

Aiming for growth through expanding business on apartments for the young generation and enhancing the stock business of apartment management

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[5078 CEL Corporation Sector : Construction]

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)
Feb. 2020	18,815	-	1,582	-	1,648	-	1,135	-	347.4	2,214.4	90.0
Feb. 2021	17,084	-9.2	1,051	-33.6	1,118	-32.2	576	-49.3	176.6	2,305.7	80.0
Feb. 2022 f	19,385	13.5	1,160	10.4	1,049	-6.2	10,452	18.1x	3,236.9	-	80.0

Note: Consolidated basis. Figures for the fiscal year ending February 2022 are the company's forecasts.

Engaged in Rental Apartment Construction and Rental Apartment Management for the Young Generation in the Tokyo Metropolitan Area

CEL Corporation Group is comprised of the company and one subsidiary, and mainly conducts rental apartment construction and rental apartment management for the young generation in the Tokyo metropolitan area. Its subsidiary CEL Rent Partners is conducting the real estate rent guarantee business for tenants.

Sales composition in the fiscal year ended February 2021 was 30.7% for the rental housing business, 18.1% for the rental housing development business, 45.3% for the rental housing management business, 5.4% for the factory and office rent business in China and 0.4% for others. Its main businesses are the rental housing business, which is a flow business of rental apartment construction, and the rental housing management business, which is a stock business of rental apartment management. The company withdrew from the factory and office rent business in China in December 2021 and is expected to record 15,655 million yen, the gain on sale of the stocks of its two Chinese subsidiaries, as extraordinary income in the fiscal year ended February 2022.

Rental Housing Business

In the rental housing business, the company provides consultations to real estate owners concerning the construction of rental apartments that meet their purpose for land use, and constructs and sells steel-framed rental apartments that are constructed in-house by using steel manufactured at its own plant in Chiba City. It primarily handles rental apartments for young singles mainly in the age range of 25 to 35, targeting the Tokyo metropolitan area.

Rental Housing Development Business

In the rental housing development business launched in October 2020, the company acquires land for which the land prices are unlikely to decline and have high asset value such as those in locations close to stations, constructs rental apartments on such land and sells them mainly to wealthy customers .

Rental Housing Management Business

In the rental housing management business, the company is entrusted with the management of rental apartments constructed by the company or other companies, and provides operations such as tenant recruitment, move-in/move-out management, rent collection, building inspection and cleaning. The number of units under management as of February 2021 was 10,739 units.

CEL Corporation (5078 TSE Second Section) - - - - - March 15,2022**Financial Statements**

Statement of income	Fiscal Year	Feb.2020		Feb.2021		Nine month to Nov.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		18,815	100.0	17,084	100.0	13,650	100.0
Cost of sales		15,185	80.7	14,265	83.5	11,414	83.6
Gross profit		3,630	19.3	2,819	16.5	2,236	16.4
Selling, general and administrative expenses		2,047	10.9	1,768	10.3	1,410	10.3
Operating profit		1,582	8.4	1,051	6.2	825	6.0
Non-operating income		121	-	119	-	70	-
Non-operating expenses		55	-	52	-	44	-
Ordinary profit		1,648	8.8	1,118	6.5	851	6.2
Profit before income taxes		1,648	8.8	963	5.6	851	6.2
Net profit		1,135	6.0	576	3.4	615	4.5

Balance sheet	Fiscal Year	Feb.2020		Feb.2021		Nov.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		8,605	64.6	8,543	66.7	9,167	66.9
Cash and deposits		6,620	49.7	7,090	55.4	5,032	36.7
Accounts receivable-trade		325	2.4	230	1.8	316	2.3
Inventories		1,356	10.2	1,067	8.3	3,592	26.2
Non-current assets		4,711	35.4	4,263	33.3	4,542	33.1
Property, plant and equipment		3,336	25.1	2,869	22.4	3,203	23.4
Intangible assets		444	3.3	426	3.3	423	3.1
Investments and other assets		929	7.0	967	7.6	915	6.7
Total assets		13,316	100.0	12,806	100.0	13,709	100.0
Current liabilities		5,095	38.3	4,573	35.7	5,006	36.5
Accounts payable - trade		690	5.2	430	3.4	706	5.1
Short-term borrowings		1,490	11.2	1,290	10.1	1,200	8.8
Non-current liabilities		985	7.4	717	5.6	856	6.2
Net assets		7,235	54.3	7,515	58.7	7,845	57.2
Owners' equity		7,235	54.3	7,515	58.7	7,845	57.2

Statement of cash flows	Fiscal Year	Feb.2020	Feb.2021
		(mn yen)	(mn yen)
Cash flows from operating activities		1,485	1,342
Depreciation		488	489
Negative goodwill		-64	-64
Cash flows from investing activities		-714	-88
Cash flows from financing activities		-469	-783
Dividends paid		-294	-294
Net increase in cash and cash equivalents		277	469
Cash and cash equivalents		6,620	7,090

Note: Consolidated basis.

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

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