

May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (FY3/25)

[Japanese GAAP]

Company name: Sanyo Homes Corporation

Listing: Tokyo Stock Exchange

Securities code: 1420

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Scheduled date of Annual General Meeting of Shareholders:

June 26, 2025

Scheduled date of payment of dividend:

June 5, 2025

Scheduled date of filing of Annual Securities Report:

June 25, 2025

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 FY3/25 (April 1, 2024 – March 31, 2025)

(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	%
FY3/25	45,518	(0.7)	956	0.3	1,167	24.9	673	3.8
FY3/24	45,860	11.9	952	-	935	-	648	-

Note: Comprehensive income (million yen)

FY3/25: 659 (up 0.8%)

FY3/24: 654 (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
FY3/25	60.21	-	4.5	2.4	2.1
FY3/24	58.31	-	4.4	1.9	2.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	50,553	15,321	30.3	1,367.23
As of Mar. 31, 2024	46,406	14,905	32.1	1,338.62

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2025: 15,321

As of Mar. 31, 2024: 14,905

(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
FY3/25	(2,371)	(46)	1,210	9,232
FY3/24	3,538	(16)	(5,134)	10,439

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	%	%
FY3/24	-	0.00	-	25.00	25.00	297	42.9	1.9
FY3/25	-	0.00	-	25.00	25.00	297	41.5	1.8
FY3/26 (forecasts)	-	0.00	-	25.00	25.00		23.4	

3. Consolidated Forecast for FY3/26 (April 1, 2025 – March 31, 2026)

(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	61,000	34.0	2,000	109.2	1,800	54.1	1,200	78.3	107.09

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 2025: 12,620,000 shares As of Mar. 31, 2024: 12,620,000 shares

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

As of Mar. 31, 2025: 1,414,086 shares As of Mar. 31, 2024: 1,485,386 shares

3) Average number of shares outstanding during the period

FY3/25: 11,179,142 shares FY3/24: 11,121,275 shares

Note: Number of treasury shares at the end of the period includes the Company shares held by the Incentive Plan Trust (FY3/25: 694,345 shares, FY3/24: 765,645 shares). The Company shares held by the said Trust (FY3/25: 721,117 shares, FY3/24: 565,170 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 FY3/25 (April 1, 2024 – March 31, 2025)

(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	%
FY3/25	33,807	(1.8)	719	(13.8)	924	15.3	586	3.1
FY3/24	34,426	13.8	834	-	801	-	569	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/25	52.51	-
FY3/24	51.20	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	48,244	13,886	28.8	1,239.23
As of Mar. 31, 2024	44,107	13,543	30.7	1,216.34

Reference: Shareholders' equity (million yen) As of Mar. 31, 2025: 13,886 As of Mar. 31, 2024: 13,543

* 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

During the fiscal year ended in March 2025, the Japanese economy remained on a moderate recovery path amid improvement in the employment and income situation on the back of improvement of the labor market and higher minimum wages. However, the economic outlook remains uncertain given the continuing cost-of-living crisis and rising interest rates, global tensions and, most recently, U.S. tariff policy.

In Japan's housing sector, the average cost of land nationwide in Japan in the March 2025 official land price announcement rose 2.7% from one year earlier while in the three metropolitan areas, the average land price rose 4.3%. Both residential and commercial land prices grew for the fourth consecutive year. Interest rates on home loans also continue to trend upward. Given also stubbornly high prices for materials and rising labor costs, the market outlook is unclear.

Guided by the vision statement “remaining an essential member of society” and the slogan “housing for the wellbeing of people and the earth,” the Sanyo Homes Group aims to achieve sustainable growth and enhancement of corporate value by contributing to society through its business activities, while also actively working to reduce greenhouse gases. Additionally, in March 2025, the Sanyo Homes Group was recognized as the 2025 KENKO Investment for Health Outstanding Organizations (Large Enterprise Category) and has now been certified for two consecutive years. The Group was also awarded Kurumin certification.

As a result, operating results for the current fiscal year were net sales of 45,518 million yen, down 0.7% from one year earlier, operating profit of 956 million yen, up 0.3% from one year earlier, ordinary profit of 1,167 million yen, up 24.9% from one year earlier, and profit attributable to owners of parent of 673 million yen, up 3.8% from one year earlier.

Business Segment Overview

Business segment performance is as follows.

In the housing sector, we put the business concept ECO & SAFETY into practice through our products. These include economically efficient W-eco design products that both protect the environment and reduce expenses. We also offer disaster resistant housing products with a hybrid structure consisting of reinforced concrete for the first floor and light steel framing for the upper floors. This structure is designed to withstand flood damage, earthquakes, typhoons, fires and other disasters. The net zero energy house (ZEH) ratio for newly built houses in the current fiscal year was 95% compared with 97% in the previous fiscal year. Our goal is to reach 100%.

In the real estate solutions sector, we used the Well Joint System to match land owners and business operators, and focused on winning orders for large-scale facilities (nursing care facilities, medical malls, company housing and shopping centers) made using the light-gauge steel structure construction method. We also proposed distinctive housing such as economically efficient W-eco design rental housing and garage housing. For rental apartment buildings, the ZEH ratio increased from 93% in the previous fiscal year to 98% in the current fiscal year. This ratio excludes garage housing, which are structures unable to comply with the ZEH standard.

In the renovation sector, we sought to expand orders received through energy creation initiatives (solar power generation, battery storage systems), energy-saving initiatives (all-electric home, insulation renovation, energy-saving equipment), safety initiatives (flood resistant and earthquake resistant renovation, renovation for accessibility, soundproofing) and security initiatives (security upgrades, renovation focused on health and wellbeing, security systems). We also aim for further expansion through pursuit of certification by the Ministry of the Environment as a Green Life Point company and participation in the Home Energy Conservation 2025 Campaign of three Japanese government ministries (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, Ministry of the Environment).

In the residential renewal and resale (sale of existing houses) sector, we actively promoted proposals of Renewal Cycle Carbon Minus Houses in order to move away from the scrap-and-build approach and create a sustainable housing cycle that reduces embodied carbon. We also established our own standards and actively acquired existing

housing within certain areas and price brackets.

In the frontier business sector, the Company's subsidiary Sanyo Architec Corporation sells and installs solar power, storage batteries and other environmentally responsible energy facilities and structural steel frames.

As a result, the Housing Business segment reported sales of 20,189 million yen, down 3.0% from one year earlier, and operating profit of 5 million yen, improving 489 million yen from the level a year earlier.

In the Condominium Business segment, the construction of seven condominium buildings, including SANMAISON KORIEKIMAE (Neyagawa, Osaka; 153 units) completed in March as planned, was completed during the current fiscal year compared with seven in the previous fiscal year. Sales were mostly unchanged from one year earlier, while operating profit fell due mainly to rising construction costs. We plan to complete the construction of seven condominium buildings during the fiscal year ending in March 2026.

Progress is continuing in this business regarding the construction of net zero energy house-mansion (condominiums) (ZEH-M), with four buildings meeting ZEH-M requirements in the current fiscal year.

As a result, sales in the Condominium Business segment were 20,534 million yen, down 0.2% from one year earlier, and operating profit was 1,732 million yen, down 22.1% 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.

Sales in the other businesses segment were 4,795 million yen, up 7.2% from one year earlier, and operating profit was 29 million yen, improving 67 million yen from one year earlier.

Forecasts for the Next Fiscal Year

The business climate in Japan's housing market in the fiscal year ending in March 2026 is expected to remain uncertain given the stubbornly high cost of steel and other building materials, rising labor costs, volatile exchange rates, and rising interest rates after the end of negative interest rates. All these events are having a big social and economic impact.

There are also issues to be addressed such as a shrinking working population reflecting acceleration of birth rate decline and population aging, and the rise in single-person households due to changes in the household structure. For the construction industry, the reduction of greenhouse gases is a major challenge.

Under such conditions, the Sanyo Homes Group will 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. The Group will work with customers to resolve issues surrounding housing and living. As a life partner that is always there in face of changing ways of living, the Group will increase the added value of products and services in order to achieve the sustainable growth of corporate value.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets increased 4,146 million yen from the end of the previous fiscal year to 50,553 million yen at the end of the current fiscal year. The main factors were increases of 607 million yen in real estate for sale and 4,900 million yen in real estate for sale in process, partially offset by a decrease of 1,207 million yen in cash and deposits.

Total liabilities increased 3,730 million yen from the end of the previous fiscal year to 35,232 million yen. The main factors were increases of 1,742 million yen in electronically recorded obligations - operating, 1,608 million yen in long- and short-term borrowings (net), 319 million yen in advances received on construction contracts in progress, and 414 million yen in advances received, partially offset by a decrease of 413 million yen in notes payable, accounts payable for construction contracts and other.

Total net assets were 15,321 million yen, an increase of 416 million yen from the end of the previous fiscal year. The main factors include an increase of 375 million yen in retained earnings. As a result, the equity ratio was 30.3%.

2) Cash flows

Cash and cash equivalents (hereafter “net cash”) decreased 1,207 million yen from the end of the previous fiscal year to 9,232 million yen at the end of the current fiscal year on a consolidated basis. This net decrease of 1,207 million yen can be explained by a cash outflow of 2,371 million yen from operating activities and a cash outflow of 46 million yen from investing activities, partially offset by a cash inflow of 1,210 million yen from financing activities.

The cash flows in the current fiscal year and factors relating to each are as follows.

Cash flows from operating activities

Net cash used in operating activities in the current fiscal year totaled 2,371 million yen (compared with net cash provided of 3,538 million yen in the previous fiscal year). The main factors were profit before income taxes of 1,084 million yen, a 1,329 million yen increase in trade payables, a 319 million yen increase in advances received on construction contracts in progress, a 414 million yen increase in advances received, and a 5,484 million yen increase in inventories.

Cash flows from investing activities

Net cash used in investing activities in the current fiscal year totaled 46 million yen (compared with net cash used of 16 million yen in the previous fiscal year). The main factors included proceeds from sale of non-current assets of 34 million yen, proceeds from collection of guarantee deposits of 58 million yen, and purchase of property, plant and equipment and intangible assets of 139 million yen.

Cash flows from financing activities

Net cash provided by financing activities in the current fiscal year totaled 1,210 million yen (compared with net cash used of 5,134 million yen in the previous fiscal year). The main factors were a net proceeds of 1,608 million yen from long- and short-term borrowings, cash dividends paid of 297 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)	
	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	11,639,820	10,432,054
Notes receivable, accounts receivable from completed construction contracts and other	1,566,406	1,877,077
Real estate for sale	9,729,182	10,336,898
Real estate for sale in process	16,586,732	21,486,976
Costs on construction contracts in progress	134,435	117,219
Other inventories	203,694	196,988
Prepaid expenses	290,092	271,398
Other	558,686	574,368
Allowance for doubtful accounts	(1,032)	(1,579)
Total current assets	40,708,018	45,291,402
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,104,222	1,977,058
Land	1,083,287	1,065,888
Other, net	52,417	43,296
Total property, plant and equipment	3,239,927	3,086,243
Intangible assets		
Software	68,714	56,813
Other	11,632	3,932
Total intangible assets	80,347	60,746
Investments and other assets		
Investment securities	31,340	30,140
Deferred tax assets	905,995	732,236
Other	1,445,460	1,367,538
Allowance for doubtful accounts	(4,493)	(15,067)
Total investments and other assets	2,378,302	2,114,847
Total non-current assets	5,698,577	5,261,838
Total assets	46,406,595	50,553,241

	(Thousands of yen)	
	FY3/24	FY3/25
	(As of Mar. 31, 2024)	(As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,615,168	6,202,066
Electronically recorded obligations - operating	-	1,742,175
Short-term borrowings	4,678,000	3,690,000
Current portion of long-term borrowings	6,100,000	4,604,000
Current portion of bonds payable	100,000	100,000
Accrued expenses	506,012	536,169
Income taxes payable	309,353	243,409
Advances received on construction contracts in progress	3,425,564	3,744,595
Advances received	270,224	684,243
Provision for bonuses	327,307	367,596
Provision for share awards	60,320	60,320
Provision for warranties for completed construction	106,900	66,600
Other	1,045,070	1,275,172
Total current liabilities	23,543,920	23,316,348
Non-current liabilities		
Long-term borrowings	5,821,000	9,913,000
Bonds payable	200,000	100,000
Deferred tax liabilities	11,504	5,990
Provision for share awards for directors (and other officers)	180,660	213,173
Provision for retirement benefits for directors (and other officers)	4,900	6,350
Retirement benefit liability	1,350,832	1,271,229
Other	388,738	406,052
Total non-current liabilities	7,957,636	11,915,796
Total liabilities	31,501,557	35,232,144
Net assets		
Shareholders' equity		
Share capital	5,945,162	5,945,162
Capital surplus	3,612,399	3,612,399
Retained earnings	6,395,423	6,770,994
Treasury shares	(1,032,245)	(978,485)
Total shareholders' equity	14,920,739	15,350,070
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(15,700)	(28,974)
Total accumulated other comprehensive income	(15,700)	(28,974)
Total net assets	14,905,038	15,321,096
Total liabilities and net assets	46,406,595	50,553,241

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

	(Thousands of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023 – Mar. 31, 2024)	(Apr. 1, 2024 – Mar. 31, 2025)
Net sales	45,860,102	45,518,339
Cost of sales	36,722,392	36,282,640
Gross profit	9,137,709	9,235,699
Selling, general and administrative expenses	8,184,756	8,279,664
Operating profit	952,953	956,034
Non-operating income		
Interest income	3,541	5,759
Rental income	41,961	48,413
Penalty income	56,243	341,804
Other	48,606	44,525
Total non-operating income	150,352	440,503
Non-operating expenses		
Interest expenses	142,508	206,688
Other	25,574	22,091
Total non-operating expenses	168,083	228,779
Ordinary profit	935,222	1,167,758
Extraordinary income		
Gain on sale of non-current assets	-	4,741
Total extraordinary income	-	4,741
Extraordinary losses		
Loss on retirement of non-current assets	461	0
Impairment losses	13,717	88,041
Total extraordinary losses	14,178	88,041
Profit before income taxes	921,043	1,084,458
Income taxes - current	267,123	236,746
Income taxes - deferred	5,453	174,633
Total income taxes	272,576	411,380
Profit	648,467	673,078
Profit attributable to owners of parent	648,467	673,078

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023 – Mar. 31, 2024)	(Apr. 1, 2024 – Mar. 31, 2025)
Profit	648,467	673,078
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	6,095	(13,274)
Total other comprehensive income	6,095	(13,274)
Comprehensive income	654,562	659,803
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	654,562	659,803
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(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	3,612,399	6,395,423	(1,032,245)	14,920,739	(15,700)	(15,700)	14,905,038
Changes during period								
Dividends of surplus			(297,506)		(297,506)		-	(297,506)
Profit attributable to owners of parent			673,078		673,078		-	673,078
Purchase of treasury shares					-		-	-
Disposal of treasury shares				53,760	53,760		-	53,760
Net changes in items other than shareholders' equity					-	(13,274)	(13,274)	(13,274)
Total changes during period	-	-	375,571	53,760	429,331	(13,274)	(13,274)	416,057
Balance at end of period	5,945,162	3,612,399	6,770,994	(978,485)	15,350,070	(28,974)	(28,974)	15,321,096

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/24	FY3/25
	(Apr. 1, 2023 – Mar. 31, 2024)	(Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	921,043	1,084,458
Depreciation	159,807	163,518
Impairment losses	13,717	88,041
Increase (decrease) in provision for bonuses	202,627	40,288
Interest income	(3,589)	(5,879)
Interest expenses	142,508	206,688
Decrease (increase) in trade receivables	395,682	(310,670)
Decrease (increase) in inventories	1,413,195	(5,484,038)
Increase (decrease) in trade payables	650,632	1,329,073
Increase (decrease) in advances received on construction contracts in progress	81,619	319,031
Increase (decrease) in advances received	(108,396)	414,018
Decrease (increase) in prepaid expenses	35,025	19,106
Decrease (increase) in accounts receivable-other	(5,837)	(15,962)
Increase (decrease) in accrued consumption taxes	(508,539)	15,239
Increase (decrease) in deposits received	313,571	235,635
Other, net	68,973	43,202
Subtotal	3,772,042	(1,858,248)
Interest and dividends received	4,643	5,769
Interest paid	(143,829)	(208,009)
Income taxes paid	(94,791)	(311,107)
Net cash provided by (used in) operating activities	3,538,064	(2,371,596)
Cash flows from financing 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	(17,893)	(84,556)
Other, net	1,398	38,088
Net cash provided by (used in) investing activities	(16,495)	(46,468)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	270,000	(988,000)
Proceeds from long-term borrowings	2,855,000	10,682,000
Repayments of long-term borrowings	(7,868,000)	(8,086,000)
Redemption of bonds	(100,000)	(100,000)
Proceeds from sale of treasury shares	180,960	-
Purchase of treasury shares	(180,960)	-
Dividends paid	(291,419)	(297,700)
Net cash provided by (used in) financing activities	(5,134,419)	1,210,299
Net increase (decrease) in cash and cash equivalents	(1,612,849)	(1,207,765)
Cash and cash equivalents at beginning of period	12,052,669	10,439,820
Cash and cash equivalents at end of period	10,439,820	9,232,054

(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 activities such as design, construction supervision, contracting and sales for detached houses, rental and welfare housing, and residential renovation, as well as residential renewal and resale (sale of existing houses) and frontier business. The Condominium Business includes 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

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

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (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 asset	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 14,134 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.

FY3/25 (Apr. 1, 2024 - Mar. 31, 2025)

(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	4,628,979	3,563,786	8,192,766	-	8,192,766	-	8,192,766
Chubu	3,242,813	1,696,609	4,939,422	-	4,939,422	-	4,939,422
Kinki	8,033,638	12,975,252	21,008,891	-	21,008,891	-	21,008,891
Kyushu	3,157,659	2,141,825	5,299,485	-	5,299,485	-	5,299,485
Other (Not classified)	928,938	-	928,938	4,719,625	5,648,563	-	5,648,563
Revenue from contracts with customers	19,992,030	20,377,474	40,369,505	4,719,625	45,089,130	-	45,089,130
Other revenue	197,207	156,613	353,820	75,388	429,209	-	429,209
Sales to external customers	20,189,237	20,534,088	40,723,325	4,795,013	45,518,339	-	45,518,339
Inter-segment sales or transfers	67,611	2,160	69,771	10,279	80,051	(80,051)	-
Total	20,256,849	20,536,248	40,793,097	4,805,293	45,598,390	(80,051)	45,518,339
Segment profit	5,748	1,732,617	1,738,366	29,393	1,767,759	(811,724)	956,034
Segment assets	5,864,889	29,956,275	35,821,165	1,448,652	37,269,817	13,283,423	50,553,241
Other items							
Depreciation and amortization	40,078	18,410	58,489	82,969	141,458	14,359	155,818
Increase in property, plant and equipment and intangible asset	105,800	-	105,800	1,856	107,656	-	107,656

- 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 and assets are as follows.
- (1) The negative adjustment of 811,724 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 13,283,423 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 14,359 thousand yen adjustment to depreciation and amortization includes depreciation of company-wide assets that cannot be allocated to reportable segments.
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

FY3/24 (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.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

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

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Thousands of yen)

	Housing Business	Condominium Business	Other	Elimination or corporate	Total
Impairment loss	88,041	-	-	-	88,041

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)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	1,338.62	1,367.23
Net income per share	58.31	60.21

Notes: 1. Diluted net income per share is not presented since we have no outstanding dilutive securities.

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 (FY3/24: 765,645 shares, FY3/25: 694,345 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 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 (FY3/24: 565,170 shares, FY3/25: 721,117 shares).

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

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Total net assets (Thousands of yen)	14,905,038	15,321,096
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)	14,905,038	15,321,096
Number of shares of common stock used in calculation of net assets per share (Shares)	11,134,614	11,205,914

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

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	648,467	673,078
Profit not attributable to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to common shareholders of parent (Thousands of yen)	648,467	673,078
Average number of common shares outstanding during the period (Shares)	11,121,275	11,179,142
Summary of potential shares not included in the calculation of diluted profit per share due to no dilutive effect	-	-

Subsequent Events

Not applicable.

4. Other Information

Orders received, sales and order backlog in FY3/25 are broken down by segment as follows.

1) Orders Received

Operating segment	Orders received (Thousands of yen)	Year-on-year (%)
Housing Business	20,624,979	100.7
Condominium Business	21,543,268	98.6
Other	4,795,013	107.2
Total	46,963,262	100.3

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
12,096,727	5,145,708	23,299,861	6,420,964	46,963,262

2) Sales

Operating segment	Sales (Thousands of yen)	Year-on-year (%)
Housing Business	20,189,237	97.0
Condominium Business	20,534,088	99.8
Other	4,795,013	107.2
Total	45,518,339	99.3

Note: Inter-segment transactions have been eliminated.

3) Order backlog

Operating segment	Order backlog (Thousands of yen)	Year-on-year (%)
Housing Business	12,691,226	103.6
Condominium Business	12,197,464	109.0
Total	24,888,690	106.2

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.