

Mainly engaged in purchase and sale of real estate centering on one-room apartments over 20 years old

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[2991 LANDNET 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)
Jul. 2019	30,152	-	1,121	-	1,073	-	773	-	675.9	2,567.9	67.5
Jul. 2020	35,773	18.6	874	-22.0	831	-22.6	594	-23.1	519.8	3,019.6	52.0
Jul. 2021 f	40,929	14.4	1,129	29.1	1,059	27.4	732	23.1	635.3	-	51.5

Note: Consolidated basis. Figures for the fiscal year ending July 2021 are the company's forecasts.

Conducts Purchase, Sale and Rental Management of Used One-Room Apartments

LANDNET is engaged in the real estate purchase and sales business, in which the company mainly conducts the purchase of for-investment used real estate and their sales to real estate companies, retail investors, etc., and the real estate rental management business, in which the company handles real estate rental management operations, rent in arrears guarantee operations, etc. In the real estate trading business, the company handles mainly used one-room apartments of which the majority are over 20 years old. The company's feature is that it has established a one-stop structure in the used apartment trading business from purchase/purchase brokerage to renovation, sales/sales brokerage, property management and tenant management.

The group is comprised of LANDNET, two overseas subsidiaries, one in Hong Kong and the other in Taiwan that sell domestic real estate to overseas investors, and LANDINSURE that handles rent guarantee operations. The ratio between consolidated figures and non-consolidated figures for the fiscal year ended July 2020 was 1.0 times for both net sales and operating profit, and thus the contribution of subsidiaries is small.

The company is headquartered in Toshima Ward, Tokyo and has branch offices in Yokohama City and Osaka City. It provides its services centering on the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama prefectures) and Kansai area (Osaka, Kyoto and Hyogo prefectures).

In the fiscal year ended July 2020, the sales composition based on net sales from external customers was 98.5% from the real estate purchase and sales business and 1.5% from the real estate rental management business. When looking at the segment profit margin before allocation of adjustments for company-wide expenses and other segment profit, while figures for the real estate rental management business was at a high level at 16.8%, figures for the real estate trading business stood low at 6.6% with the large burden of acquisition costs for land and buildings.

LANDNET (2991 TSE JASDAQ) ----- July 27, 2021**Financial Statements**

Statement of income	Fiscal Year	Jul. 2019		Jul. 2020		Nine months to Apr.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		30,152	100.0	35,773	100.0	30,692	100.0
Cost of sales		25,620	85.0	30,930	86.5	26,420	86.1
Gross profit		4,532	15.0	4,843	13.5	4,272	13.9
Selling, general and administrative expenses		3,411	11.3	3,968	11.1	3,320	10.8
Operating profit		1,121	3.7	874	2.4	951	3.1
Non-operating income		37	-	50	-	41	-
Non-operating expenses		85	-	94	-	91	-
Ordinary profit		1,073	3.6	831	2.3	902	2.9
Profit before income taxes		1,093	3.6	862	2.4	902	2.9
Profit attributable to owners of parent		773	2.6	594	1.7	592	1.9

Balance sheet	Fiscal Year	Jul. 2019		Jul. 2020		Apr.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		6,818	83.2	6,817	81.2	7,825	80.9
Cash and deposits		2,412	29.5	2,270	27.0	2,504	25.9
Accounts receivable-trade		7	0.1	32	0.4	15	0.2
Inventories		4,070	49.7	4,030	48.0	4,794	49.6
Non-current assets		1,372	16.8	1,580	18.8	1,842	19.1
Property, plant and equipment		788	9.6	987	11.8	1,130	11.7
Intangible assets		90	1.1	191	2.3	263	2.7
Investments and other assets		493	6.0	401	4.8	447	4.6
Total assets		8,190	100.0	8,398	100.0	9,667	100.0
Current liabilities		3,723	45.5	3,553	42.3	3,649	37.8
Accounts payable - trade		26	0.3	68	0.8	15	0.2
Short-term borrowings		1,882	23.0	1,542	18.4	1,576	16.3
Current portion of bonds payable		73	0.9	83	1.0	57	0.6
Current portion of long-term borrowings		199	2.4	234	2.8	213	2.2
Non-current liabilities		1,529	18.7	1,390	16.6	2,029	21.0
Bonds payable		96	1.2	103	1.2	53	0.5
Long-term borrowings		725	8.9	616	7.3	1,296	13.4
Net assets		2,937	35.9	3,454	41.1	3,988	41.3
Owners' equity		2,937	35.9	3,454	41.1	3,988	41.3

Statement of cash flows	Fiscal Year	Jul. 2019	Jul. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		279	638
Depreciation		76	96
Cash flows from investing activities		-427	-357
Cash flows from financing activities		894	-484
Dividends paid		-	-
Net increase in cash and cash equivalents		744	-202
Cash and cash equivalents		1,862	1,660

Note: Consolidated basis.

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

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