



MEIWA ESTATE Co., Ltd. (8869)
Financial Results for Q3 FY03/23



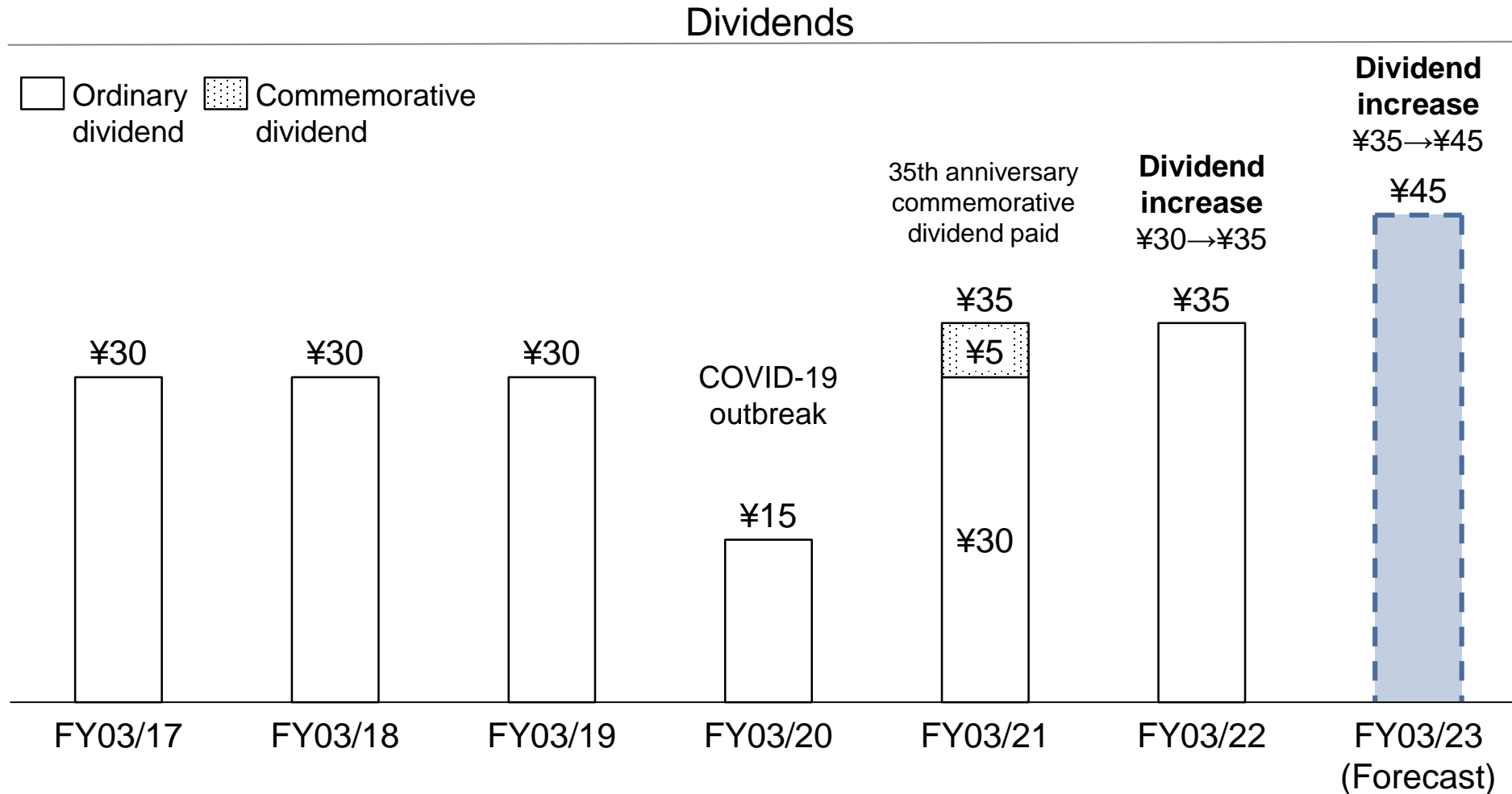
February 13, 2023

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- **The full-year forecast for FY03/23 has been revised upward.**
 - **Increase in both net sales and profits: Net sales ¥62.3 billion, ordinary profit ¥4.6 billion, profit attributable to owners of parent ¥3.8 billion, earnings per share ¥162.06.**
- **On January 16, the dividend forecast was revised upward from ¥35 to ¥45 per share (+¥10 YoY).**
- **Contracts have been concluded by Q2 for sales scheduled to be recorded in the Residential Development business.**
- **The Residential Development business is performing robustly, and supply and contracts increased YoY.**
- **The Real Estate Agency business continues to achieve double-digit growth.**
- **In the Condominium Management business, switchover from other property management companies saw a six-fold increase YoY. Performance is steady.**
- **Net sales and profits declined YoY in Q3 consolidated financial results. (Due to delivery of new condominiums being concentrated in Q4 this fiscal year.)**

Shareholder Returns

- A revised dividend forecast (increase) was announced on January 16, 2023.
We plan to pay dividends of ¥45 per share for FY03/23 (from the previous forecast of ¥35 to ¥45).



- The introduction of a shareholder benefit program was announced in December 2022.
- Points will be rewarded based on the number of shares held as of March 31 each year.

Shareholder benefit points are rewarded based on the number of shares held

Number of shares held	Benefit points	Timing of reward
600 shares to 699 shares	4,000 points	Early May 2023
700 shares to 799 shares	6,000 points	
800 shares to 1,499 shares	12,000 points	
1,500 shares to 1,999 shares	20,000 points	
2,000 shares to 2,499 shares	25,000 points	
2,500 shares to 2,999 shares	30,000 points	
3,000 shares or more	50,000 points	

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Consolidated Financial Results

■ Forecast of Consolidated Financial Results for Full-Year FY03/23

The revised forecast of the consolidated financial results was announced on February 13, 2023. **Net sales and profits are expected to increase.**

Net sales: ¥62.3 billion (up 8.9% YoY) **Operating profit: ¥5.9 billion** (up 41.5% YoY)

Ordinary profit: ¥4.6 billion (up 45.6% YoY).

- Contracts at the end of Q3 amounted to **102% of the full-year condominium net sales forecast.**

■ Financial Results for FY03/23 Q3 (Consolidated)

Due to the concentration of condominium deliveries in Q4, Q3 net sales and profits declined YoY.

Net sales: ¥28.1 billion (down ¥4.7 billion YoY) **Operating profit: ¥0.4 billion** (down ¥0.9 billion YoY)

Ordinary loss: ¥0.5 billion (down ¥1.1 billion YoY).

Full-Year Forecast of Consolidated Financial Results

- The revised full-year forecast of consolidated financial results has been announced.
- Net sales have been revised upward to ¥62.3 billion, ordinary profit to ¥4.6 billion, and profit attributable to owners of parent to ¥3.8 billion.

(Millions of yen)

	Initial full-year FY03/23 forecast (Announced May 12, 2022)	Revised full-year FY03/23 forecast (Announced February 13, 2023)	Change from initial forecast	(Reference) Full-year FY03/22 actual	Change (vs FY03/22 actual)	Change (%)
Net sales	61,600	62,300	700	57,209	5,090	8.9%
Gross profit	15,000	15,200	200	12,932	2,267	17.5%
(Gross profit margin)	(24.4%)	(24.4%)	(-)	(22.6%)	(1.8P)	-
SG&A expenses	10,000	9,300	-700	8,762	537	6.1%
Operating profit	5,000	5,900	900	4,169	1,730	41.5%
(Operating profit margin)	(8.1%)	(9.5%)	(1.4pp)	(7.3%)	(2.2%)	-
Ordinary profit	3,700	4,600	900	3,160	1,439	45.6%
(Ordinary profit margin)	(6.0%)	(7.4%)	(1.4pp)	(5.5%)	(1.9P)	-
Profit attributable to owners of parent	3,100	3,800	700	2,597	1,202	46.3%
(Profit margin)	(5.0%)	(6.1%)	(1.1pp)	(4.5%)	(1.6P)	-

Reason for revision

- In our core business of newly built condominiums, sales of properties that are scheduled to be recorded in the current fiscal year are progressing favorably. As a result, net sales have been revised as above. In addition, as selling, general and administrative expenses are expected to be slightly lower than the initial forecast, each profit below operating profit has been revised as above.

Note: The above earnings forecast is based on information available as of the publication date of this document. Actual results may differ from this forecast due to various factors. In the future, if it is judged necessary to revise the earnings forecast, the Company will disclose it promptly.

Consolidated Financial Results

- Net sales: ¥28.1 billion (down ¥4.7 billion YoY)
- Operating profit: ¥403 million (down ¥940 million YoY), Ordinary loss: ¥535 million (down ¥1.1 billion YoY)

(Millions of yen)

	Q3 FY03/22 actual (Cons.)	Q3 FY03/23 actual (Cons.)	Change	Change (%)
Net sales	32,864	28,128	-4,735	-14.4%
Gross profit	7,708	7,105	-602	-7.8%
(Gross profit margin)	(23.5%)	(25.3%)	(1.8pp)	—
SG&A expenses	6,363	6,702	338	5.3%
Operating profit	1,344	403	-940	-70.0%
(Operating profit margin)	(4.1%)	(1.4%)	(-2.7pp)	—
Non-operating income	84	95	11	14.1%
Non-operating expenses	796	1,035	238	30.0%
Ordinary profit	631	-535	-1,167	—
(Ordinary profit margin)	(1.9%)	(-1.9%)	(3.8pp)	—
Extraordinary income	6	6	0	—
Extraordinary loss	19	3	-16	-83.5%
Profit before income taxes	618	-532	-1,151	—
Profit attributable to owners of parent	492	-440	-933	—
(Profit margin)	(1.5%)	(-1.6%)	(-3.1pp)	—

Condominium deliveries declined

• Increased advertising expenses due to steady supply of new properties (advertised properties for which we plan to record sales in FY03/24 or later)
• Increased personnel expenses

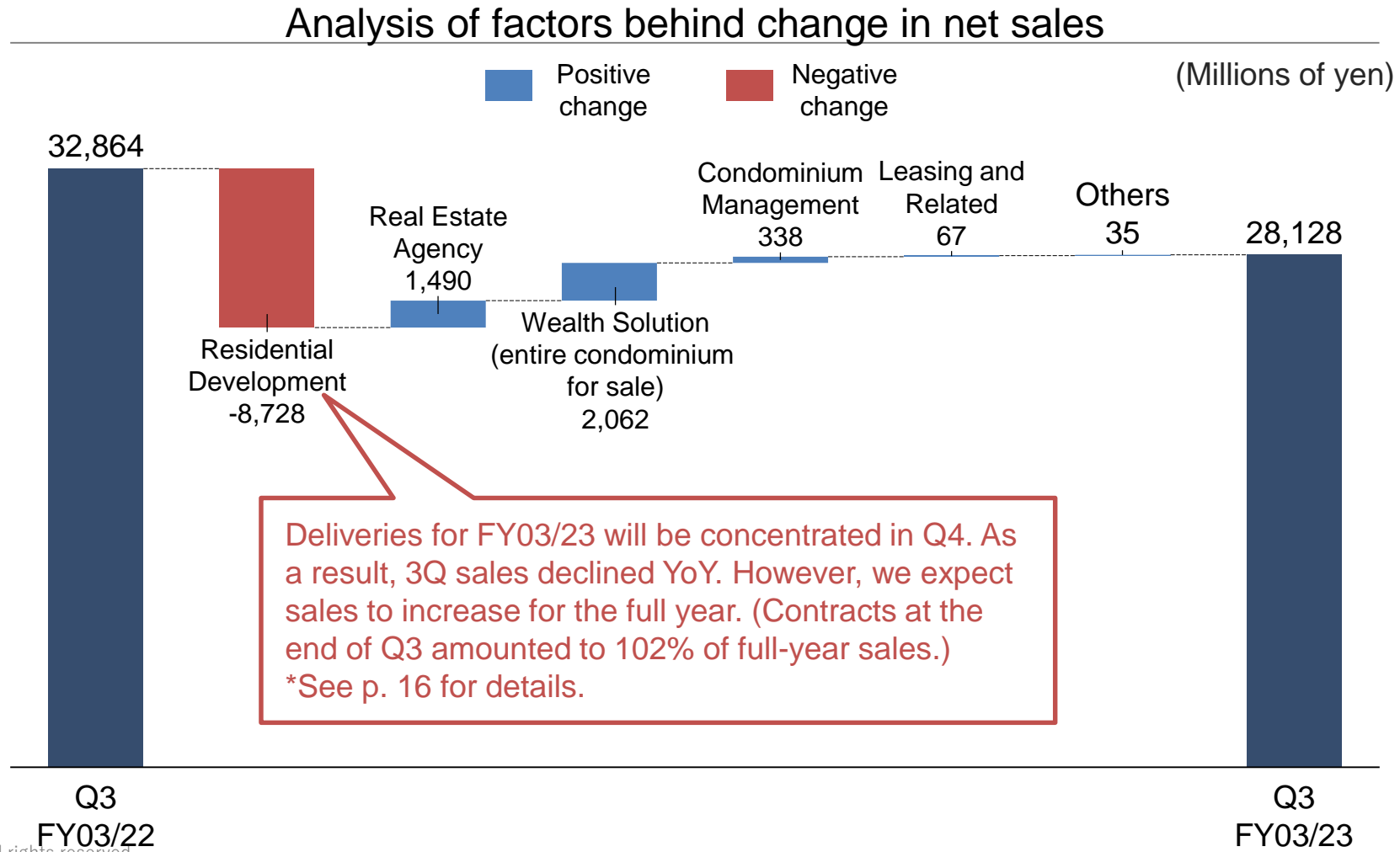
Interest on borrowings increased due to steady progress in purchases

(Millions of yen)

Full-year FY03/23 forecast (Announced February 13, 2023)	Progress (%)
62,300	45.2%
15,200	46.8%
(24.4%)	—
9,300	72.1%
5,900	6.9%
(9.5%)	—
—	—
—	—
4,600	—
(7.4%)	—
—	—
—	—
3,800	—
(6.1%)	—

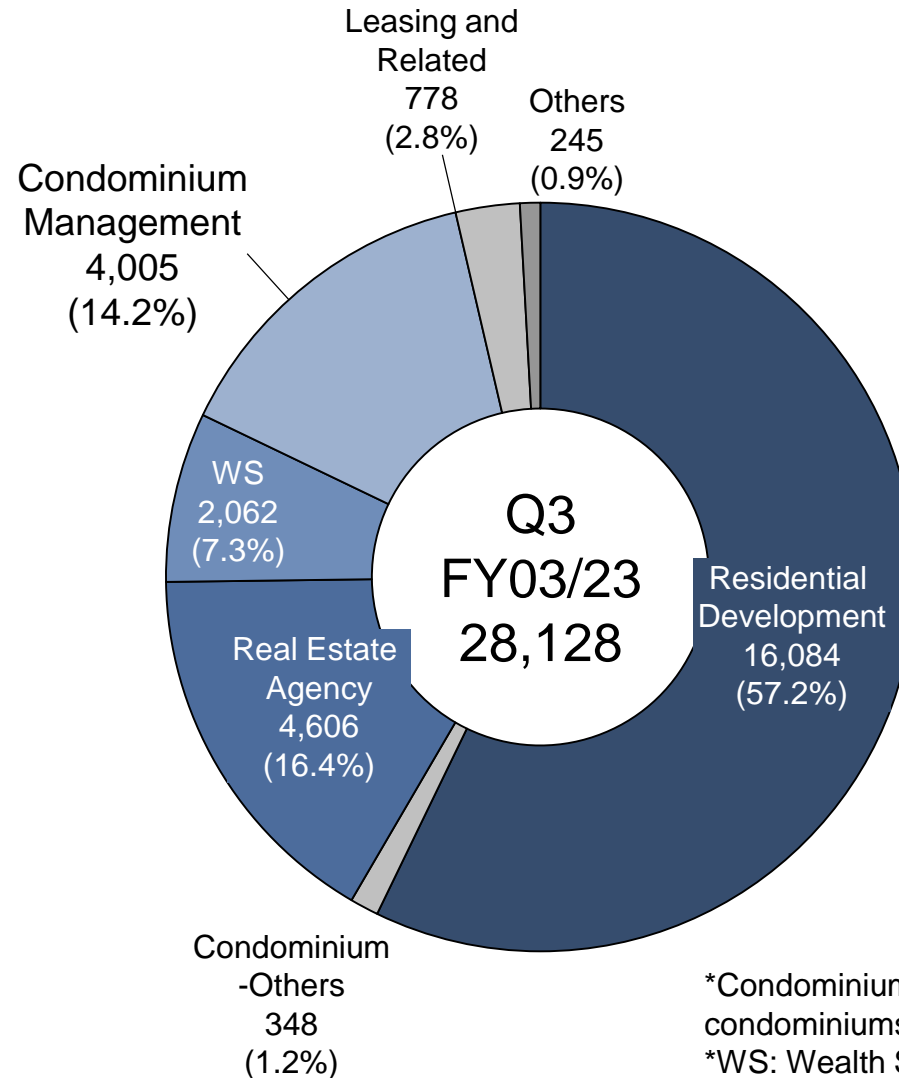
Factors Behind Change in Net Sales

- This fiscal year, condominium completions and deliveries are concentrated in Q4. As a result, both net sales and profits declined YoY in 3Q



Composition of consolidated net sales by segment

(Millions of yen)



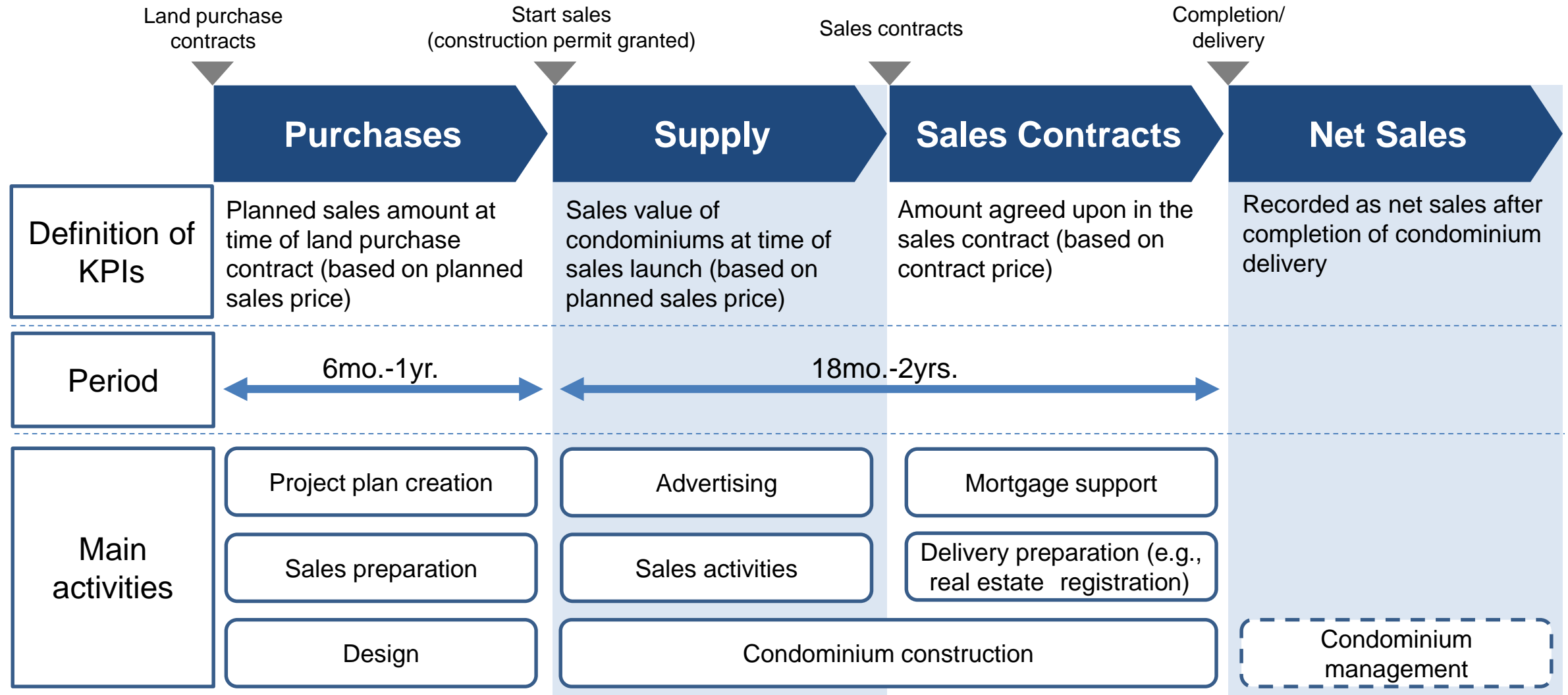
*Condominium-Others: Sales of land and buildings other than new condominiums for sale.
 *WS: Wealth Solution. Sales of entire condominium buildings to HNWI individuals.

Residential Development Business

- **FY03/23 has been revised upward due to steady contract progress.**
- **Steady progress in supply and contracts of more than 20% YoY for the next fiscal year and beyond.**
- **Purchases are carefully selected as properties that will contribute to net sales are already secured.**
- **Sales contracts amounted to 102% of the full-year net sales forecast.**
- **Completed inventory at the end of Q3 was 7 units due to strong contract performance.**
- **Purchases: ¥59.9 billion (down 5.0% YoY)**
 - **Secured ¥200 billion worth of properties that will contribute to net sales from Q4 onward.**
- **Supply: ¥42.3 billion (up 27.1% YoY)**
 - **Steady start to supply of properties scheduled to be recorded as net sales from FY03/24 onward.**
- **Contracts: ¥39.4 billion (up 23.0% YoY)**
 - **Strong growth supported by steady demand.**

Ref.: Leading Sales Indicators (KPIs) for the Residential Development Business

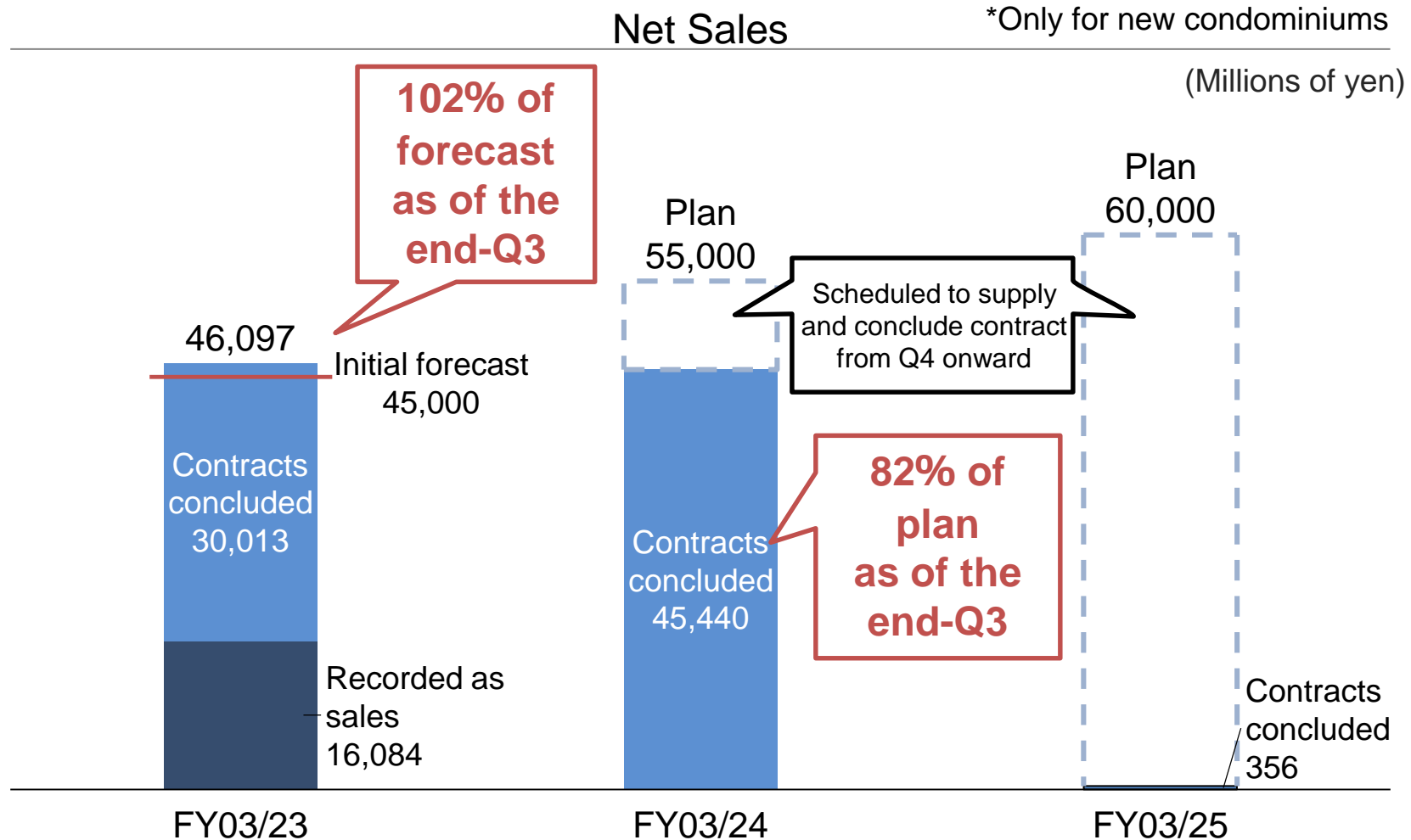
■ KPIs are defined as follows.



Residential Development Business: Progress Against Full-Year Net Sales Plan



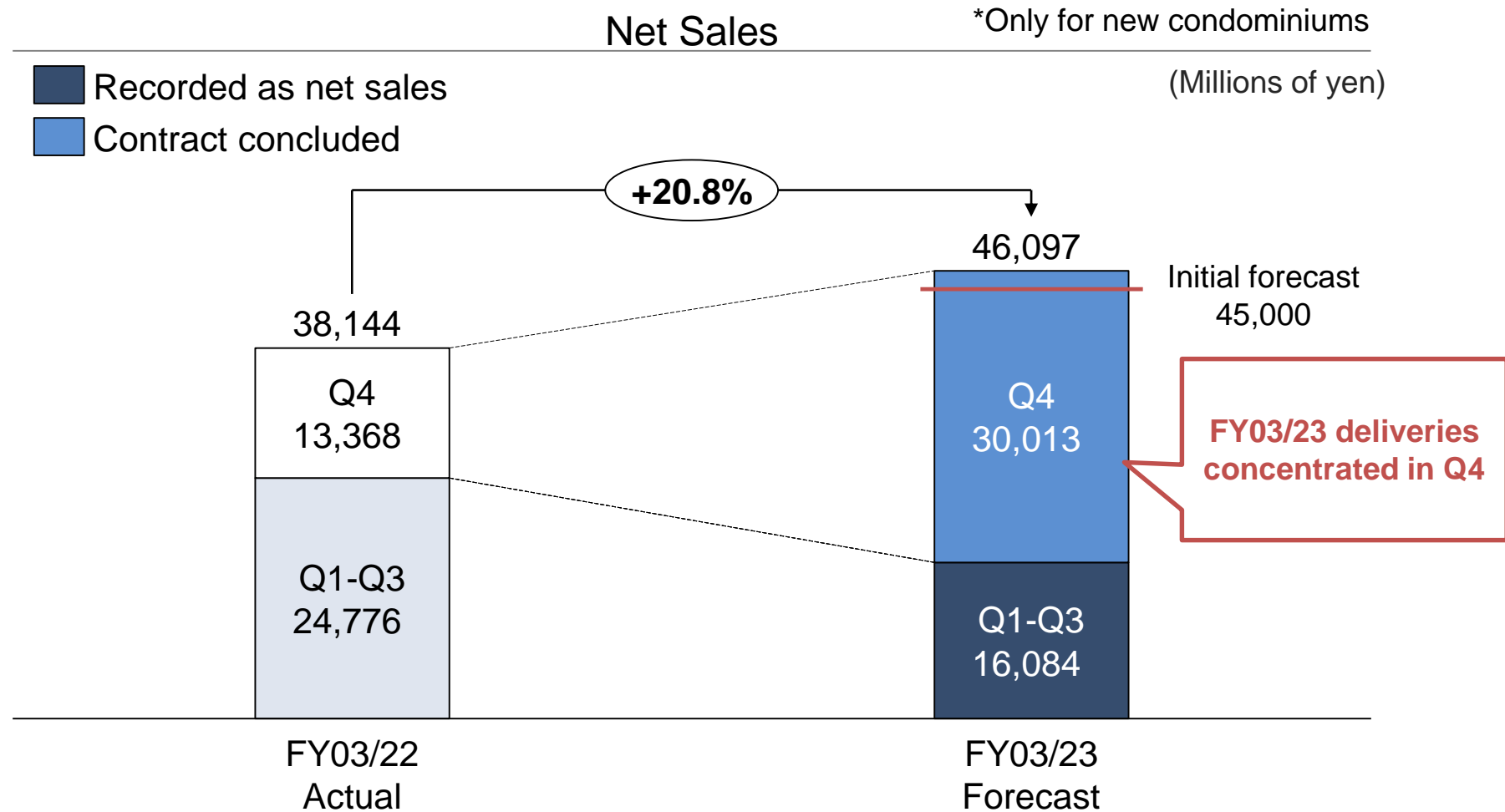
- Sales contracts at the end of Q3 amounted to 102% of the full-year net sales forecast



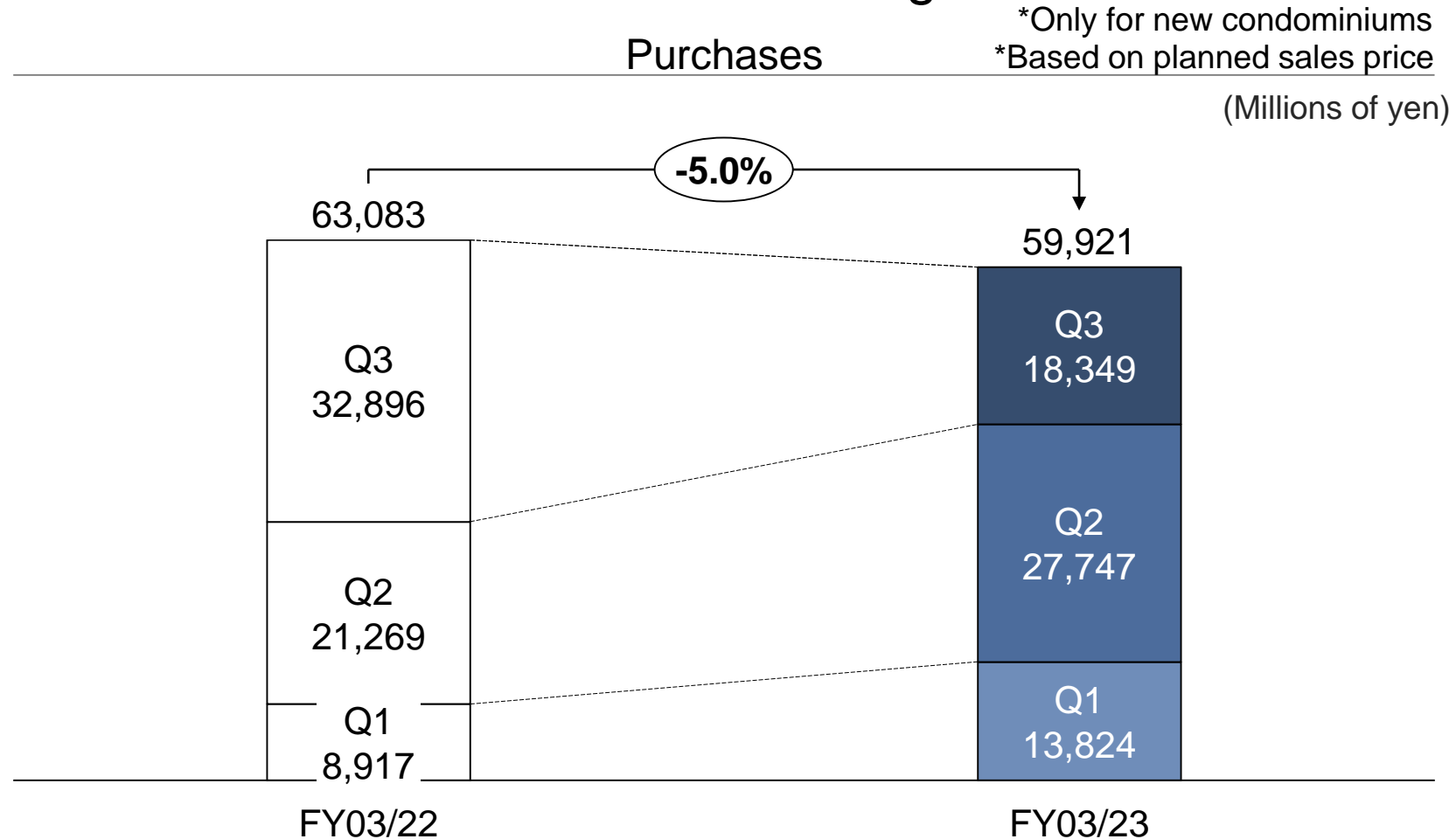
Residential Development Business: Progress Against Full-Year Net Sales Plan



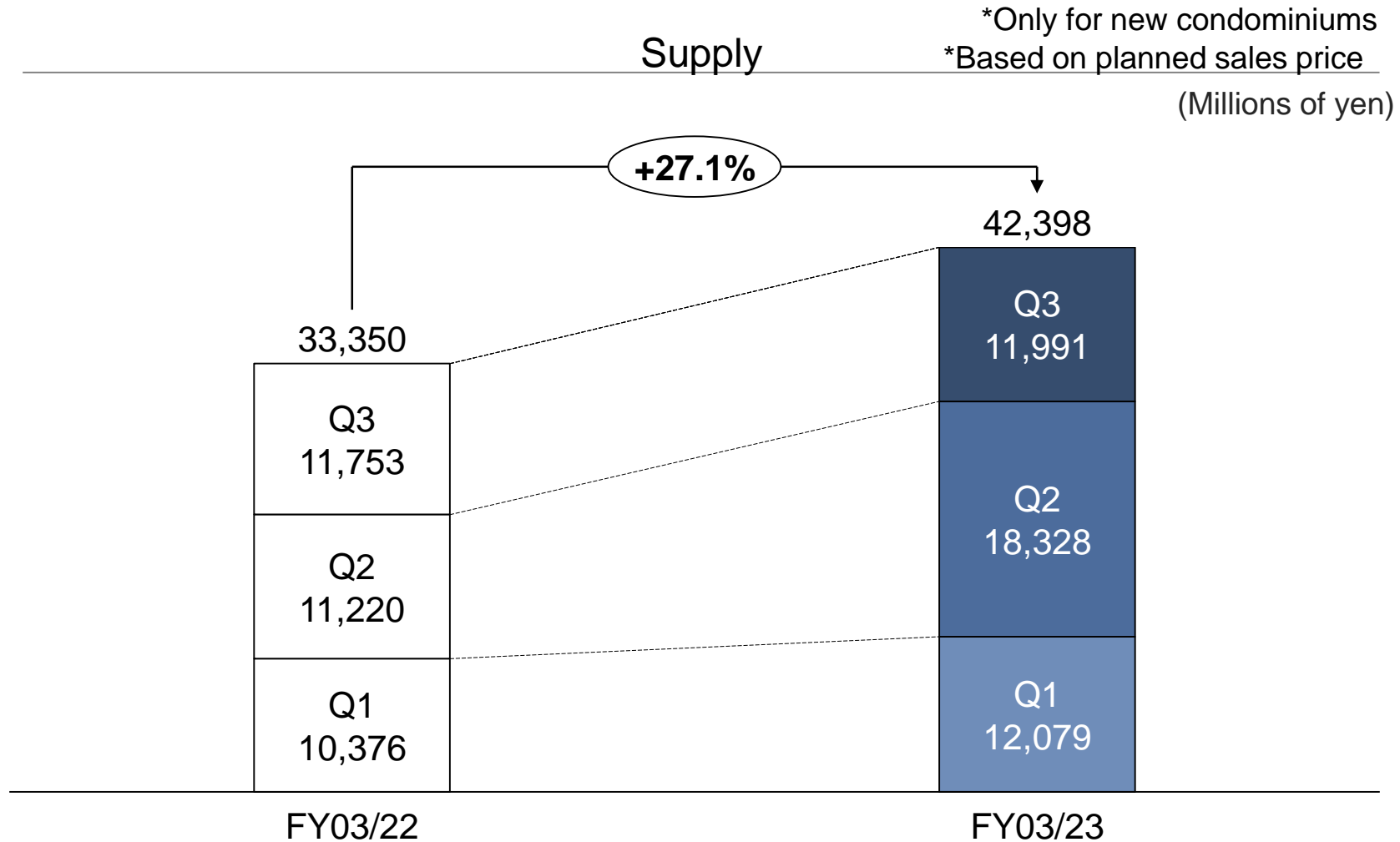
- FY03/23 deliveries concentrated in Q4
- With the total for concluded contracts, net sales are expected to increase YoY



- Purchases in Q3 were ¥59.9 billion (down 5% YoY)
- Careful selection of properties for purchasing based on the status of securing properties for net sales over the medium to long term



- Supply was strong in Q3 amounting to ¥42.3 billion (+27.1% YoY)



Residential Development Business: Properties Supplied in Q3

Purchases

Supply

Contracts

Net Sales

MEIWA 明和地所

CLIO クリオ世田谷松原ザ・クラシック
CLIO SETAGAYA MATSUBARA THE CLASSIC



Setagaya, Tokyo
Total number of units: 46
Sales launched in October 2022
Scheduled to be completed in March 2024

CLIO クリオ葛西シーズンテラス
CLIO KASAI SEASON TERRACE



Edogawa, Tokyo
Total number of units: 70
Sales launched in December 2022
Scheduled to be completed in March 2024

Residential Development Business: Properties Supplied in Q3

Purchases

Supply

Contracts

Net Sales

MEIWA 明和地所

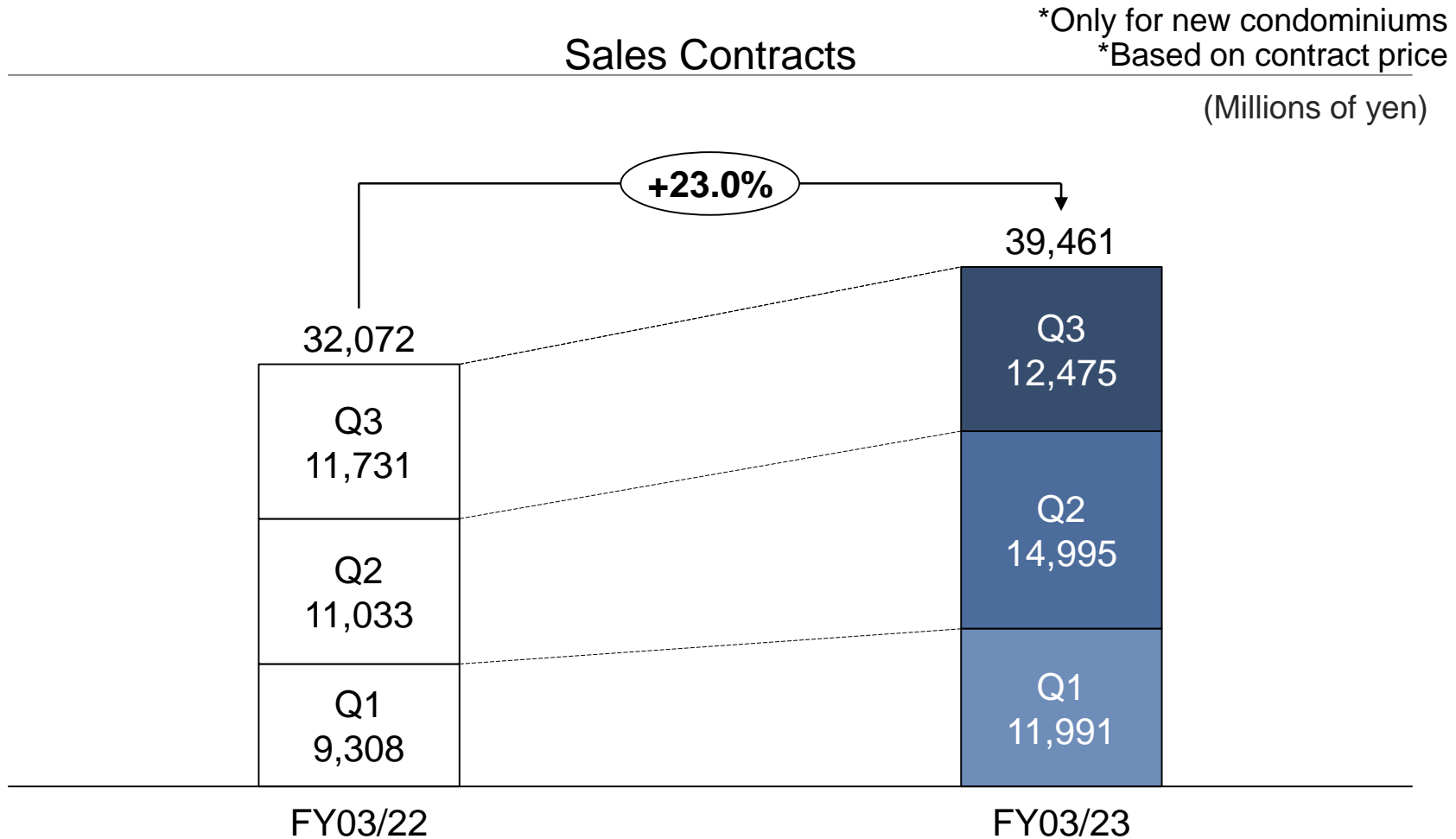
CLIO クリオ名東本郷
CLIO MEITO HONGO



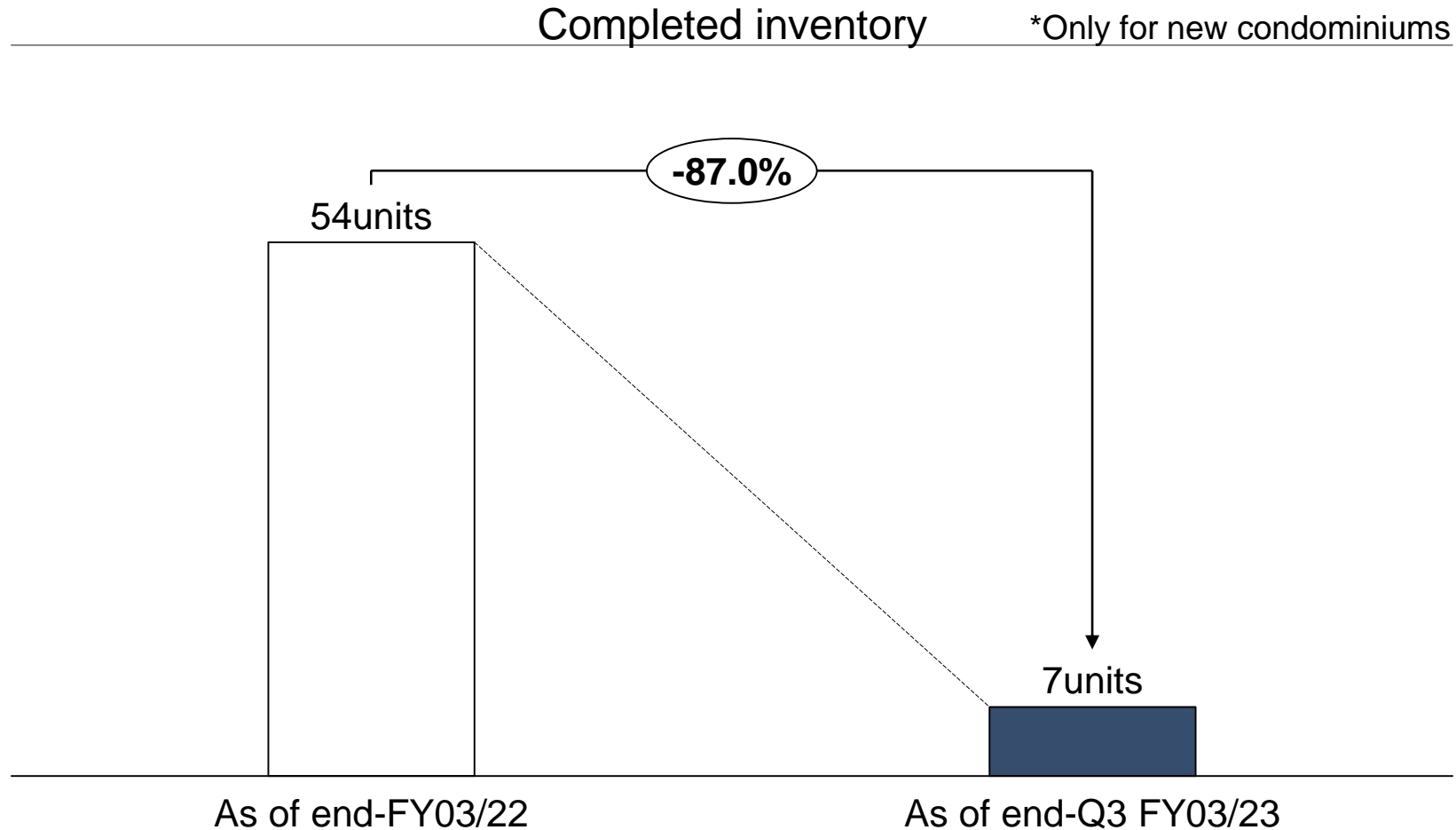
Nagoya, Aichi
Total number of units: 73
Sales launched in October 2022
Scheduled to be completed in May 2024

Residential Development Business: Sales Contracts

- Sales Contracts in Q3 were strong amounting to ¥39.4 billion (+23.0% YoY)



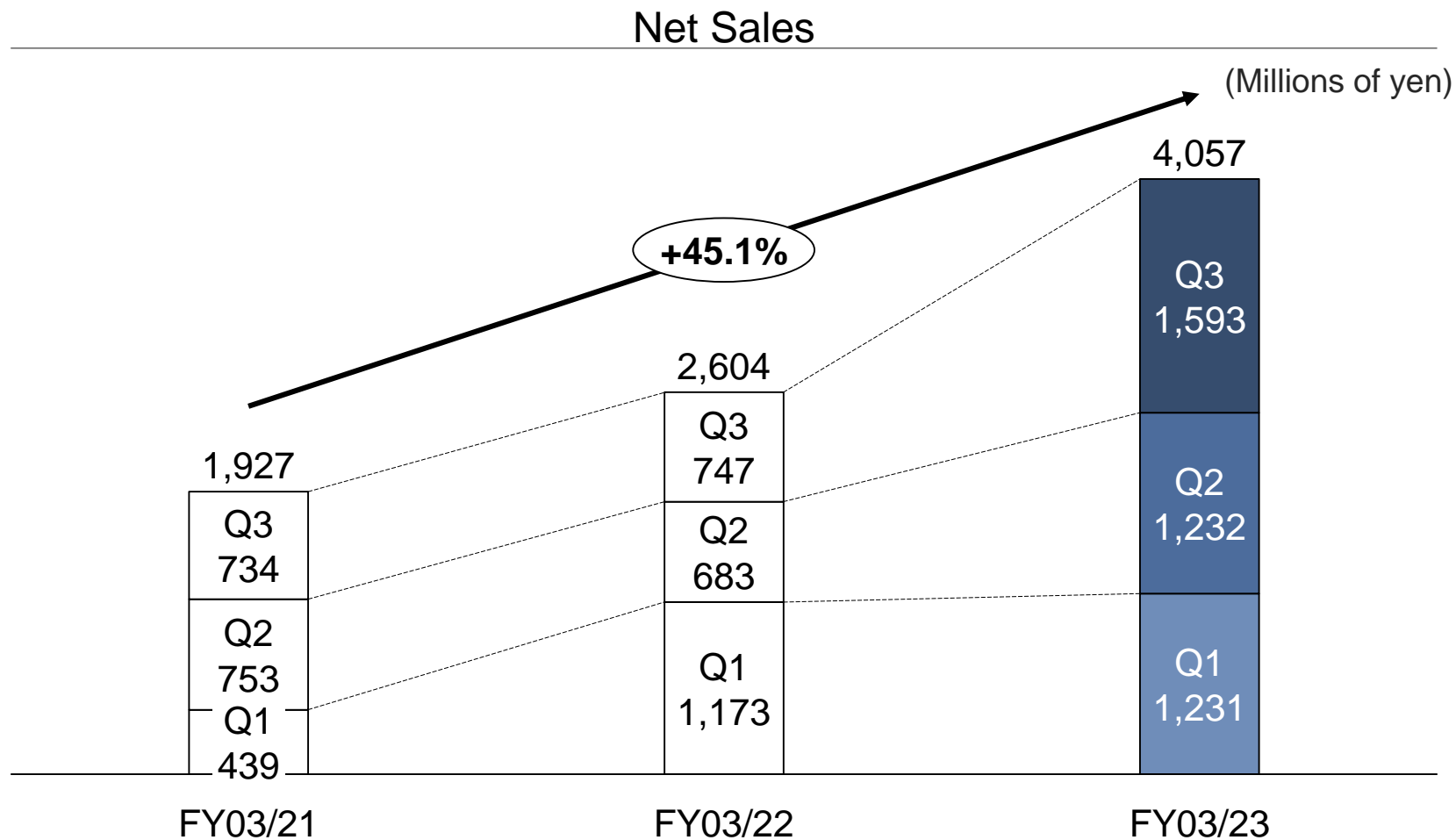
- Completed inventory at the end of Q3 decreased to 7 units



Real Estate Agency Business

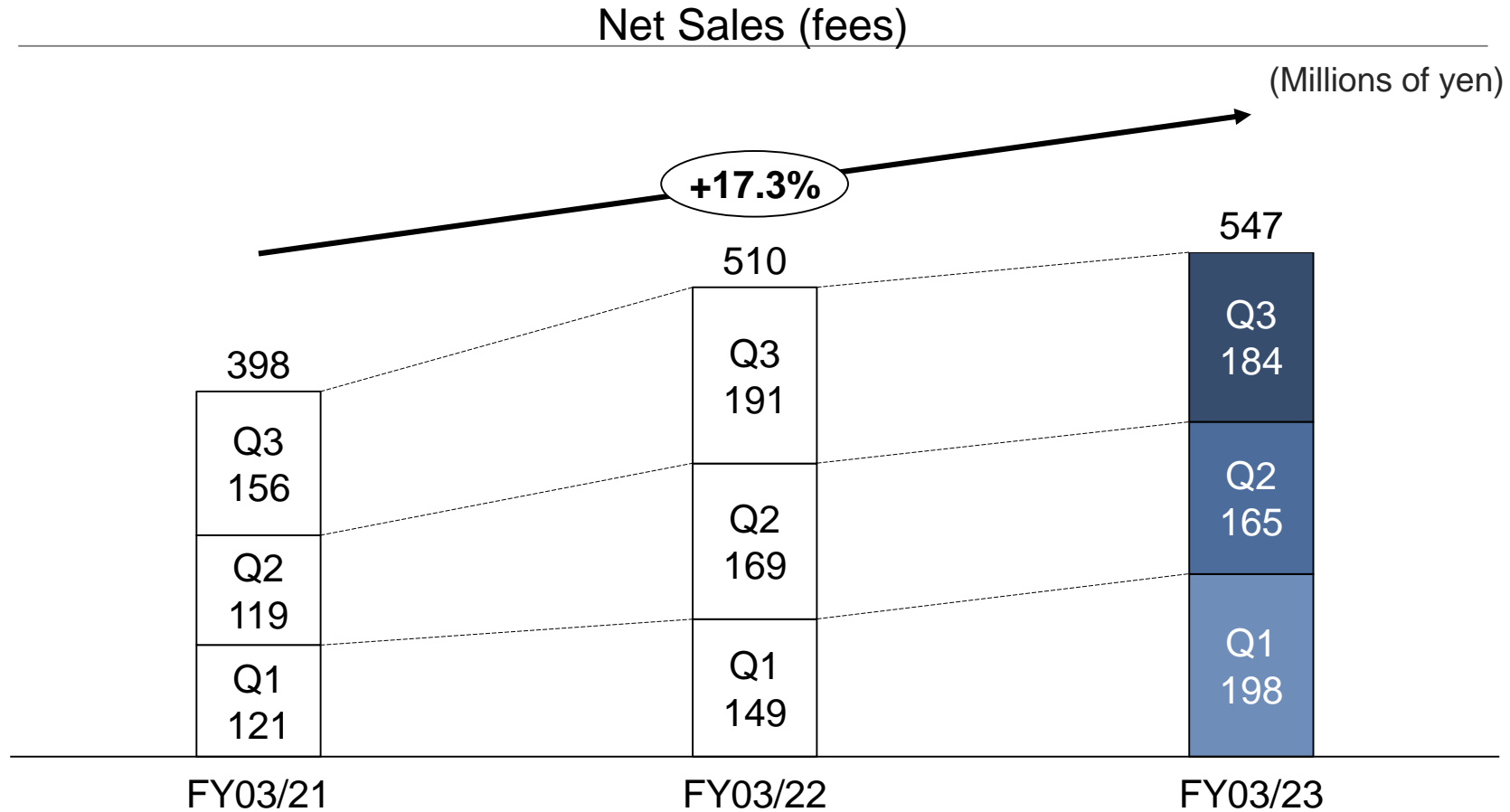
- **The purchase and resale business continued to grow at a CAGR of 45%**
 - **Sales: ¥4.0 billion (+55% YoY)**
- **The brokerage business continued to grow at a CAGR of 17%**
 - **Sales: ¥547 million (+7% YoY)**
- **In the wealth solution business for high net worth (HNW) individuals, the sale of two rental condominiums was completed. (Q2)**

- Net Sales in Q3 expanded to ¥4.0 billion at a CAGR of 45.1%



*CAGR: Compound annual growth rate

- Net Sales in Q3 expanded to ¥547 million at a CAGR of 17.3%



*CAGR: Compound annual growth rate

- Settlement and delivery of two properties were completed in Q2



CLIO la belle vie RYOGOKU
Total number of units: 35
Sumida, Tokyo



CLIO la belle vie HANANOKI
Total number of units: 28
Nagoya, Aichi

Condominium Management Business

- **Maintained high customer satisfaction**
- **Significant increase in switchovers of condominiums managed by other companies (6x YoY)**
- **Number of units under management as of the end of Q3: 44,767**
- **Net Sales remained strong**

- MEIWA KANRI has achieved a high level of customer satisfaction

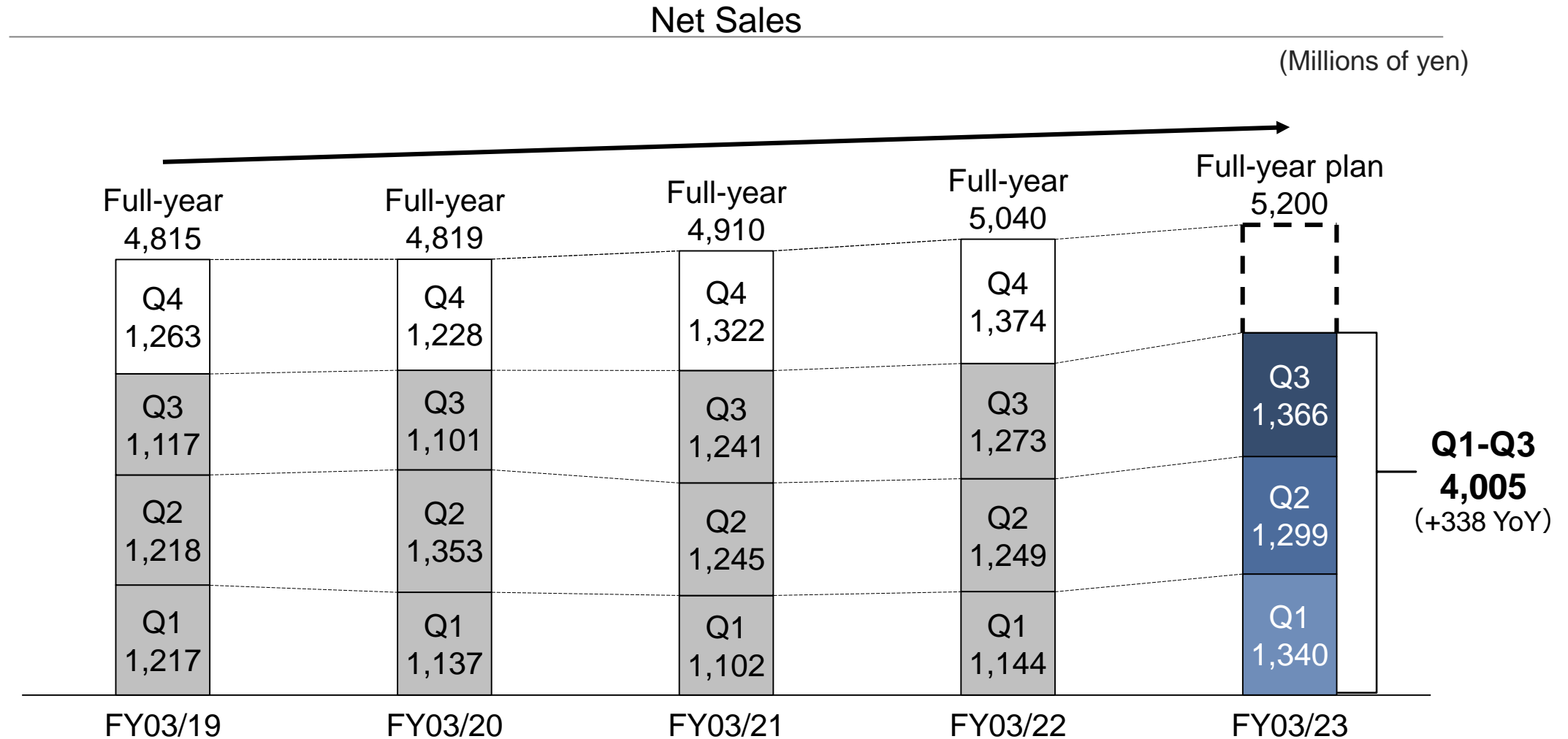


Won the SUUMO AWARD 2022
Excellence Award

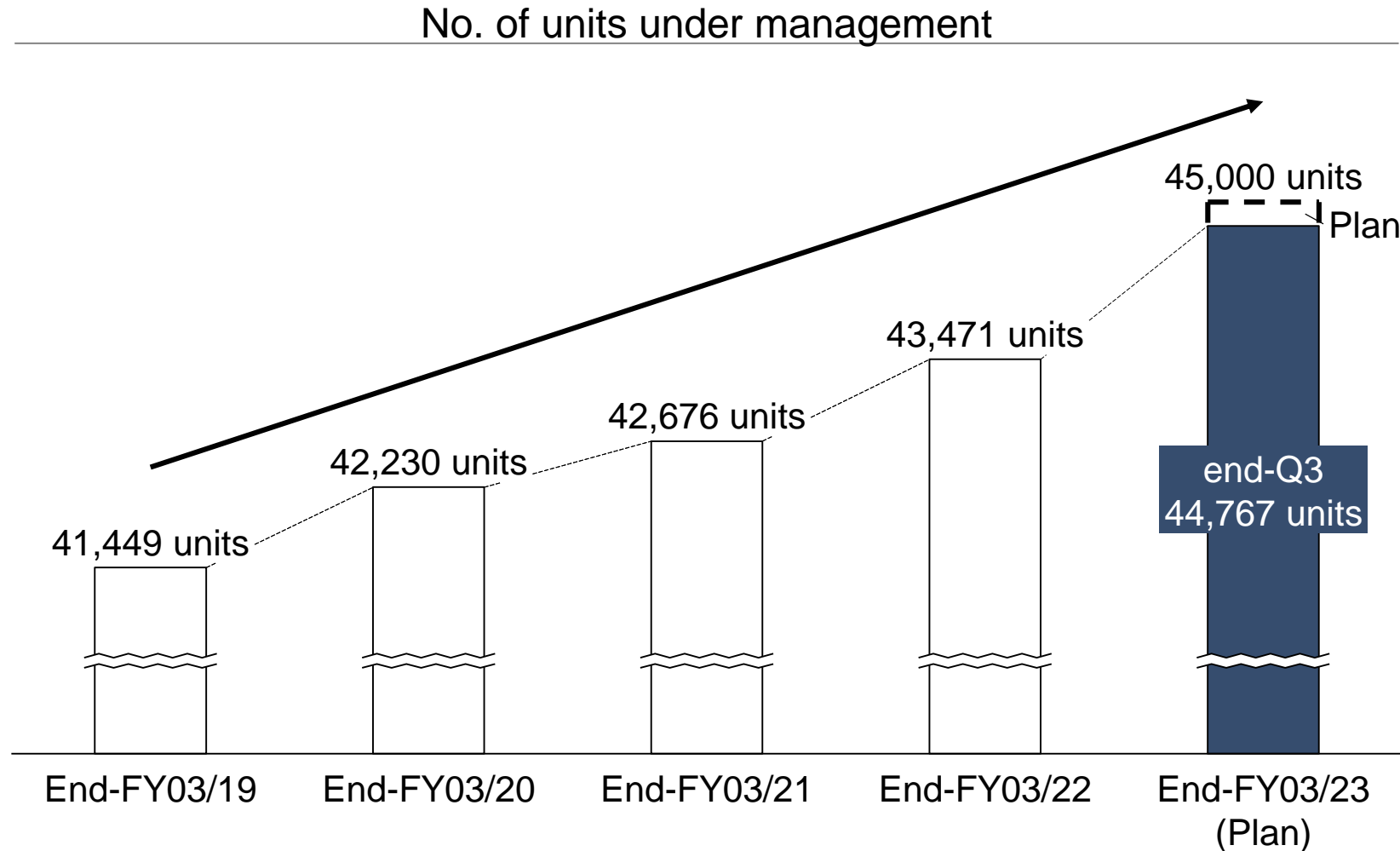


Highly rated in Oricon Customer
Satisfaction Ranking

- Net Sales for Q3 were ¥4.0 billion

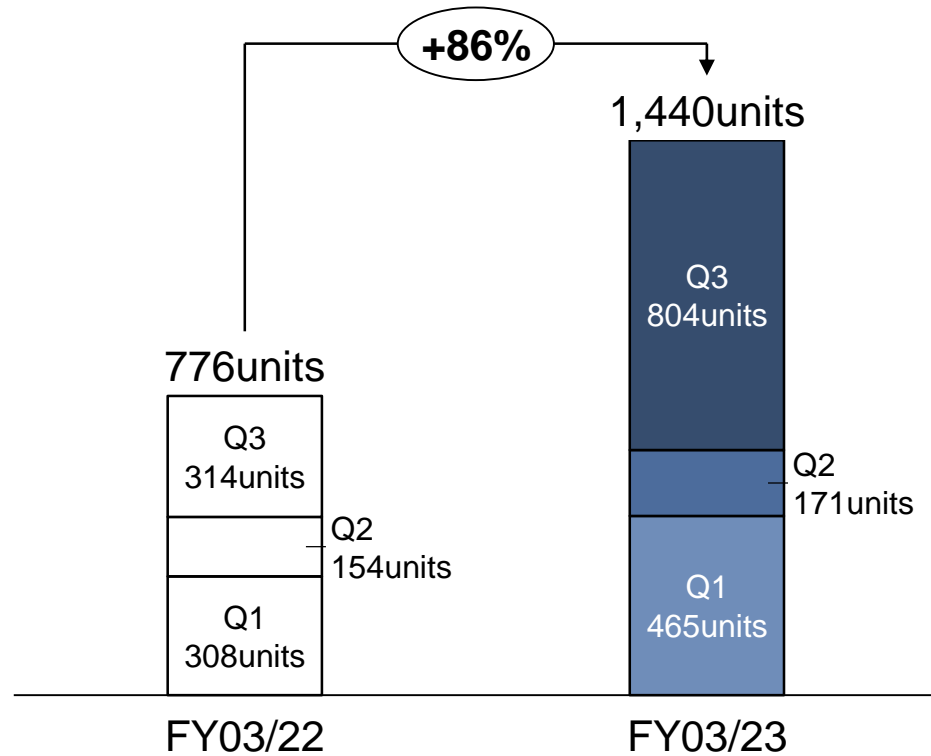


- The number of units under management increased to 44,767 as of the end of Q3



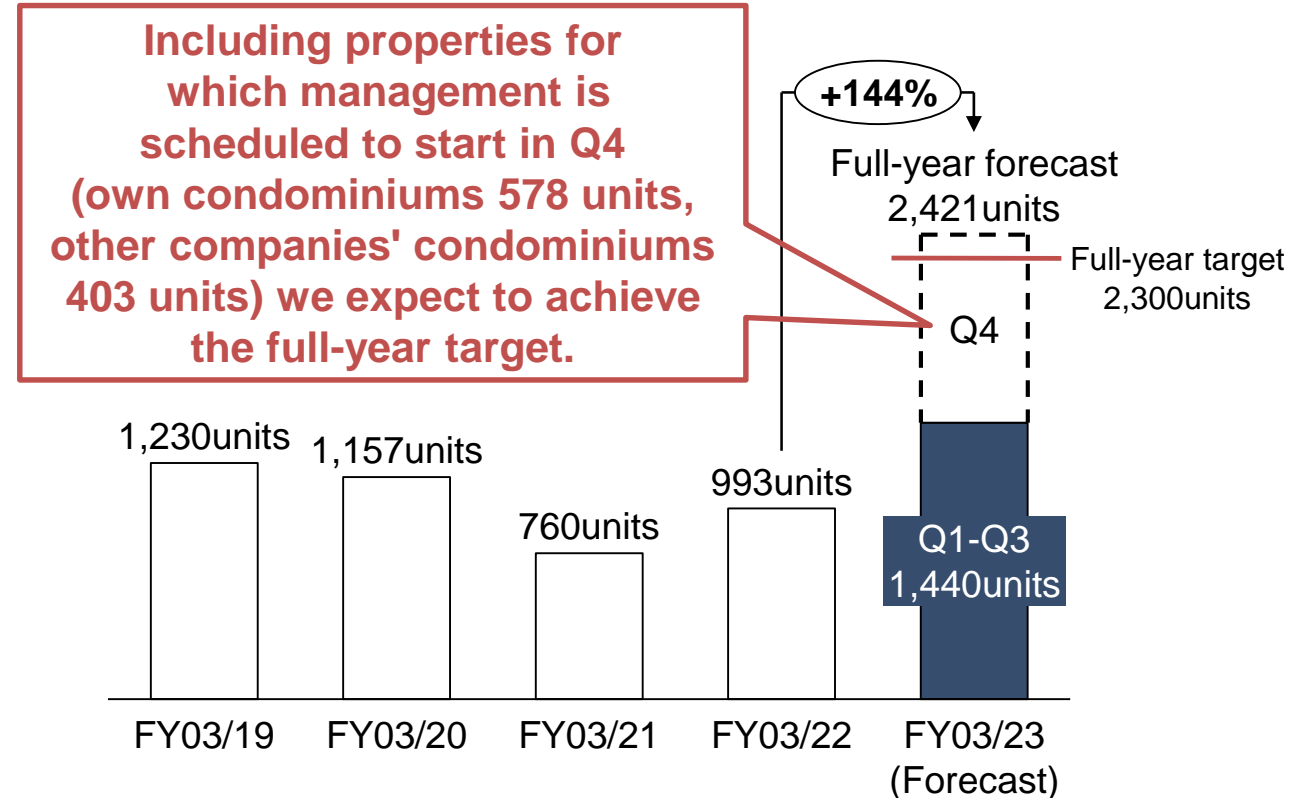
■ The number of new management contracts expanded

No. of units under new management contracts



+86% YoY

Change in new management contract units



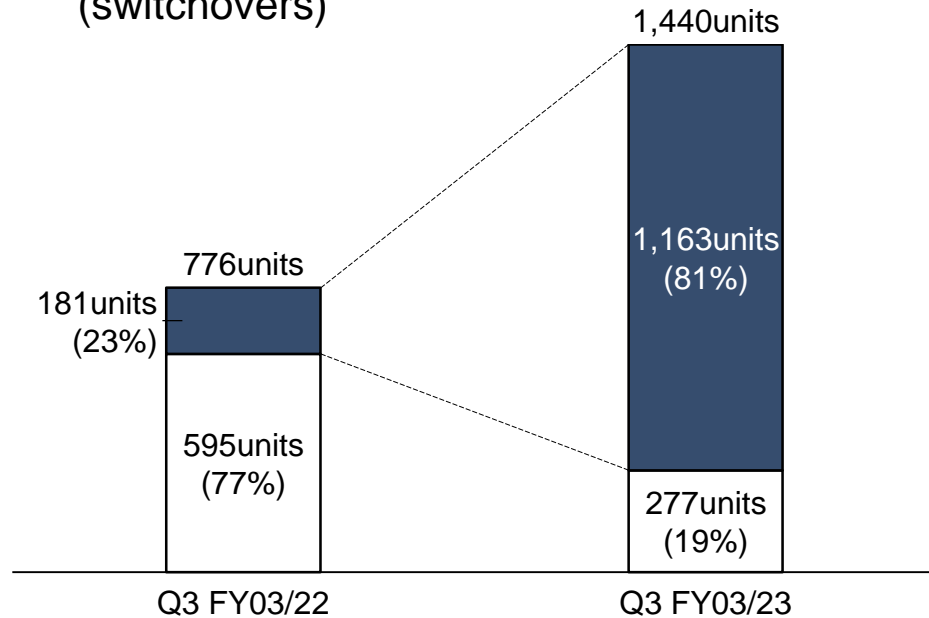
We expect to achieve 2,421 units, up 144% YoY, for the full year

*Based on start of management

- Number of condominiums switching from other management companies increased (6x YoY)

No. of units under new management contract (Q1-Q3)

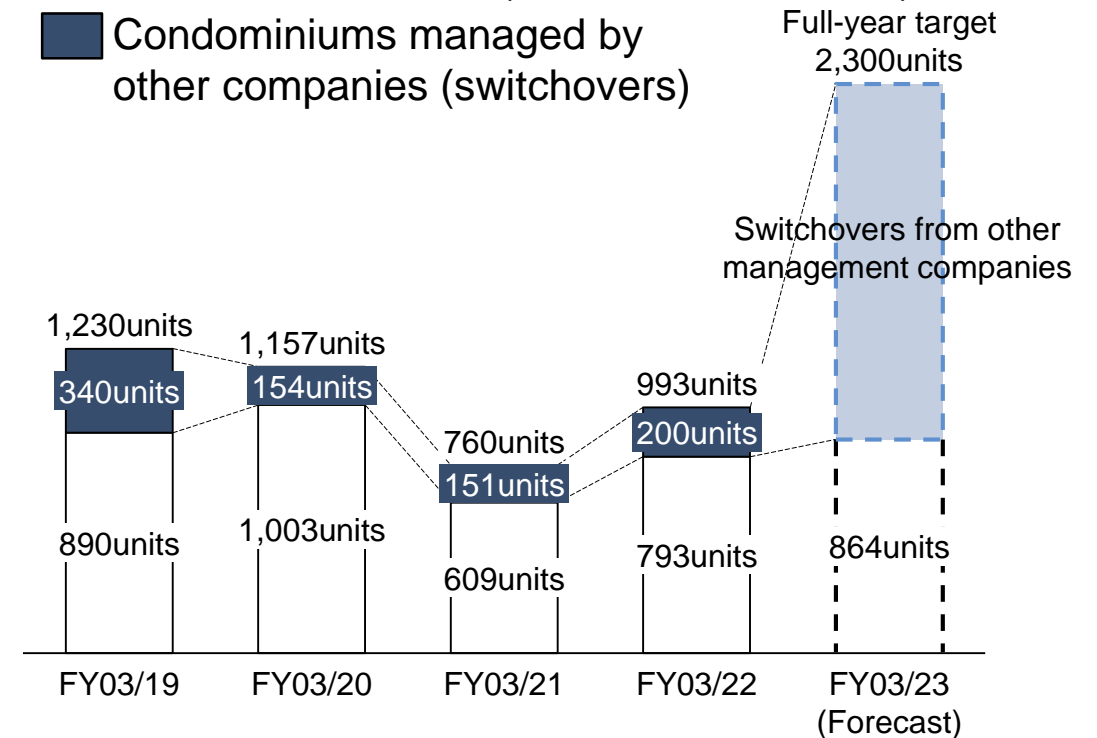
- Own condominiums (CLIO condominiums)
- Condominiums managed by other companies (switchovers)



Number of units switched from other management companies increased from 181 units to 1,163 units (6x YoY)

Change in new management contract units

- Own condominiums (CLIO condominiums)
- Condominiums managed by other companies (switchovers)



Expect switchovers from other management companies to account for 60% of new contract units for the full year



Compliance with Continued Listing Criteria (Prime Market)



Compliance with Continued Listing Criteria (Prime Market)

- Compliance status as of January 31, 2023 is as follows
- Improvement in total market value of tradable shares is a major issue

	No. of Shareholders (people)	No. of Tradable Shares (Units)	Tradable Share Market Capitalization (billions of yen)	Tradable Share Ratio (%)	Daily avg. Trading Value (millions of yen)
Continued Listing Criteria (Prime Market)	800 people	20,000 units	¥10 billion	35%	¥20 million
Compliance status	○	○	×	○	○
As of January 31, 2023	9,810 people ^{* 1}	105,755 units ^{* 1}	¥8.36 billion ^{* 2}	42.5% ^{* 1}	¥35 million ^{* 3}
(Reference) As of the transition base date	8,757 people	108,216 units	¥6.93 billion	43.4%	¥50 million

* 1 : The number of shareholders, the number of tradable shares and the ratio of tradable shares are calculated by the Company based on the shareholder register as of September 30, 2022.

* 2 : The total market value of tradable shares is calculated by multiplying the above number of tradable shares by the average daily closing price for the whole month of January 2023 (791 yen).

* 3 : The daily average trading value is the average of daily value for the one-year period from January 2022 to December 2022.

Assumed Market Capitalization After Implementation of Measures

- After implementing the measures announced on February 13, the ratio of tradable shares is expected to increase to 54.4%.
- It is estimated that the average stock price in January will satisfy the ¥10-billion market value requirement for the Prime Market continued listing criteria.

	No. of Shareholders (people)	No. of Tradable Shares (Units)	Tradable Share Market Capitalization (billions of yen)	Tradable Share Ratio (%)	Daily avg. Trading Value (millions of yen)
Continued Listing Criteria (Prime Market)	800 people	20,000 units	¥10 billion	35%	¥20 million yen
Compliance status	○	○	○	○	○
Impact Neutralization Trust After retirement of treasury stock	9,810 people	127,845 units	¥10.08 billion	54.4%	¥35 million
As of January 2023	9,810 people ^{* 1}	105,755 units ^{* 1}	¥8.36 billion ^{* 2}	42.5% ^{* 1}	¥35 million ^{* 3}
(Reference) As of the transition base date	8,757 people	108,216 units	¥6.93 billion	43.4%	¥50 million

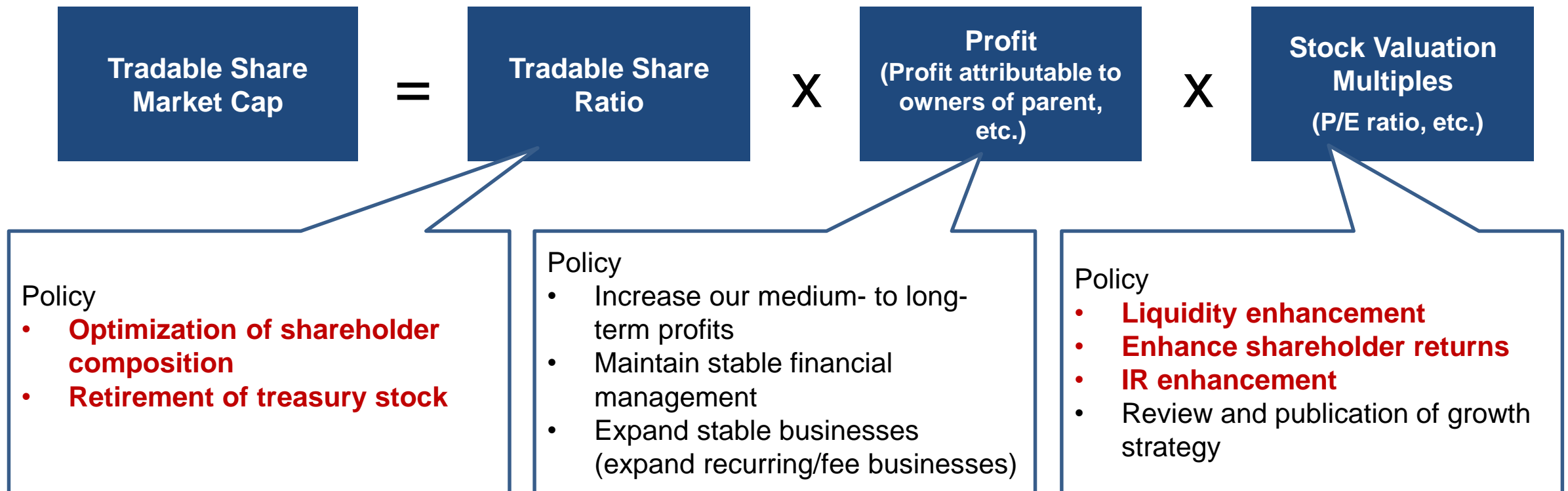
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* 3 : The daily average trading value is the average of daily value for the one-year period from January 2022 to December 2022.

Policy to Increase Market Capitalization of Tradable Shares

- We will implement measures to improve our medium- to long-term business performance and increase each numerical value in order to increase our market capitalization.



Measures to Increase Ratio of Tradable Shares

- In order to comply with the TSE Prime Market continued listing criteria, measures will be implemented to increase the ratio of tradable shares from 42.5% as of January 31 to 54.4% as of February 28.

Ratio of tradable shares

As of end of Jan. 2023

As of end of Feb. 2023 (plan)

Total

42.5%

54.4%
(+11.9%)

||

**Introduction of
Impact
Neutralization
Trust**

42.5%

51.2%
(+8.7%)

+

**Retirement of
treasury stock**

51.2%

54.4%
(+3.2%)

Outline of the measures

- Increase the ratio of tradable shares by purchasing non-tradable shares and gradually selling them.
- The number of issued shares will decrease, and the ratio of tradable shares will increase due to the retirement of treasury stocks already held.

* The ratio of tradable shares are calculated by the Company based on the shareholder register as of September 30, 2022.

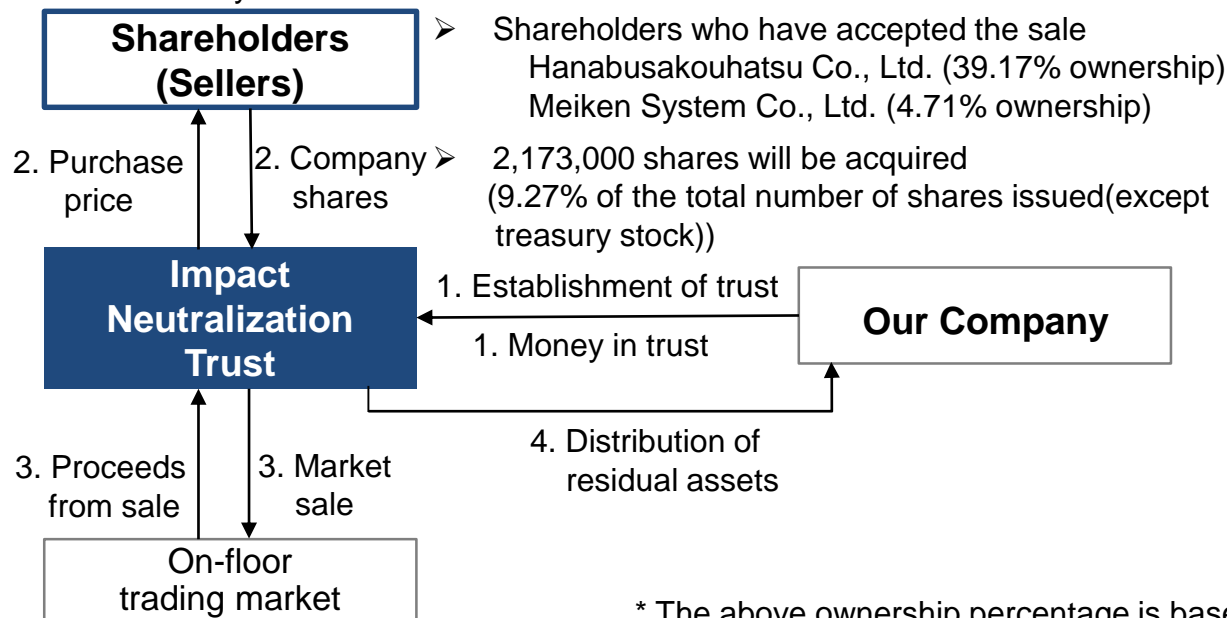
* The Impact Neutralization Trust is a registered trademark of Nomura Securities Co., Ltd.

Measures to Increase Ratio of Tradable Shares: Impact Neutralization Trust

- In order to increase market capitalization, we will negotiate with major shareholders to optimize the composition of our shareholders and implement measures to increase the ratio of tradable shares. In order to minimize the impact on the supply and demand of the stock market, the Impact Neutralization Trust will be used.

Outline of the Impact Neutralization Trust

- The Company establishes a trust for which the Company is the beneficiary and places money in the trust.
- The Trust acquires shares from major shareholders of the Company through off-floor trading (ToSTNet-2).
- The Trust gradually sells the shares in the on-floor trading market.
- After the sale, the residual assets will be distributed to the Company which is the beneficiary.



* The above ownership percentage is based on the total number of issued shares as of the end of September 2022.

* The Impact Neutralization Trust is a registered trademark of Nomura Securities Co., Ltd.

Merits of the Trust

➤ Increase the ratio of tradable shares

Shares held by major shareholders (i.e., non-tradable shares) are sold to a financial institution (the Trust) to become tradable shares.

(= **Contributing to improvement of total market value of tradable shares**, a Prime Market continued listing criteria)

➤ Improvement of market liquidity

It is expected that the market liquidity of the Company's shares will be improved and the impact of the sale of shares on the market supply and demand will be reduced by reducing the daily sales volume (sales market participation rate) and taking sufficient time to sell the shares.

* For details on this matter, please refer to "Notice Concerning Establishment of Impact Neutralization Trust for Improvement of Market Capitalization of Tradable Shares" disclosed on February 13, 2023.(only Japanese)

Measures to Increase the Ratio of Tradable Shares: Retirement of Treasury Stock

- Retirement of treasury stock scheduled at the end of February
Decrease in number of shares issued and increase in ratio of tradable shares

Retirement of Treasury Stock

1. Type of shares to be retired: Common shares
2. Total number of shares to be retired: 1,446,050 shares
(Percentage of the total number of issued shares before retirement: 5.80%)
3. Scheduled date of retirement: February 28, 2023
4. (Reference) Status of shares after retirement

	Before retirement	After retirement
Total number of issued shares	24,893,734 shares	23,447,684 shares
Number of treasury stock	1,446,050 shares	0 shares



The total number of shares issued decreases and **ratio of tradable shares increases**

Liquidity Improvement Measures: Improvement of Employee Stock Ownership Plan

- Improve liquidity by strengthening the employee stock ownership plan.

Improvement of the Employee Stock Ownership Plan

Outline of measures

- Establish a 10% incentive rate for regular contributions in the existing employee stock ownership plan.
- Plan to increase the size of the employee stock ownership plan
- Also, through participation in the employee stock ownership plan, employees' sense of belonging and participation in management will improve.
- Implementation from April 2023.

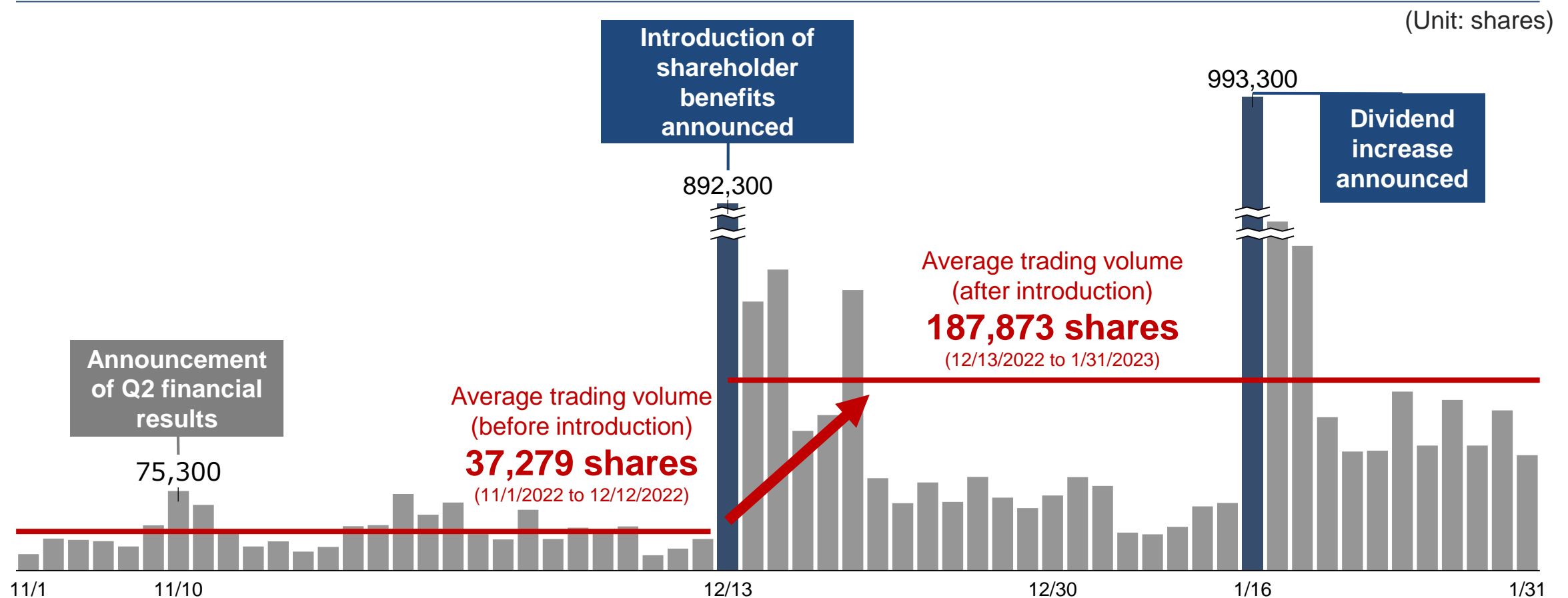
Expected effects in the stock market

- **Improvement of liquidity**
 - Improve liquidity by strengthening the demand for regular purchases through the employee stock ownership plan.
- * The shareholding ratio of the employee stock ownership plan will be treated as tradable shares.

Liquidity Improvement Measures: Introduction of Shareholder Benefits

- In December 2022, the Company announced the establishment of a new shareholder benefit program to improve liquidity.
- Average trading volume increased five times compared to before the introduction of the program. Going forward, we will focus on the merits for medium- to long-term shareholders.

Trading Volume of the Company's Shares



- We plan to raise the dividend from ¥35 to ¥45. The Company has decided to set a dividend payout ratio of around 30%.

- January 16, 2023
Announcement of Revision to Dividend Forecast (Dividend Increase)

- February 13, 2023
Announcement of Change in Dividend Policy

Year-end dividend per share for the fiscal year ending
March 2023 (scheduled)

35 yen ▶ 45 yen

(Announced on May 12, 2022)

(Announced on January 16, 2023)

Before

The Company recognizes that returning profits to shareholders through long-term stable dividends is an important management task while also securing internal reserves, which are indispensable for strengthening its financial position. Also, one of the basic policies of the Five-year strategy is to enhance shareholder returns by increasing dividends in line with business performance.

It is possible to pay dividends from surplus twice a year in the form of an interim dividend by resolution of the Board of Directors and a year-end dividend by resolution of the Annual Shareholders Meeting. However, in view of the current business environment, etc., the Company believes that it is most appropriate to pay dividends at the year-end.

After

One of the basic policies of the Five-year strategy is to enhance shareholder returns by increasing dividends in line with business performance.

The Company will strive to increase corporate value, that is, shareholder value, by improving business performance, while at the same time enhancing internal reserves to strengthen its financial position. At the same time, the Company will continuously pay stable dividends. During the period of the Five-year strategy, we aim to return profits to shareholders with a **dividend payout ratio of around 30%**.

It is possible to pay dividends from surplus twice a year in the form of an interim dividend by resolution of the Board of Directors and a year-end dividend by resolution of the Annual Shareholders Meeting and consideration will be made as needed.

Measures to Expand Shareholder Base

- We are taking steps to expand our shareholder base, including overseas institutional investors.

		Policy	Related Measures
Increase stock liquidity		<ul style="list-style-type: none"> • Increase the trade volume to make it easier for institutional investors to consider investing in the company 	<ul style="list-style-type: none"> • Establishment of shareholder benefit program. • Increase in the number of tradable shares using the Impact Neutralization Trust. • Implementation of employee stock ownership plan.
Fundamental	Improve ROIC	<ul style="list-style-type: none"> • Regularly review the business structure. • Conduct management with an eye toward ROIC. 	<ul style="list-style-type: none"> • Review the business structure by disclosing the medium-term management plan on a rolling basis
	Explain growth potential	<ul style="list-style-type: none"> • Clearly articulate our growth strategy. • Explain our growth potential to investors. 	<ul style="list-style-type: none"> • Announce our medium-term management plan on a rolling basis • Explain our progress against the medium-term management plan
Measures to expand visibility among investors		<ul style="list-style-type: none"> • Expand visibility and exposure of MEIWA ESTATE (TYO8869: Meiwa Estate), including to overseas institutional investors 	<ul style="list-style-type: none"> • English translation of IR materials. • Provision of external reports. • Hold 1-on-1 meetings.

■ Details of IR enhancements are as follows

○ Implemented △ Partially implemented × Not implemented

	As of Apr. 2022	As of Feb. 13, 2023	Upcoming
Medium-Term Management Plan	○ : Published	○ : Progress explained in Q2	• Medium-Term Plan to be updated on a rolling basis (full year)
Financial results briefings	△ : Distributed recording	○ : Live streaming in Q2	• Conduct for 1H and full-year
Q&A session in briefing meetings	× : Not provided	○ : Live and transcript in Q2	• Conduct for 1H and full-year
Quarterly financial results presentation material	△ : Provided for 1H and full-year	○ : Providing from Q1	• Provide quarterly updates
IR website (Japanese)	○ : Provided	○ : Renewed	
IR website (English)	× : Not provided	○ : Launched in November 2022	
English translation of IR materials	× : Not provided	△ : Financial results materials, etc. provided since November	• Content to be gradually expanded
Briefing meetings for individual investors	△ : Radio Nikkei	- : Not held in Q1, Q2	• Scheduled to take place on February 17
External reports (Japanese and English)	× : Not provided	○ : Released on February 2	• To be updated quarterly

- Report on the Company released by Shared Research Inc.
We will hold 1-on-1 meetings with institutional investors and analysts to actively disclose information.



- Click here for Shared Research's report on our Company.
<https://sharedresearch.jp/en/companies/8869>

Enhancement of IR: Provision of IR website in English

- English IR website launched in November



➤ Click here for our English IR website.

https://www.meiwajisyo.co.jp/corp/ir/index_en.html



Enhancement of IR: Holding Briefing Meetings for Individual Investors

- We will hold “IR Seminar for Individual Investors” on February 17.

IR Seminar for Individual Investors

February 17, 2023 (Friday) 12:30-13:20

- Location: 2-6-1 Nihombashi Kayaba, Chuo-ku, Tokyo
Nikkei Kayabacho Conference Room (Nikkei Kayabacho Annex B1F)
- Access: Kayabacho Station on the Tozai Line (exits 6 and 12) About 2 minutes on foot.
- Participation fee: Free
- Sponsor: The Securities Analysts Association of Japan

Presenter



Click here to register to participate

Please register via the orange button 「開催会社一覧およびお申込みはこちら」 (Click here for the list of presenting companies and to register) located below 「第91回個人投資家向けIRセミナー東京開催プログラム」 (Overview of the 91st IR Seminar for Individual Investors Tokyo Program).

<https://www.saa.or.jp/learning/ir/seminar/index.html>

Click here to register to participate in the live broadcast

* Webinar registration is required in advance.

https://us06web.zoom.us/webinar/register/WN_1ZqLcp6pSzGI5Z22M7pozA



Fact Sheet



Consolidated Balance Sheet as of the End of Q3 FY03/23

	End-FY03/22	End-Q3 FY03/23	Change	(Millions of yen) Change (%)
Total assets	95,708	105,817	10,109	10.6%
Current assets	85,838	95,076	9,237	10.8%
Cash and deposits	27,699	17,583	-10,116	-36.5%
Real estate for sale	8,867	4,779	-4,088	-46.1%
Real estate for sale in process	47,794	70,800	23,006	48.1%
Non-current assets	9,869	10,741	871	8.8%
Property, plant and equipment	7,662	7,678	15	0.2%
Intangible assets	68	223	154	224.4%
Total liabilities	69,139	80,498	11,359	16.4%
Interest-bearing liabilities	48,770	62,709	13,938	28.6%
Other liabilities	20,369	17,789	-2,579	-12.7%
Net assets	26,568	25,318	-1,250	-4.7%
Equity ratio	27.8%	23.9%	-3.8P	—

Real Estate Sales Business: Sales Breakdown

(Millions of yen)

	Q3 FY03/22 actual	Q3 FY03/23 actual	Change	Change (%)
Sales	28,319	23,123	-5,196	-18.3%
Condominium	24,769	16,084	-8,685	-35.1%
Units delivered	(516)	(301)	(-215)	-41.7%
Land and buildings	390	347	- 43	-11.0%
Purchase and resale	2,604	4,057	1,453	55.8%
Units delivered	(59)	(74)	(15)	25.4%
Brokerage fees	510	547	37	7.3%
No. of transactions	(413)	(400)	(-13)	-3.1%
Sales of entire condominium	—	2,062	2,062	—
Others	44	23	-21	-47.7%

<Gross profit margin>

Condominium	19.1%	21.1%	2.0P	—
Purchase and resale	18.0%	14.2%	-3.8P	—

Residential Development Business: Sales Leading Indicators (KPIs)

(Millions of yen)

	Q3 FY03/22 actual	Q3 FY03/23 actual	Change	Change (%)
Purchases	68,405	60,206	-8,198	-12.0%
Condominium	63,083	59,921	-3,161	-5.0%
Land and buildings	5,321	285	-5,036	-94.6%
Supply	33,470	43,046	9,576	28.6%
Condominium	33,350	42,398	9,048	27.1%
No. of units	642	651	9	1.4%
Land and buildings	120	647	527	439.7%
Contracts	32,192	40,109	7,916	24.6%
Condominium	32,072	39,461	7,388	23.0%
No. of units	630	681	51	8.1%
Land and buildings	120	647	527	439.7%

Real Estate Agency Business: Sales Indicators

(Millions of yen)

		Q3 FY03/22 actual	Q3 FY03/23 actual	Change	Change (%)
Purchase and Resale	Units purchased	95	135	40	42.1%
	Contracts	2,441	4,788	2,347	96.1%
	No. of units	55	91	36	65.5%
Brokerage	Brokerage fees	510	547	37	7.4%
	No. of transactions	413件	400件	-13	-3.1%
WS	Purchases	4,124	—	-4,124	—
	Contracts	2,540	2,061	-478	-18.9%

*WS: Wealth Solution. Sales of entire condominium buildings to HNW individuals.

Condominium Management Business: Sales Breakdown

(Millions of yen)

	Q3 FY03/22 actual	Q3 FY03/23 actual	Change	Change (%)
Net sales	3,666	4,005	338	9.2%
Management fees	3,125	3,220	94	3.0%
Construction-related	510	720	210	41.2%
Others	31	64	33	107.9%

- In the Financial Results for Q1 FY03/23 presentation material published that we published on August 8, 2022, we disclosed actual results for purchases (p. 13), supply (p. 14), and sales contracts (p. 18) related to the Residential Development business as the sum of new condominiums and land and buildings. In this presentation material, we have only disclosed actual figures for new condominiums with respect to purchases (p. 17), supply (p. 18), and contracts (p. 21). As a result, the actual values for Q1 disclosed in this material differ from those disclosed in the presentation material published on August 8, 2022.
- We continue to disclose results broken down by new condominiums and land and buildings in the Fact Sheet.

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*This material was prepared based on data as of the date of publication.

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