

Rehabilitation of used housing and sales of detached housing

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[5527 property technologies 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)
Nov.2020	26,463	-	1,043	-	909	-	514	-	143.4	722.5	0.0
Nov.2021	29,543	11.6	1,688	61.8	1,593	75.1	1,034	101.1	296.4	1,029.4	0.0
Nov.2022 f	37,291	26.2	2,205	30.6	2,077	30.4	1,389	34.3	398.8	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending November 2022 are the company's forecasts.
It conducted 1-to-3 stock split on May 23, 2022. Per share indices are adjusted retroactively.

Offering Renovated Used Condominiums for Sale and Newly-Built Detached Housing

The property technologies Group has provided over 8,000 renovated used condominiums and newly built detached houses. In fiscal year ended November 2021, the company's net sales comprised 20,081 million yen (accounting for 68.0% of total net sales) of used housing, 8,985 million yen (30.4%) of detached housing and 476 million yen (1.6%) from other business.

Used Housing Revitalization Business

The company's used housing revitalization business purchases used compartmentalized ownership condominiums, then renovates and sells them under the FURVAL brand. It primarily handles family-oriented properties, and its core clientele are in their late 30s to early 40s. The company equips renovated properties with furniture, appliances and other amenities, the costs of which are included in the property's selling price. This makes potential buyers eligible for home loans, thereby encouraging purchase even on the part of households who may have low self-financing capacity.

The company has a nationwide presence and deals with sellers, buyers, real estate brokers and renovation contractors in various regions of the country. The company's real estate purchases are also funded by financial institutions in each region.

Detached Housing Business

The company's detached housing business is conducted by a subsidiary with seven offices in Yamaguchi Prefecture and another with four offices in Akita Prefecture. Each company constructs custom-built houses on a contract basis rooted in local communities. As of the end of fiscal year ended November 2021, each had delivered about 2,500 houses cumulatively, for a total of around 5,000. As for the number of construction starts, the company has been number one in Yamaguchi Prefecture for 12 consecutive years and Akita Prefecture for 14 straight years.

Other Business

Other business comprises real estate leasing, brokerage, etc. Net sales of other business in fiscal year ended November 2021 totaled 476 million yen (down 27.4% year-on-year).

property technologies (5527 TSE Growth) - - - - - December 22, 2022**Financial Statements**

Statement of income	Fiscal Year	Nov.2020		Nov.2021		Nine months to Aug. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		26,463	100.0	29,543	100.0	26,469	100.0
Cost of sales		22,127	83.6	24,137	81.7	21,753	82.2
Gross profit		4,335	16.4	5,406	18.3	4,715	17.8
Selling, general and administrative expenses		3,292	12.4	3,718	12.6	3,221	12.2
Operating profit		1,043	3.9	1,688	5.7	1,494	5.6
Non-operating income		100	0.4	97	0.3	100	0.4
Non-operating expenses		234	0.9	192	0.6	181	0.7
Ordinary profit		909	3.4	1,593	5.4	1,413	5.3
Profit before income taxes		823	3.1	1,651	5.6	1,412	5.3
Profit attributable to owners of parent		514	1.9	1,034	3.5	850	3.2

Balance sheet	Fiscal Year	Nov.2020		Nov.2021		Aug. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		18,771	86.0	22,813	88.0	26,969	89.9
Cash and deposits		5,948	27.3	5,348	20.6	5,165	17.2
Accounts receivable-trade		8,201	37.6	11,894	45.9	14,959	49.9
Prepaid expenses		2,814	12.9	3,404	13.1	4,487	15.0
Non-current assets		3,047	14.0	3,103	12.0	3,027	10.1
Property, plant and equipment		923	4.2	1,014	3.9	1,063	3.5
Intangible assets		1,751	8.0	1,613	6.2	1,472	4.9
Investments and other assets		372	1.7	475	1.8	491	1.6
Total assets		21,818	100.0	25,916	100.0	29,997	100.0
Current liabilities		12,632	57.9	16,277	62.8	20,520	68.4
Accounts payable - trade		970	4.4	1,296	5.0	1,403	4.7
Short-term borrowings		7,478	34.3	10,346	39.9	14,279	47.6
Current portion of bonds payable		334	1.5	410	1.6	478	1.6
Current portion of long-term borrowings		1,210	5.5	1,276	4.9	1,401	4.7
Non-current liabilities		18,481	84.7	5,266	20.3	4,753	15.8
Bonds payable		583	2.7	826	3.2	974	3.2
Long-term borrowings		4,904	22.5	4,179	16.1	3,515	11.7
Net assets		3,337	15.3	4,373	16.9	4,723	15.7
Owners' equity		3,337	15.3	4,372	16.9	4,722	15.7

Statement of cash flows	Fiscal Year	Nov.2020	Nov.2021
		(mn yen)	(mn yen)
Cash flows from operating activities		568	-2,769
Depreciation		72	106
Cash flows from investing activities		-290	-371
Cash flows from financing activities		383	2,521
Dividends paid		-	-
Net increase in cash and cash equivalents		661	-620
Cash and cash equivalents		5,538	4,918

Note: Consolidated

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

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