

May 10, 2024

**Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (FY3/24)**

[Japanese GAAP]

Company name: Sanyo Homes Corporation

Listing: Tokyo Stock Exchange

Securities code: 1420

URL: <https://www.sanyohomes.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date of filing of Annual Securities Report: June 27, 2024

Scheduled date of payment of dividend: June 5, 2024

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for securities analysts)

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for FY3/24 (April 1, 2023 – March 31, 2024)**

(1) Consolidated results of operations (Percentages shown for net sales and profits represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	45,860	11.9	952	-	935	-	648	-
FY3/23	40,970	(19.9)	(149)	-	(191)	-	(245)	-

Note: Comprehensive income (million yen) FY3/24: 654 (-%) FY3/23: (253) (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
FY3/24	58.31	-	4.4	1.9	2.1
FY3/23	(22.15)	-	(1.7)	(0.4)	(0.4)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	46,406	14,905	32.1	1,338.62
As of Mar. 31, 2023	49,913	14,517	29.1	1,308.19

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 14,905 As of Mar. 31, 2023: 14,517

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/24	3,538	(16)	(5,134)	10,439
FY3/23	2,555	(117)	1,776	12,052

**2. Dividends**

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/23	-	0.00	-	25.00	25.00	291	-	1.9
FY3/24	-	0.00	-	25.00	25.00	297	42.9	1.9
FY3/25 (forecasts)	-	0.00	-	25.00	25.00		34.8	

**3. Consolidated Forecast for FY3/25 (April 1, 2024 – March 31, 2025)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	53,000	15.6	1,350	41.7	1,200	28.3	800	23.4	71.85

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, and others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2024: 12,620,000 shares As of Mar. 31, 2023: 12,620,000 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2024: 1,485,386 shares As of Mar. 31, 2023: 1,522,536 shares

3) Average number of shares outstanding during the period

FY3/24: 11,121,275 shares FY3/23: 11,089,735 shares

Note: Number of treasury shares at the end of the period includes the Company shares held by the Incentive Plan Trust (FY3/24: 765,645 shares, FY3/23: 562,795 shares). The Company shares held by the said Trust (FY3/24: 565,170 shares, FY3/23: 570,524 shares) are also included to treasury shares that are exempted in a calculation of the average number of shares outstanding during the period.

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for FY3/24 (April 1, 2023 – March 31, 2024)**

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	34,426	13.8	834	-	801	-	569	-
FY3/23	30,257	(26.3)	(337)	-	(416)	-	(388)	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/24	51.20	-
FY3/23	(35.01)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	44,107	13,543	30.7	1,216.34
As of Mar. 31, 2023	47,656	13,241	27.8	1,193.18

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 13,543 As of Mar. 31, 2023: 13,241

\* The current financial report is not subject to audit by certified public accountants or auditing firms.

\* Cautionary statement with respect to forward-looking statements and other special items

Note concerning forward-looking statements

Forecasts regarding future performance in this report are based on assumptions judged to be valid and information available to the Company at the time this report was prepared. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations" on page 2 for forecast assumptions and notes of caution for usage.

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## 1. Overview of Results of Operations

### (1) Analysis of Results of Operations

The Japanese economy recovered during the fiscal year that ended in March 2024 as social and economic activity returned to normal following the Japanese government's downgrade of the classification of COVID-19 in May 2023. The outlook for the economy is still unclear because of tension in many areas of the world, the yen's depreciation, the high cost of resources, energy and other items, the Bank of Japan's decision to end negative interest rates, and other reasons.

In Japan's housing sector, although sales of variable rate home loans with low interest rates continue, interest rates are moving up. In addition, the cost of building houses is increasing as the price of steel products increases and the labor shortage pushes up the cost of labor. The average cost of land nationwide in Japan in the March 2024 official land price announcement was 2.3% higher than one year earlier. This was the biggest increase since 33 years ago during Japan's asset bubble economy. As a result, the outlook for Japan's housing sector is uncertain.

The Sanyo Homes Group is guided by the vision statement "remaining an essential member of society" and the slogan "housing for the wellbeing of people and the earth." The goal is the sustained growth of corporate value by basing business operations on these themes. Activities involving human resources during the current fiscal year included the establishment of a stock remuneration program for employees and certification in March 2024 as an outstanding health and productivity management organization 2024 (large enterprise category). Numerous activities will continue for enabling the people of the Sanyo Homes Group to realize their full potential and to increase the productivity of all group companies.

Due to a significant increase in sales and earnings in the Condominium Business, net sales were 45,860 million yen, up 11.9% from one year earlier, operating profit was 952 million yen, up 1,102 million yen from one year earlier, ordinary profit was 935 million yen, up 1,126 million yen from one year earlier, and profit attributable to owners of parent was 648 million yen, up 894 million yen from one year earlier.

### Business Segment Overview

Business segment performance is as follows.

In the housing sector, we operate an Owners Kurasite network of "real" model houses. The owners of these houses allow visitors to see how the home was designed to match the family's life style and how the home is used day to day. As of April 2024, 162 houses in Japan's four major metropolitan areas were open for tours. In July 2023, we started selling houses that are designed to be resistant to water damage caused by a storm or flood. The net zero energy house (ZEH) ratio for newly built houses decreased from 100% in the previous fiscal year to 97% in the current fiscal year. Our goal is to reach 100%.

In the real estate solutions sector (previously the asset utilization sector), W-eco design houses, which have features for protecting the environment and reducing expenses, are very popular. To expand this business, this design scheme is now also used for newly constructed rental apartment buildings. One priority in this sector is the receipt of orders for prefabricated structures for large buildings such as senior care facilities, company housing and shopping centers too. For rental apartment buildings, the ZEH ratio increased from 90% in the previous fiscal year to 93% in the current fiscal year. This ratio excludes garages, which are structures unable to comply with the ZEH standard.

In the renovation sector, many activities are used for the growth of this business. Two steps are certification by the Ministry of the Environment as a Green Life Point company and participation in the Home Energy Conservation 2024 Campaign of three Japanese government ministries (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, Ministry of the Environment). In addition, we started a renovation service that makes houses more resilient to water damage to enable residents to return home quickly after a typhoon or other natural disaster. Due to these activities, orders received in this sector increased 21.8% from one year earlier, and we are working to increase orders by focusing on services to upgrade the environmental characteristics of existing residences.

The residential renewal and resale (sale of existing houses) sector has activities involving abandoned houses, which are a serious problem in Japan, and the sustainable reuse of houses to prevent the need for demolition and rebuilding. The primary activity of this sector is the supply of Renewal Cycle Carbon Minus Houses. Another activity is the purchase of existing houses by targeting carefully chosen areas of Japan and price categories.

The frontier business is the operations of subsidiary Sanyo Architec Corporation, which sells and installs solar power, storage battery and other environmentally responsible energy facilities and structural steel frames.

As a result, sales in the Housing Business segment were 20,803 million yen, down 9.7% from one year earlier, and there was an operating loss of 483 million yen compared with a 5 million yen loss one year earlier.

In the Condominium Business segment, the construction of seven condominium buildings was completed during the current fiscal year compared with two in the previous fiscal year. One of these projects is SANMAISON Nakamozu Ekimae, a 68-unit building in the city of Sakai in Osaka prefecture, which was completed and sold out in March. Sales and operating profit were much higher than in the previous fiscal year. We plan to complete the construction of seven condominium buildings during the fiscal year ending in March 2025.

Progress is continuing in this business regarding the construction of net zero energy house-mansion (condominiums) (ZEH-M).

As a result, sales in the Condominium Business segment were 20,582 million yen, up 49.6% from one year earlier, and operating profit was 2,224 million yen, up 271.4% from one year earlier.

The life support business sector manages condominiums and nursing/child-care/after-school child-care facilities. Life support services such as the development and sale of personal care robots and operations to revitalize areas of Japan other than major metropolitan areas are other activities of this business sector.

As a result, sales in the other businesses segment were 4,474 million yen, up 7.1% from one year earlier, and operating loss was 38 million yen compared with 79 million yen loss one year earlier.

### **Forecasts for the next fiscal year**

The business climate for Japan's housing market in the fiscal year that ending in March 2025 is expected to remain uncertain. The high cost of steel and other building materials, rising land prices, the yen's rapid depreciation, and rising interest rates after the end of negative interest rates are all creating challenges. All these events are also having a big social and economic impact. Many problems involving housing exist in Japan, including the falling population, labor shortage linked to working style reforms and rising number of abandoned houses.

Operations of the Sanyo Homes Group will continue to adhere to the vision statement of "remaining an essential member of society," the slogan "housing for the wellbeing of people and the earth," and the "ECO & SAFETY" business concept. We are dedicated to protecting the environment while meeting the needs of our customers. We will continue to evolve and innovate and to increase the added value of our products and services in order to achieve the steady growth of corporate value.

## **(2) Analysis of Financial Position**

### 1) Assets, Liabilities and Net Assets

Total assets decreased 3,507 million yen from the end of the previous fiscal year to 46,406 million yen at the end of the current fiscal year on a consolidated basis. The main factors were decreases of 1,612 million yen in cash and deposits, 395 million yen in notes receivable, accounts receivable from completed construction contracts and other and 1,542 million yen in real estate for sale in process.

Total liabilities decreased 3,894 million yen from the end of the previous fiscal year to 31,501 million yen. The main factors were a net decrease of 4,743 million yen in long- and short-term borrowings, which was partially offset by increases of 650 million yen in notes payable, accounts payable for construction contracts and other and 204 million yen in income taxes payable.

Total net assets increased 387 million yen from the end of the previous fiscal year to 14,905 million yen. The main

factors include an increase of 356 million yen in retained earnings. As a result, the equity ratio was 32.1%.

## 2) Cash Flows

Cash and cash equivalents (hereafter “net cash”) decreased 1,612 million yen from the end of the previous fiscal year to 10,439 million yen at the end of the current fiscal year on a consolidated basis. This net decrease of 1,612 million yen can be explained by a cash inflow of 3,538 million yen from operating activities, which was partially offset by cash outflows of 16 million yen from investing activities and 5,134 million yen from financing activities.

A summary of cash flows and major components are as follows.

### *Cash flows from operating activities*

For the current fiscal year, net cash provided by operating activities totaled 3,538 million yen (compared with net cash provided of 2,555 million yen in the previous fiscal year). The main factors were profit before income taxes of 921 million yen, a 650 million yen increase in trade payables and a 1,413 million yen decrease in inventories.

### *Cash flows from investing activities*

For the current fiscal year, net cash used in investing activities totaled 16 million yen (compared with net cash used of 117 million yen in the previous fiscal year). The main factor was the purchase of property, plant and equipment of 17 million yen.

### *Cash flows from financing activities*

For the current fiscal year, net cash used in financing activities totaled 5,134 million yen (compared with net cash provided of 1,776 million yen in the previous fiscal year). The main factors were net repayments of 4,743 million yen from long- and short-term borrowings, cash dividends paid of 291 million yen and redemption of bonds of 100 million yen.

## **(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years**

The distribution of earnings to shareholders is one of our highest priorities. The basic policy is to pay a consistent dividend to shareholders while retaining sufficient earnings for sustaining growth and building a sound infrastructure for our operations.

Regarding the profit distribution for the current fiscal year, we will follow the above policy and pay the annual total dividend of 25 yen per share. We have made this decision because we are keen on ensuring the shareholder return while improving the financial soundness through increasing shareholders' equity. As for the dividend for the next fiscal year, we plan to pay the annual total dividend of 25 yen per share, the same amount as for the current fiscal year.

## **2. Basic Approach to the Selection of Accounting Standards**

The Sanyo Homes Group will continue to prepare consolidated financial statements based on generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	13,252,669	11,639,820
Notes receivable, accounts receivable from completed construction contracts and other	1,962,089	1,566,406
Real estate for sale	9,651,084	9,729,182
Real estate for sale in process	18,129,054	16,586,732
Costs on construction contracts in progress	115,568	134,435
Other inventories	171,532	203,694
Prepaid expenses	325,925	290,092
Other	451,789	558,686
Allowance for doubtful accounts	(476)	(1,032)
Total current assets	44,059,237	40,708,018
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,219,720	2,104,222
Land	1,083,287	1,083,287
Other, net	61,755	52,417
Total property, plant and equipment	3,364,763	3,239,927
Intangible assets		
Software	36,527	68,714
Other	24,832	11,632
Total intangible assets	61,359	80,347
Investments and other assets		
Investment securities	31,340	31,340
Deferred tax assets	922,926	905,995
Other	1,477,942	1,445,460
Allowance for doubtful accounts	(3,740)	(4,493)
Total investments and other assets	2,428,467	2,378,302
Total non-current assets	5,854,590	5,698,577
Total assets	49,913,828	46,406,595

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,964,536	6,615,168
Short-term borrowings	4,408,000	4,678,000
Current portion of long-term borrowings	5,883,000	6,100,000
Current portion of bonds payable	100,000	100,000
Accrued expenses	420,170	506,012
Income taxes payable	104,893	309,353
Advances received on construction contracts in progress	3,343,944	3,425,564
Advances received	378,620	270,224
Provision for bonuses	124,679	327,307
Provision for share awards	-	60,320
Provision for warranties for completed construction	106,200	106,900
Other	1,204,226	1,045,070
<b>Total current liabilities</b>	<b>22,038,270</b>	<b>23,543,920</b>
<b>Non-current liabilities</b>		
Long-term borrowings	11,051,000	5,821,000
Bonds payable	300,000	200,000
Deferred tax liabilities	20,297	11,504
Provision for share awards for directors (and other officers)	173,727	180,660
Provision for retirement benefits for directors (and other officers)	10,658	4,900
Retirement benefit liability	1,404,346	1,350,832
Other	397,899	388,738
<b>Total non-current liabilities</b>	<b>13,357,928</b>	<b>7,957,636</b>
<b>Total liabilities</b>	<b>35,396,199</b>	<b>31,501,557</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,945,162	5,945,162
Capital surplus	3,600,398	3,612,399
Retained earnings	6,038,462	6,395,423
Treasury shares	(1,044,598)	(1,032,245)
<b>Total shareholders' equity</b>	<b>14,539,424</b>	<b>14,920,739</b>
<b>Accumulated other comprehensive income</b>		
Remeasurements of defined benefit plans	(21,795)	(15,700)
<b>Total accumulated other comprehensive income</b>	<b>(21,795)</b>	<b>(15,700)</b>
<b>Total net assets</b>	<b>14,517,628</b>	<b>14,905,038</b>
<b>Total liabilities and net assets</b>	<b>49,913,828</b>	<b>46,406,595</b>



**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statement of Income**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	40,970,625	45,860,102
Cost of sales	33,479,129	36,722,392
Gross profit	7,491,496	9,137,709
Selling, general and administrative expenses	7,641,482	8,184,756
Operating profit (loss)	(149,986)	952,953
Non-operating income		
Interest income	5,832	3,541
Rental income	38,951	41,961
Penalty income	8,116	56,243
Subsidy income	37,266	20,775
Other	31,196	27,830
Total non-operating income	121,363	150,352
Non-operating expenses		
Interest expenses	132,362	142,508
Other	30,323	25,574
Total non-operating expenses	162,686	168,083
Ordinary profit (loss)	(191,308)	935,222
Extraordinary losses		
Loss on retirement of non-current assets	1,046	461
Impairment losses	80,314	13,717
Total extraordinary losses	81,360	14,178
Profit (loss) before income taxes	(272,669)	921,043
Income taxes-current	103,493	267,123
Income taxes-deferred	(130,501)	5,453
Total income taxes	(27,008)	272,576
Profit (loss)	(245,661)	648,467
Profit (loss) attributable to owners of parent	(245,661)	648,467

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Profit (loss)	(245,661)	648,467
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(7,840)	6,095
Total other comprehensive income	(7,840)	6,095
Comprehensive income	(253,501)	654,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(253,501)	654,562
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,945,162	3,600,398	6,575,630	(1,059,181)	15,062,009	(13,955)	(13,955)	15,048,053
Changes during period								
Dividends of surplus			(291,506)		(291,506)		-	(291,506)
Loss attributable to owners of parent			(245,661)		(245,661)		-	(245,661)
Purchase of treasury shares					-		-	-
Disposal of treasury shares				14,582	14,582		-	14,582
Net changes in items other than shareholders' equity					-	(7,840)	(7,840)	(7,840)
Total changes during period	-	-	(537,168)	14,582	(522,585)	(7,840)	(7,840)	(530,425)
Balance at end of period	5,945,162	3,600,398	6,038,462	(1,044,598)	14,539,424	(21,795)	(21,795)	14,517,628

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,945,162	3,600,398	6,038,462	(1,044,598)	14,539,424	(21,795)	(21,795)	14,517,628
Changes during period								
Dividends of surplus			(291,506)		(291,506)			(291,506)
Profit attributable to owners of parent			648,467		648,467			648,467
Purchase of treasury shares				(180,960)	(180,960)			(180,960)
Disposal of treasury shares		12,000		193,313	205,313			205,313
Net changes in items other than shareholders' equity					-	6,095	6,095	6,095
Total changes during period	-	12,000	356,961	12,353	381,314	6,095	6,095	387,409
Balance at end of period	5,945,162	3,612,399	6,395,423	(1,032,245)	14,920,739	(15,700)	(15,700)	14,905,038

**(4) Consolidated Statement of Cash Flows**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	(272,669)	921,043
Depreciation	162,191	159,807
Impairment losses	80,314	13,717
Increase (decrease) in provision for bonuses	(93,635)	202,627
Interest income	(5,880)	(3,589)
Interest expenses	132,362	142,508
Decrease (increase) in trade receivables	610,823	395,682
Decrease (increase) in inventories	662,290	1,413,195
Increase (decrease) in trade payables	1,926,097	650,632
Increase (decrease) in advances received on construction contracts in progress	(747,459)	81,619
Increase (decrease) in advances received	188,574	(108,396)
Decrease (increase) in prepaid expenses	7,998	35,025
Decrease (increase) in accounts receivable-other	62,041	(5,837)
Increase (decrease) in accrued consumption taxes	268,703	(508,539)
Increase (decrease) in deposits received	(21,340)	313,571
Other, net	(167,453)	68,973
Subtotal	2,792,959	3,772,042
Interest and dividends received	5,989	4,643
Interest paid	(132,438)	(143,829)
Income taxes paid	(110,635)	(94,791)
Net cash provided by (used in) operating activities	2,555,874	3,538,064
Cash flows from investing activities		
Payments into time deposits	(1,200,000)	(1,200,000)
Proceeds from withdrawal of time deposits	1,200,000	1,200,000
Purchase of property, plant and equipment	(107,107)	(17,893)
Other, net	(10,695)	1,398
Net cash provided by (used in) investing activities	(117,803)	(16,495)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,062,000)	270,000
Proceeds from long-term borrowings	8,660,000	2,855,000
Repayments of long-term borrowings	(4,430,000)	(7,868,000)
Redemption of bonds	(100,000)	(100,000)
Proceeds from sale of treasury shares	-	180,960
Purchase of treasury shares	-	(180,960)
Dividends paid	(291,899)	(291,419)
Net cash provided by (used in) financing activities	1,776,100	(5,134,419)
Net increase (decrease) in cash and cash equivalents	4,214,171	(1,612,849)
Cash and cash equivalents at beginning of period	7,838,497	12,052,669
Cash and cash equivalents at end of period	12,052,669	10,439,820

**(5) Notes to Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

## Segment and Other Information

### Segment information

#### 1. Overview of reportable segment

The reportable segments of the Sanyo Homes Group are constituent units of the group for which separate financial information is available and for which the Board of Directors conducts a regular review for the purposes of determining the allocation of management resources and evaluating business performance.

We establish a manufacturing and sales structure for each product and service and conducts business operations based on a comprehensive strategy for all products and services.

Consequently, based on the types of business activities, there are two reportable segments based on products and services: the Housing Business and the Condominium Business.

The Housing Business includes designs, construction supervision and contracting, sales and other activities for housing, asset utilization and residential renovation. The Condominium Business includes the development, sales, rental and other activities for condominium buildings.

#### 2. Calculation methods for net sales, profit or loss, assets, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.”

Profits for reportable segments are operating profit. Inter-segment sales and transfers are determined in the same manner as for general transactions based on market prices.

#### 3. Information related to net sales, profit or loss, assets, and other items for each reportable segments and breakdown of revenue

FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Housing Business	Condominium Business	Subtotal				
Net sales							
Kanto	3,668,950	4,461,730	8,130,681	-	8,130,681	-	8,130,681
Chubu	3,841,452	316,149	4,157,602	-	4,157,602	-	4,157,602
Kinki	10,015,104	6,273,241	16,288,345	-	16,288,345	-	16,288,345
Kyushu	3,444,463	2,605,878	6,050,342	-	6,050,342	-	6,050,342
Other (Not classified)	1,852,572	-	1,852,572	4,141,381	5,993,954	-	5,993,954
Revenue from contracts with customers	22,822,544	13,657,000	36,479,544	4,141,381	40,620,925	-	40,620,925
Other revenue	210,130	104,251	314,381	35,318	349,699	-	349,699
Sales to external customers	23,032,674	13,761,251	36,793,925	4,176,700	40,970,625	-	40,970,625
Inter-segment sales or transfers	10,814	2,160	12,974	12,098	25,073	(25,073)	-
Total	23,043,489	13,763,411	36,806,900	4,188,798	40,995,699	(25,073)	40,970,625
Segment profit (loss)	(5,446)	598,916	593,470	(80,046)	513,423	(663,409)	(149,986)
Segment assets	5,791,079	27,363,636	33,154,716	1,599,440	34,754,156	15,159,671	49,913,828
Other items							
Depreciation and amortization	37,137	13,102	50,240	82,452	132,692	16,130	148,822
Increase in property, plant and equipment and intangible assets	87,274	752,001	839,276	24,894	864,170	5,119	869,290

Notes: 1. The Other segment is businesses which are not included in any reportable segment and mainly consists of lifestyle support services.

2. Adjustments to segment profit (loss) and assets are as follows.

- (1) The negative adjustment of 663,409 thousand yen to segment profit or loss includes company-wide costs that are not allocated to any reportable segment. Company-wide costs consist of general and administrative expenses that cannot be attributable to any reportable segment.
  - (2) The 15,159,671 thousand yen adjustment to segment assets includes company-wide assets that are not allocated to any reportable segment. Company-wide assets mainly include excess working capital, working capital and other assets not attributable to any of the reportable segments.
  - (3) The 16,130 thousand yen adjustment to depreciation and amortization includes depreciation of company-wide assets that cannot be allocated to reportable segments.
  - (4) The 5,119 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures not attributable to any reportable segment.
3. Segment profit (loss) and assets are adjusted for consistency with operating loss and total assets shown on the consolidated financial statements, respectively.

FY3/24 (Apr. 1, 2023 - Mar. 31, 2024) (Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Housing Business	Condominium Business	Subtotal				
Net sales							
Kanto	4,029,833	2,982,138	7,011,971	-	7,011,971	-	7,011,971
Chubu	4,099,356	1,586,268	5,685,625	-	5,685,625	-	5,685,625
Kinki	8,672,391	12,975,536	21,647,927	-	21,647,927	-	21,647,927
Kyushu	2,997,929	1,723,843	4,721,773	-	4,721,773	-	4,721,773
Other (Not classified)	784,670	-	784,670	4,423,197	5,207,867	-	5,207,867
Revenue from contracts with customers	20,584,181	19,267,787	39,851,968	4,423,197	44,275,165	-	44,275,165
Other revenue	219,424	1,314,291	1,533,716	51,219	1,584,936	-	1,584,936
Sales to external customers	20,803,606	20,582,078	41,385,685	4,474,416	45,860,102	-	45,860,102
Inter-segment sales or transfers	64,646	2,160	66,806	17,758	84,564	(84,564)	-
Total	20,868,253	20,584,238	41,452,491	4,492,174	45,944,666	(84,564)	45,860,102
Segment profit (loss)	(483,596)	2,224,458	1,740,862	(38,231)	1,702,630	(749,677)	952,953
Segment assets	5,614,313	25,950,935	31,565,249	1,546,542	33,111,791	13,294,803	46,406,595
Other items							
Depreciation and amortization	34,198	18,446	52,644	79,827	132,472	14,134	146,607
Increase in property, plant and equipment and intangible assets	19,575	285	19,860	4,160	24,021	42,415	66,436

Notes: 1. The Other segment is businesses which are not included in any reportable segment and mainly consists of lifestyle support services.

2. Adjustments to segment profit (loss) and assets are as follows.
  - (1) The negative adjustment of 749,677 thousand yen to segment profit or loss includes company-wide costs that are not allocated to any reportable segment. Company-wide costs consist of general and administrative expenses that cannot be attributable to any reportable segment.
  - (2) The 13,294,803 thousand yen adjustment to segment assets includes company-wide assets that are not allocated to any reportable segment. Company-wide assets mainly include excess working capital, working capital and other assets not attributable to any of the reportable segments.
  - (3) The 14,185 thousand yen adjustment to depreciation and amortization includes depreciation of company-wide assets that cannot be allocated to reportable segments.
  - (4) The 42,415 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures not attributable to any reportable segment.
3. Segment profit (loss) and assets are adjusted for consistency with operating loss and total assets shown on the consolidated financial statements, respectively.

## Related information

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

## 1. Information by product and service

Omitted because the same information is presented in the segment information.

## 2. Information by region

## (1) Sales

Not applicable because there are no sales to external customers outside Japan.

## (2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

## 3. Information by major customer

Omitted because no sales to external customer account for 10% or more of net sales on the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

## 1. Information by product and service

Omitted because the same information is presented in the segment information.

## 2. Information by region

## (1) Sales

Not applicable because there are no sales to external customers outside Japan.

## (2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

## 3. Information by major customer

Omitted because no sales to external customer account for 10% or more of net sales on the consolidated statement of income.

## Information related to impairment loss on non-current assets for each reportable segment

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Housing Business	Condominium Business	Other	Elimination or corporate	Total
Impairment loss	79,847	-	466	-	80,314

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Housing Business	Condominium Business	Other	Elimination or corporate	Total
Impairment loss	13,717	-	-	-	13,717

## Information related to amortized amounts and the unamortized balance of goodwill for each reportable segment

Not applicable.

## Information related to gain on bargain purchase for each reportable segment

Not applicable.



**Per Share Information**

(Yen)

	FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 - Mar. 31, 2024)
Net assets per share	1,308.19	1,338.62
Net income (loss) per share	(22.15)	58.31

- Notes: 1. Diluted net income per share for FY3/24 is not presented since we have no outstanding dilutive securities. Diluted net income per share in FY3/23 is not presented since we have no outstanding dilutive securities, and posted a net loss.
2. For the purpose of calculating the amounts of net assets per share, the number of shares of the Company held by the Incentive Plan Trust (FY3/23: 562,795 shares, FY3/24: 765,645 shares) was included in the number of treasury shares, which was to be deducted from the calculation of the number of shares issued at the end of the period. For the purpose of calculating the amounts of net income (loss) per share, the number of shares of the Company held by the said Trust was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (FY3/23: 570,524 shares, FY3/24: 565,170 shares).

3. The basis of calculating the net assets per share is as follows:

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Total net assets (Thousands of yen)	14,517,628	14,905,038
Deduction on total net assets (Thousands of yen) [of which, share acquisition rights (Thousands of yen)]	- [-]	- [-]
Net assets at the end of the fiscal year applicable to common stock (Thousands of yen)	14,517,628	14,905,038
Number of shares of common stock used in calculation of net assets per share (Shares)	11,097,464	11,134,614

4. The basis of calculating the net income (loss) per share is as follows:

	FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 - Mar. 31, 2024)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(245,661)	648,467
Profit not attributable to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to common shareholders of parent (Thousands of yen)	(245,661)	648,467
Average number of common shares outstanding during the period (Shares)	11,089,735	11,121,275
Summary of potential shares not included in the calculation of diluted net income per share due to no dilutive effect	-	-

**Subsequent Events**

Not applicable.

#### 4. Other Information

Orders received, sales and order backlog in FY3/24 are broken down by segment as follows.

##### 1) Orders Received

Operating segment	Orders received (Thousands of yen)	Year-on-year (%)
Housing Business	20,481,981	92.8
Condominium Business	21,856,588	124.9
Other	4,474,416	107.1
Total	46,812,986	107.0

Notes: 1. Inter-segment transactions have been eliminated.

2. No order backlog is shown in the “Other” segment because net sales are the same as the orders received.

Orders received by region are as follows. (Thousands of yen)

Kanto area	Chubu area	Kinki area	Kyushu area	Total
7,302,580	5,959,184	28,025,282	5,525,939	46,812,986

##### 2) Sales

Operating segment	Sales (Thousands of yen)	Year-on-year (%)
Housing Business	20,803,606	90.3
Condominium Business	20,582,078	149.6
Other	4,474,416	107.1
Total	45,860,102	111.9

Note: Inter-segment transactions have been eliminated.

##### 3) Order backlog

Operating segment	Order backlog (Thousands of yen)	Year-on-year (%)
Housing Business	12,255,484	97.4
Condominium Business	11,188,283	112.9
Total	23,443,768	104.2

Note: No order backlog is shown in the “Other” segment because net sales are the same as the orders received.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*