term borrowing		1,217	9.2	2,323	15.4	1,497	9.1
Non-current liabilities		3,527	26.8	3,928	26.0	4,113	25.0
Bonds payable & Long-term borrowings		3,442	26.1	3,790	25.1	3,931	23.9
Net assets		1,512	11.5	1,946	12.9	2,099	12.8
Owners' equity		1,512	11.5	1,946	12.9	2,099	12.8

Statement of cash flows	Fiscal Year	Jan. 2019	Jan. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		-950	-1,092
Depreciation		110	135
Cash flows from investing activities		-280	-301
Cash flows from financing activities		2,211	925
Dividends paid		-	-
Net increase in cash and cash equivalents		980	-468
Cash and cash equivalents		2,596	2,128

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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