

Engaged mainly in the construction of custom-made detached houses

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[205A LOGOS HOLDINGS 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)
May 2022	24,850	-	1,185	-	1,189	-	774	-	202.5	847.8	0.0
May 2023	28,025	12.8	-118	-	-139	-	-80	-	-21.0	827.0	0.0
May 2024	f 32,725	16.8	1,468	-	1,426	-	910	-	236.1	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending May 2024 is the company's forecasts.

It conducted 10:1 reverse stock split on April 15, 2024. Per share indices are adjusted retroactively.

Supplies Custom-made Detached Houses Primarily in Hokkaido

The core business of the Logos Holdings Group is the construction of custom-made detached houses. The group consists of six companies, including the company as well as companies engaged in housing construction, renovation and sales of ready-built houses and residential land. It also provides engineering firms with assistance for home design and IT consulting services.

Custom-made houses accounted for 72.1% of net sales in fiscal year ended May 2023, ready-built houses for 7.1%, residential land sales for 16.5% and other business for 4.3%.

The group does not display at housing exhibitions, which is a common sales method for receiving orders for custom-made homes. Instead, they employ digital marketing to attract customers.

Cutting travel costs is one of LOGOS HOLDINGS' key management issues as it operates in the vast Hokkaido region. Examples of initiatives include utilizing digital marketing to attract customers instead of displaying at housing exhibitions, situating showrooms and model houses near the company's sales offices and conducting business discussions and inspections online.

The company also builds some of its houses by employing its proprietary manufacturing-carry-build (MCB) construction method. This method entails assembling the walls and floors of the wooden frame construction method into box-shaped modules and transporting them to the site with all sashes, insulation, electrical wiring and other items already installed before installing them on top of a pre-built foundation using a crane. The advantages of this construction method are shortened construction times and reduced costs. Additionally, it addresses the construction worker shortage, lowers costs and stabilizes quality. It is also suitable for high-mix, low-volume production and can satisfy a variety of design needs.

Financial Statements

Statement of income	Fiscal Year	May 2022		May 2023		Nine months to Feb.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		24,850	100.0	28,025	100.0	20,257	100.0
Cost of sales		20,372	82.0	23,931	85.4	16,538	81.6
Gross profit		4,477	18.0	4,094	14.6	3,718	18.4
Selling, general and administrative expenses		3,291	13.2	4,212	15.0	3,338	16.5
Operating profit		1,185	4.8	-118	-	380	1.9
Non-operating income		40	-	29	-	17	-
Non-operating expenses		37	-	50	-	39	-
Ordinary profit		1,189	4.8	-139	-	357	1.8
Profit before income taxes		1,194	4.8	-83	-	326	1.6
Profit attributable to owners of parent		774	3.1	-80	-	181	0.9

Balance sheet	Fiscal Year	May 2022		May 2023		Feb.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		11,343	78.2	11,045	75.2	12,223	75.9
Cash and deposits		5,325	36.7	4,945	33.7	4,982	30.9
Accounts receivable from completed construction contracts		34	0.2	32	0.2	98	0.6
Inventories		5,510	38.0	5,688	38.7	6,758	41.9
Non-current assets		3,168	21.8	3,646	24.8	3,889	24.1
Property, plant and equipment		1,645	11.3	2,143	14.6	2,389	14.8
Intangible assets		1,284	8.8	1,216	8.3	1,198	7.4
Investments and other assets		238	1.6	286	2.0	301	1.9
Total assets		14,511	100.0	14,692	101.2	16,113	111.0
Current liabilities		9,170	63.2	8,778	59.7	10,474	65.0
Accounts payable for construction contracts		2,485	17.1	1,943	13.2	1,986	12.3
Short-term borrowings		987	6.8	1,934	13.2	2,259	14.0
Current portion of long-term borrowings		391	2.7	452	3.1	589	3.7
Advances received on construction contracts in progress		2,473	17.0	2,157	14.7	4,295	26.7
Deposits received		1,731	11.9	1,396	9.5	395	2.5
Non-current liabilities		2,070	14.3	2,722	18.5	2,255	14.0
Long-term borrowings		1,896	13.1	2,569	17.5	2,123	13.2
Asset retirement obligation		82	0.6	81	0.6	81	0.5
Net assets		3,270	22.5	3,190	21.7	3,384	21.0
Owners' equity		3,270	22.5	3,190	21.7	3,384	21.0

Statement of cash flows	Fiscal Year	May 2022	May 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		3,043	-1,523
Depreciation		77	100
Cash flows from investing activities		-296	-534
Cash flows from financing activities		-413	1,677
Dividends paid		-	-
Net increase in cash and cash equivalents		2,335	-379
Cash and cash equivalents		5,325	4,945

Note: Consolidated

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

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