



Stock Code: 8935



Supplementary Materials to the Financial Results
Briefing for the Fiscal Year Ended March 31, 2023

FJ Next Holdings

May 12, 2023 (Friday)

Life with a dream

FJ Next Holdings Co., Ltd.

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023



Highlights of Consolidated Financial Results

Net Sales

84,688

million yen

(+3.0%)

Comparison with the previous period

(△0.4%)

Comparison with the initial plan

Operating Income

8,250

million yen

(△9.3%)

(+10.0%)

Ordinary Income

8,219

million yen

(△9.5%)

(+9.6%)

Net Income Attributable to Shareholders of Parental Company

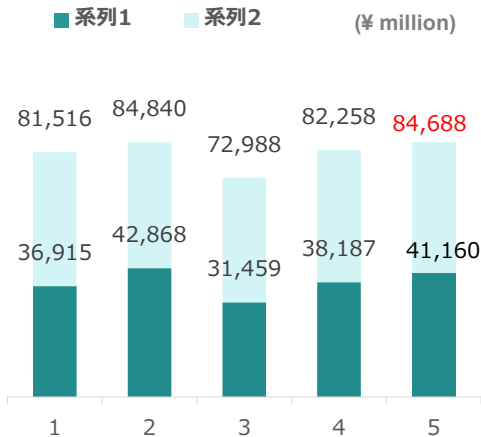
5,621

million yen

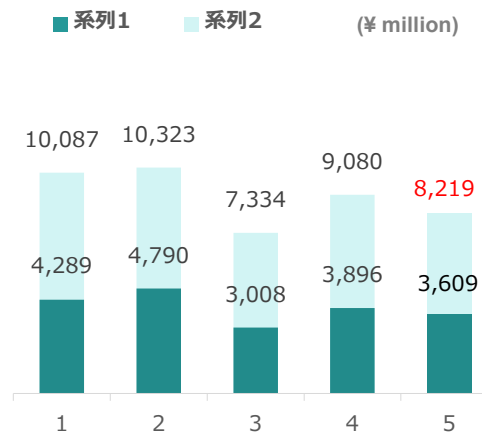
(△11.3%)

(+12.4%)

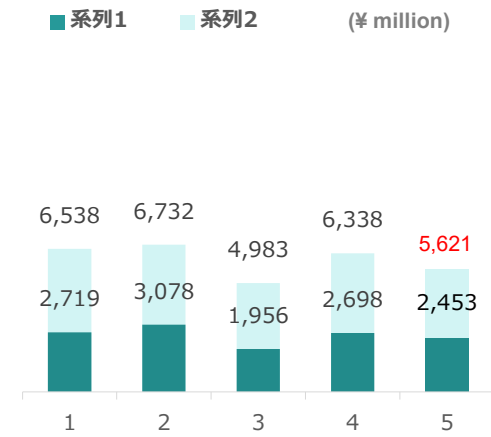
Net Sales



Ordinary Income



Net Income Attributable to Shareholders of Parental Company



Consolidated Statements of Income for the Fiscal Year Ended March 31, 2023

Increase in number of condominium units sold generated increased revenue, while increase in pre-owned condominium sales as share of total caused a decrease in earnings.

(¥ million)

	FY2022	FY2023				
	Financial results (A)	Financial results (B)	Increase/decrease (B) - (A)	Rate of change	Plan	Comparison to plan
Net Sales	82,258	84,688	+2,430	3.0%	85,000	△0.4%
Cost of sales	62,518	65,840	+3,321	5.3%	—	—
Gross profit	19,739	18,848	△891	△4.5%	—	—
Selling, general and administrative expenses	10,644	10,597	△46	△0.4%	—	—
Operating income	9,095	8,250	△844	△9.3%	7,500	+10.0%
Ordinary income	9,080	8,219	△861	△9.5%	7,500	+9.6%
Ordinary income ratio	(11.0%)	(9.7%)	—	(△1.3P)	—	—
Net income attributable to shareholders of parental company	6,338	5,621	△717	△11.3%	5,000	+12.4%

Consolidated Balance Sheet for the Year-End (March 31, 2023)

(¥ million)

	FY2022 (as of Mar. 31, 2022) (A)	FY2023 (as of Mar. 31, 2023) (B)	Increase/ decrease (B) - (A)
Current assets	70,008	76,595	+6,586
Cash and deposits	35,593	32,254	△3,339
Real estate for sale	11,262	11,130	△132
Real estate for sale in process	19,025	26,489	+7,463
Non-current assets	12,651	12,343	△307
Total assets	82,659	88,938	+6,278
Current liabilities	10,864	13,210	+2,345
Non-current liabilities	12,878	12,705	△172
Total liabilities	23,742	25,915	+2,173
Total net assets	58,917	63,022	+4,105
Interest-bearing liabilities	12,643	13,473	+830

By keeping dependency on loans at a low level, we have maintained good financial health.

[Dependency on interest-bearing liabilities]

15.1%

[Equity ratio]

70.9%













Situation of Each Segment



Financial Results by Segment

(¥ million)

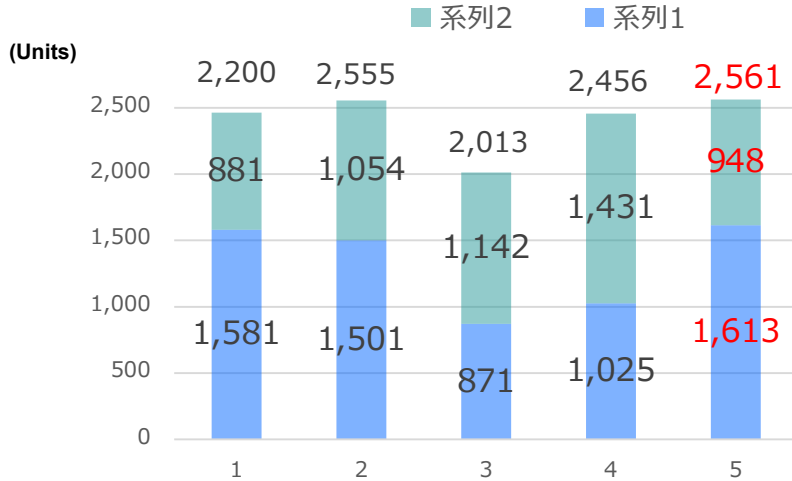
		FY2022	FY2023	YOY		
Real estate development business FJ Next Holdings Co., Ltd. FJ NEXT CO., LTD. Real estate planning and development, sales, and brokerage, and leasing	Net sales	72,249	74,925	+2,676	+3.7%	
	Segment income	7,536	7,064	△471	△6.3%	
Real estate management business FJ Community Co., Ltd. Ito Ippeki Management Services Co., Ltd. Lease management of real estate and total building management Cottage-area management operations	Net sales	3,485	3,652	+167	+4.8%	
	Segment income	882	948	+65	+7.5%	
Construction business Resitec Corporation Design, construction and contracting of buildings and civil engineering	Net sales	5,371	4,777	△594	△11.1%	
	Segment income	646	148	△498	△77.1%	
Japanese inn business FJ resort Management Co., Ltd. Japanese inn business, restaurant business	Net sales	1,095	1,279	+183	+16.8%	
	Segment income	△20	47	+67	—	
Consolidated results Other businesses included	Net sales	82,258	84,688	+2,430	+3.0%	
	Operating income	9,095	8,250	△844	△9.3%	

2,561 condominiums sold, paced by the Gala Condominium series

Home Units Sold			FY2022		FY2023		YOY
			Results for Apr.-Sept.	Results for the full fiscal year	Results for Apr.-Sept.	Results for the full fiscal year	Full fiscal year
			1,124	2,456	1,274	2,561	+105
Aggregation category	New	Gala Condominium series	(650)	(1,201)	(198)	(721)	(△480)
		Gala Residence series	(64)	* (230)	(149)	(227)	(△3)
	Pre-owned condominiums		(410)	(1,025)	(927)	(1,613)	(+588)

* The "Gala Residence series" includes the 60 units that are equivalent to the Company's equity among the projects based on joint ventures.

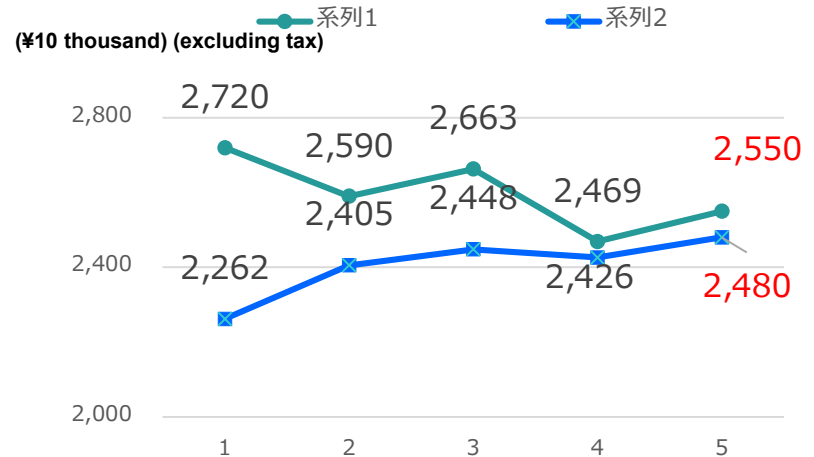
Transition in condominium units sold



Note: "New" includes the Gala Condominium series and the Gala Residence series.

Transition in average sales price (studio-type condominium*)

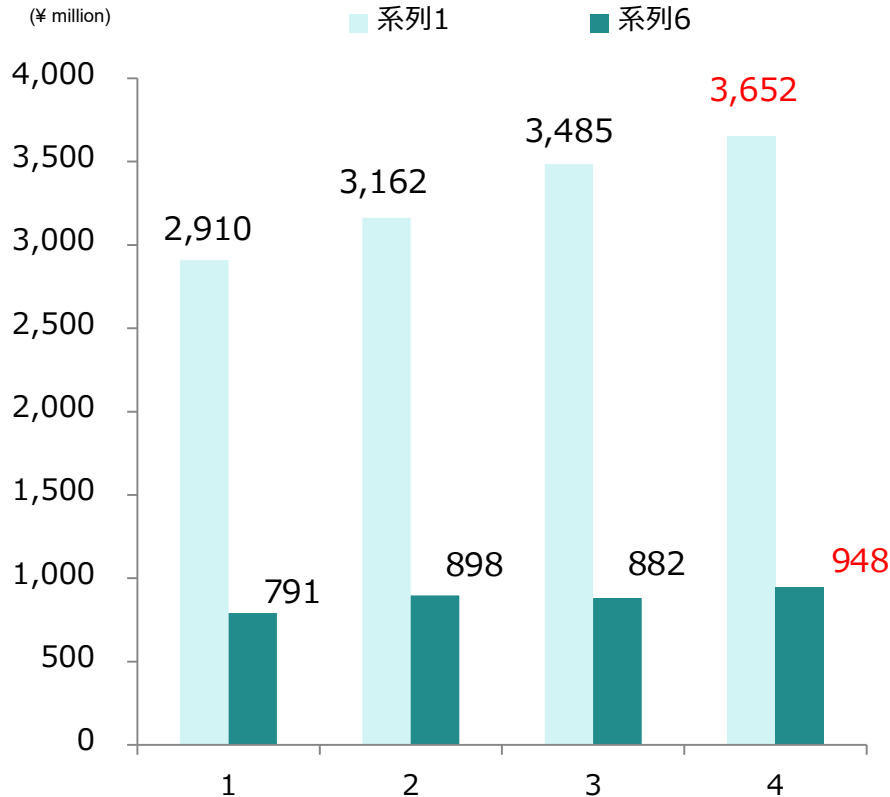
*Less than 40 m²



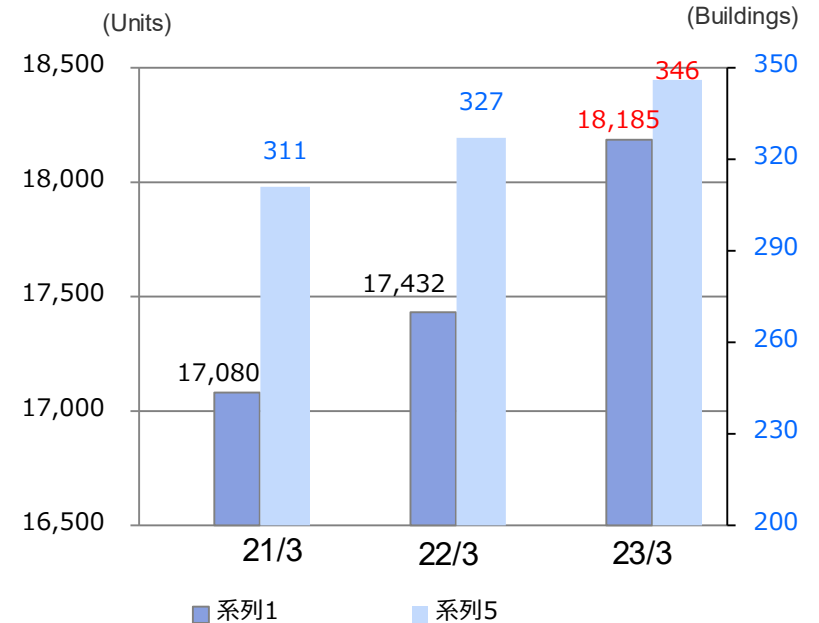
Although the average sales price is lower than the previous year according to the supply area, it is at a high level for both new and pre-owned condominiums.

Providing stable property management

[Trend in segment performance]



[Trend in managed rental units and managed buildings]



(Outline of rental unit management business)

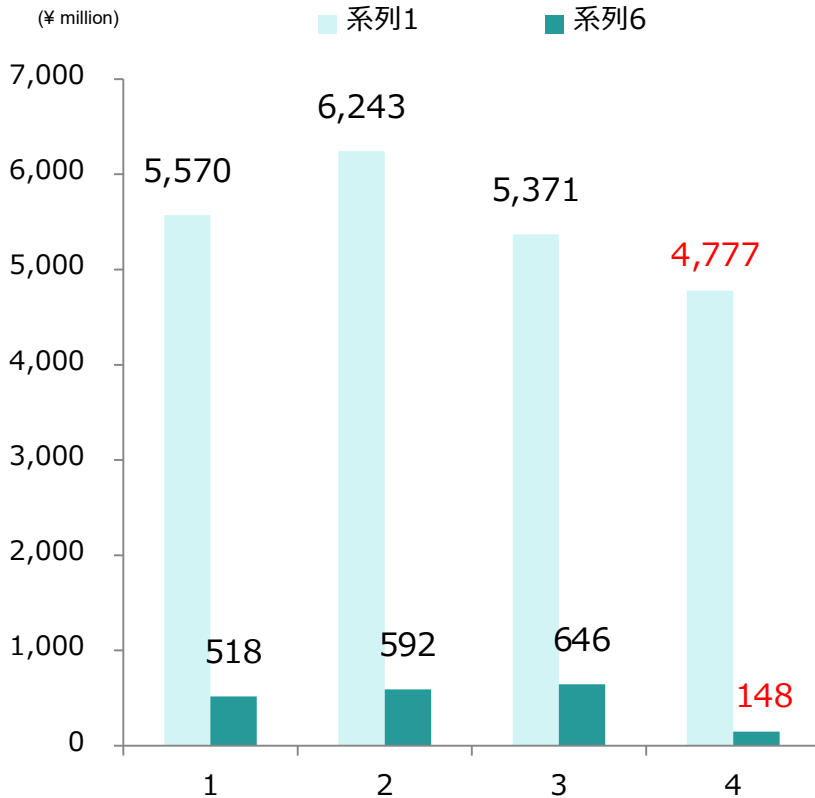
Combination of the landlord representation system and subleasing allows landlords to hold their asset-management type condominiums over medium to long term and to conduct assets formation for the future in an easy and safe manner.

(Outline of building management business)

Through extensive education to the staff members to manage condominiums, we provide operational support for the management of condominiums and retain the assets value of the property.

Contribution not only to business results, but also to quality enhancement of our core business, real estate development business

[Trend in segment performance]



[Example of construction]



Example of condominium construction



Example of wedding hall renovation

[Construction inspection of buildings developed by the Company]



Gala Condominium series

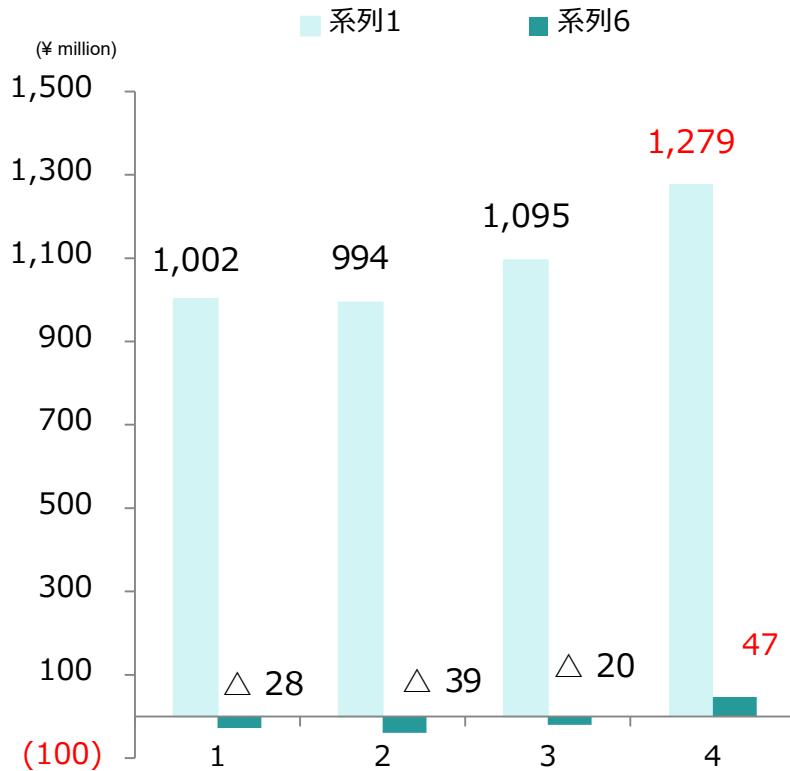


Gala Residence series

The business segment also engages in construction inspection of the buildings developed by the companies of the FJ Next Group, and contributes to quality enhancement of the properties sold by the Group.

Through tourism demand stimulus measures such as “National Travel Assistance,” occupancy rates and guestroom prices exceeded those of the previous fiscal year, turning profitable

[Trend in segment performance]



“Ito Yukitei, a moment of fulfillment, a relaxing inn for your holidays”



Closest station:
JR Ito Station
No. of rooms: 27

“Established in 1926, Gyokuhokan provides something new, classic and ultimate.”



大正十五年創業 源泉かけ流しの宿



Closest station:
Izukyu Kawazu Station
No. of rooms: 16

“A quiet presence far from everyday troubles, with a sweeping view of Sagami Bay from the hills of Kawana in Ito: Ito Yukitei Kawana Bettei”



Closest station:
Izukyu Kawana Station
No. of rooms: 5

“With an aesthetic refined by tradition, you can unwind here like nowhere else.”



Closest station:
Izukyu Rendaiji Station
No. of rooms: 26



Business Situation and Strategy of the Group



FJ Next Group's strengths = stocking and selling ability

Top-class supply and sales achievements in the industry

- With the strengths of more than 40 years of solid performance and robust financial affairs as our foundation, we use rapid and precise decision-making to secure land with superior business viability.
- We promote sales using our precise payment simulator based on long years of actual business results and proposals for optimal asset management plans.

■ Investment-type condominium supplier ranking in the Tokyo metropolitan area

Source: Real Estate Economic Institute Co., Ltd.

Fiscal year	No. of units supplied	Rank	Market share
2022 (first half)	420	2	11.1%
2021	1,067	1	17.7%
2020	900	1	14.4%
2019	868	1	14.5%
2018	635	4	8.1%
2017	664	2	10.9%
2016	1,072	1	15.3%
2015	849	1	14.0%
2014	725	2	11.6%
2013	898	1	15.7%

■ 2021 - Tokyo metropolitan area new condominium supply ranking

(Target period: January to December 2021)

Source: Real Estate Economic Institute Co., Ltd.

Rank	Owned by	No. of units supplied
1	Mitsui Fudosan Residential	3,118
2	Nomura Real Estate Development	2,593
3	Mitsubishi Estate Residence	1,622
4	Daiwa House Industry	1,614
5	FJ NEXT	1,417
6	Sumitomo Realty & Development	1,161
7	Nippon Steel Kowa Real Estate	1,086
8	Shinnihon Corporation	1,077
9	Tokyo Tatemono	1,014
10	Tokyu Land Corporation	1,002

Notes: 1. Family, compact, and studio combined.

2. Joint venture properties are proportionally divided according to the business rate.

3. Fixed-term lease condominiums are not included.

Strategy thoroughly concentrating on specific areas

Careful selection of areas with the highest demand for rental property (Supply area)

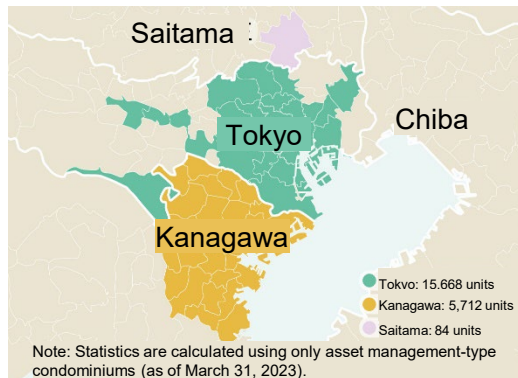
- Tokyo Prefecture
- Kanagawa Prefecture (Cities of Yokohama and Kawasaki)

<Decision to include in our business target areas>

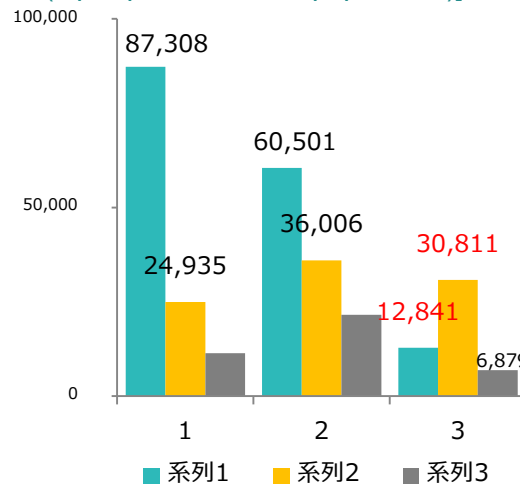
We decide our business target area by selecting from many potential condominium sites proposed by financial institutions and brokers based on the future prospect and values as the assets, which are measured by:

- We carefully analyze rental demand based on location (train station in walking distance, value of train station as a commuting link, train and subway access, access to shopping, schools, etc.).
- Development plans of roads and others are also considered.

[Our supply area]



[Trend in social increase and decrease (top 3 prefectures in population)]



[Top 10 in social increase]

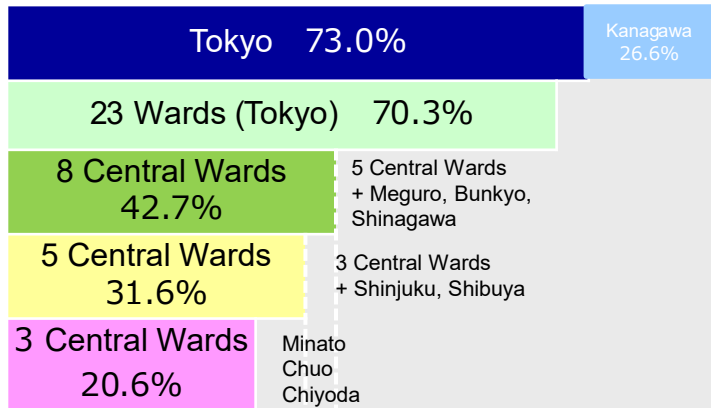
Rank (last year rank)	Prefecture	Sodal increase (people)	Population (people)
1 (2)	Kanagawa	30,811	8,993,479
2 (3)	Saitama	23,425	7,198,330
3 (4)	Chiba	19,290	6,155,715
4 (1)	Tokyo	12,841	13,297,089
5 (6)	Fukuoka	7,993	5,044,077
6 (5)	Osaka	6,879	8,588,705
7 (11)	Shibaragi	1,204	2,836,621
8 (8)	Okinawa	482	1,466,128
9 (10)	Shiga	360	1,385,804
10 (14)	Yamanashi	345	804,378

Source: Population, Demographic Movement and Households Numbers According to the Basic Resident Register (published by Ministry of Internal Affairs and Communications in August 2021)
 Note: Social increase and decrease = (Number of people entering – number of people exiting); excludes foreign workers

Supply Area of Condominiums

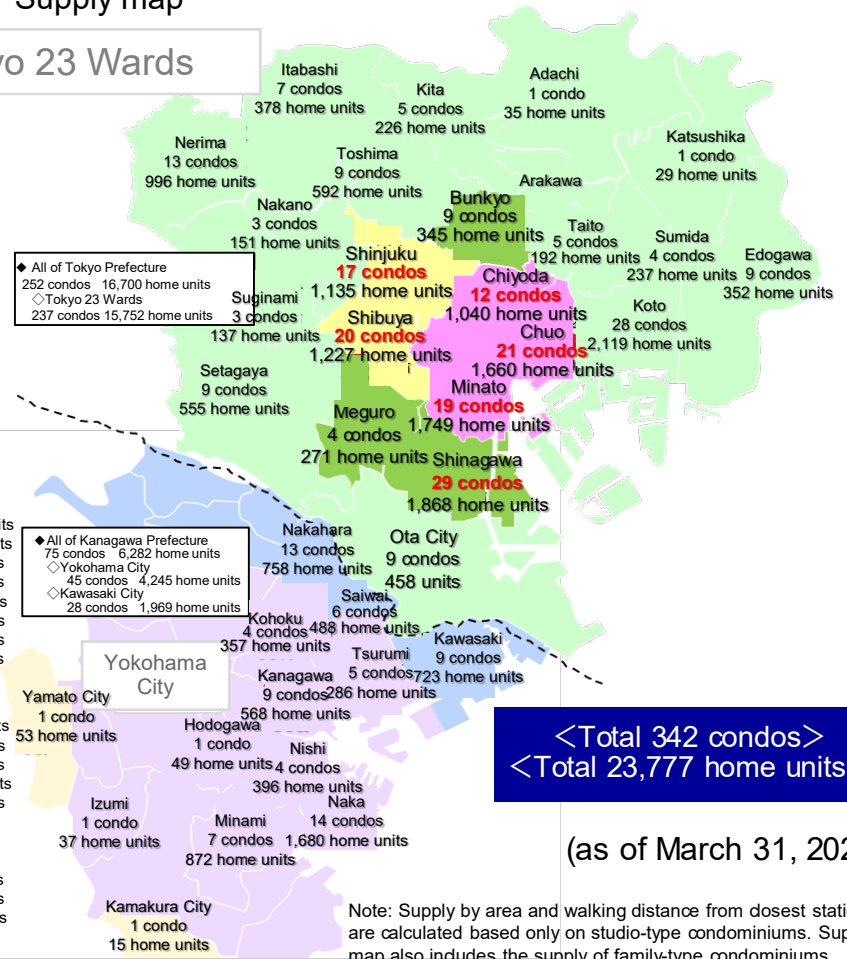
We have supplied condominiums by focusing on the area with more potential tenants such as central Tokyo and Yokohama area.

Supply by area

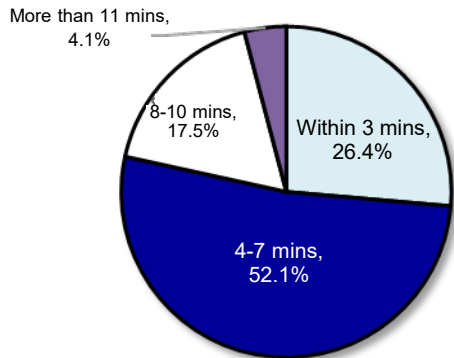


Supply map

Tokyo 23 Wards



Walking distance from closest station



(Others)		
◆ Tokyo (other than 23 wards)		
Fuchu City	3 condos	161 home units
Chofu City	3 condos	194 home units
Kokubunji City	1 condo	55 home units
Koganei City	1 condo	32 home units
Tachikawa City	3 condos	257 home units
Mitaka City	2 condos	167 home units
Inagi City	1 condo	32 home units
Machida City	1 condo	50 home units
◆ Saitama		
Kawaguchi City	7 condos	339 home units
Saitama City	1 condo	38 home units
Warabi City	1 condo	35 home units
Toda City	2 condos	168 home units
Niiza City	1 condo	60 home units
◆ Chiba		
Matsudo City	1 condo	24 home units
Urayasu City	1 condo	47 home units
Funabashi City	1 condo	84 home units

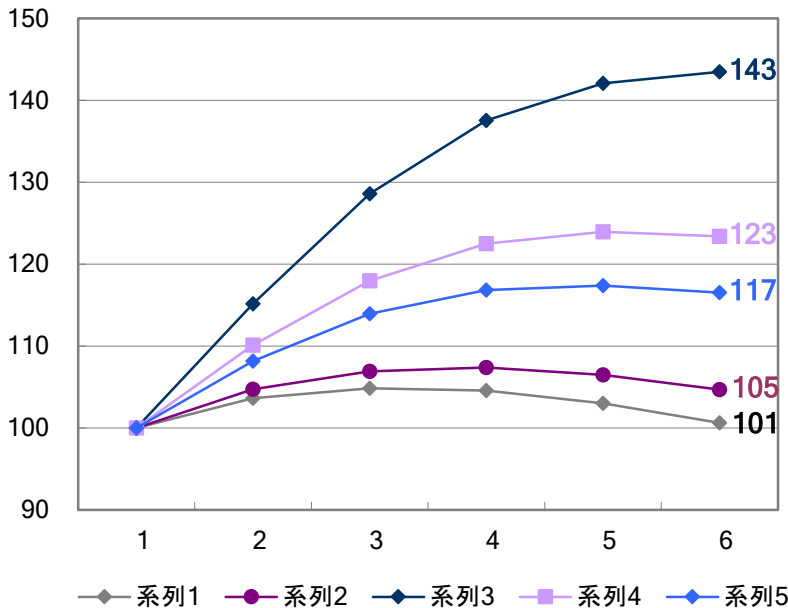
<Total 342 condos>
<Total 23,777 home units>

(as of March 31, 2023)

Note: Supply by area and walking distance from closest station are calculated based only on studio-type condominiums. Supply map also includes the supply of family-type condominiums.

The number of single-person households will continue to increase. Hence, the **potential tenants are expected to increase **in the medium to long term.****

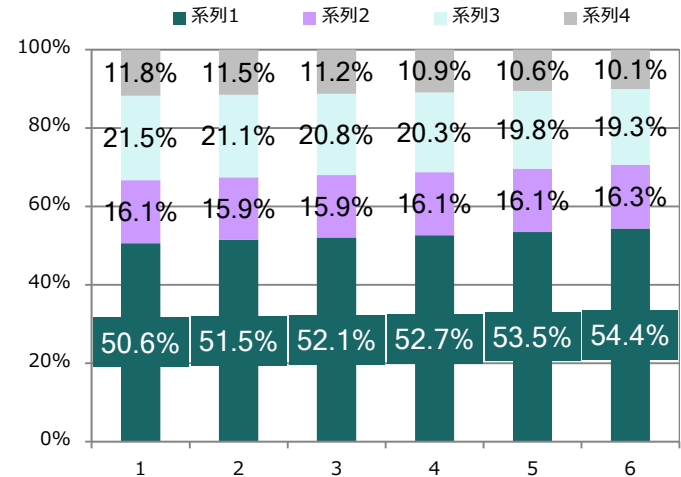
[Estimate for future vital index of Tokyo]



Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government

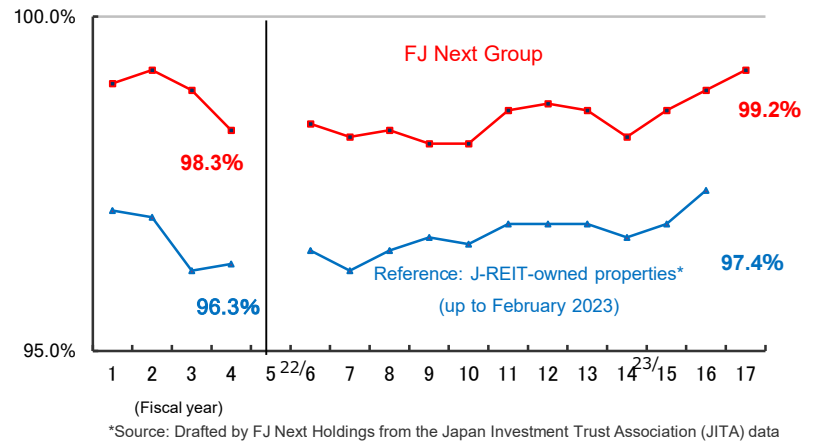
The population of central Tokyo will remain at the same level with the present.

[Estimate for the numbers of households in the 23 Wards of Tokyo]



[Trend in occupancy rate of rental units managed by FJ Next Group]

Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government



*Source: Drafted by FJ Next Holdings from the Japan Investment Trust Association (JITA) data

Future: Demand is expected to be stable.

Status of Inventory of Condominiums

■ Real estate for sale

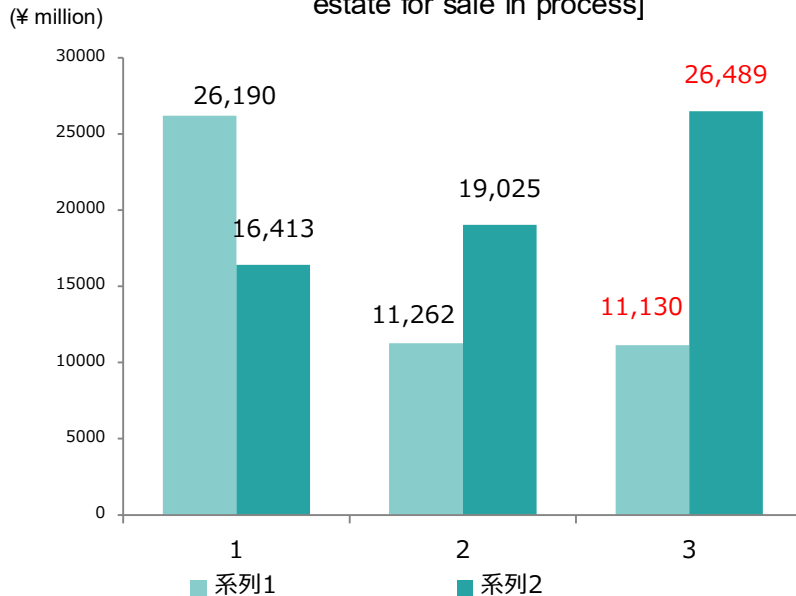
- New condominium units completed in FY2023 sold out early.
- Continued active procurement of pre-owned condominiums
- Securing of stable rent revenues from owned properties, including not only fixed assets but also real estate for sale

⇒ Continuous profit can be expected as a stock business, not just inventory

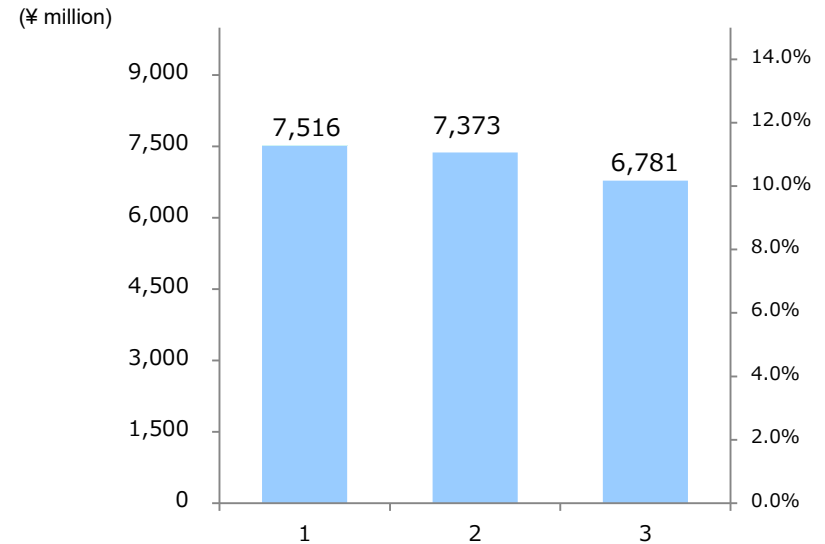
■ Real estate for sale in process

- Continued **profitability-focused sourcing**, based on the profit return method

[Transition in balance of real estate for sale/real estate for sale in process]



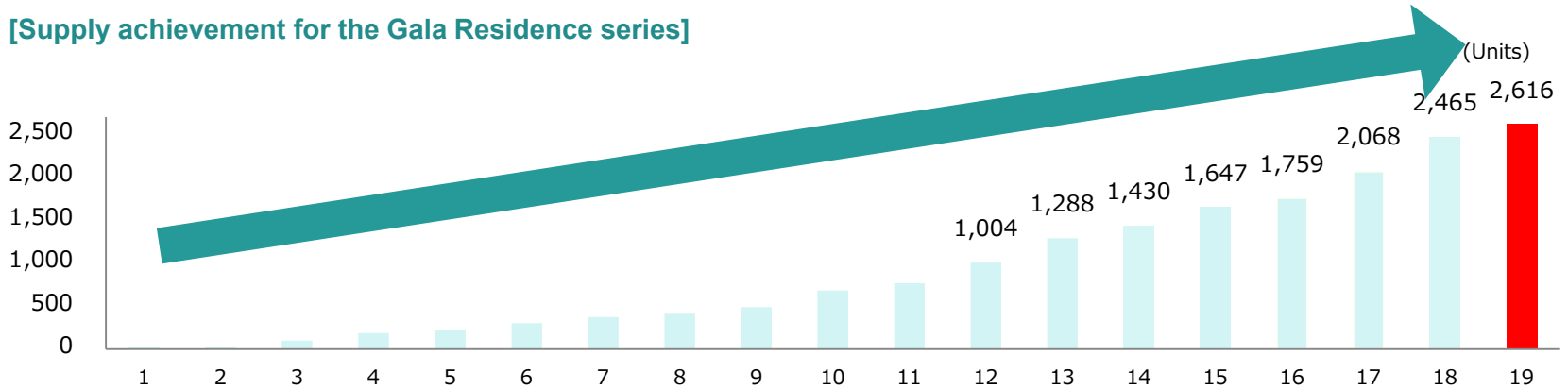
[Net sales incurred from rental income]



(Note) Inventory of previously-owned condominiums is included in "Real Estate for Sale."

Expansion of Family-Type Condominiums Business

[Supply achievement for the Gala Residence series]



Notes: 1. In the forecast for the fiscal year ending March 2023, the projects under progress are included as the ones that are expected to be supplied within the term.
 2. Of the projects based on joint ventures, we include 60 units, which is the portion equivalent to our equity.

New projects keep on coming!

“A hidden gem of fulfilling urban living”

Gala Residence Fuchu-Musashinodai

To be completed in February 2024
 Total units: 61



“ LOVE & GREEN @FUNABORI ”

Galla Residence Funabori Avenue

To be completed in March 2024
 Total units: 52





Consolidated Performance Perspective of the Fiscal Year Ending March 31, 2024



Forecast for Consolidated Financial Results and Dividends for the Fiscal Year Ending March 31, 2024 [Full Year]

**Plans net sales of 93,000 million yen and ordinary income of 75,000 million yen.
Dividend payout ratio of 31.4% is planned.**

	FY2024 forecast	FY2023 results	YOY	(¥ million)
Net sales	93,000	84,688	+8,311 +9.8%	
Operating income	7,500	8,250	△750 △9.1%	
Ordinary income	7,500	8,219	△719 △8.8%	
Net income attributable to shareholders of parental company	5,000	5,621	△621 △11.0%	

**Ordinary income ratio
8.1%**

**Plan to sell 2,500
condominium units
annually**

**Dividend
payout ratio
31.4%**

The Company has maintained a stable dividend since its IPO.

	FY2024	FY2023 (Previous period)	FY2022 (Period before previous)
Interim dividend	¥24	¥24	¥24
Year-end dividend	¥24	¥24	¥24
Annual dividend	¥48	¥48	¥48
Dividend payout ratio	31.4%	27.9%	24.8%

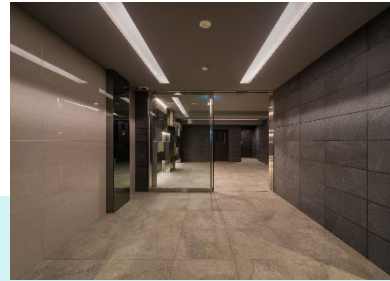
Note: Forecast performance values may fluctuate if operating activities are restricted due to the spread of COVID-19, etc.



APPENDIX



Properties Sold in Term Under Review (Excerpt)



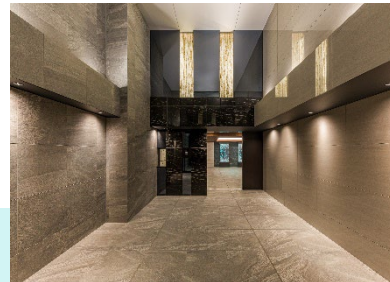
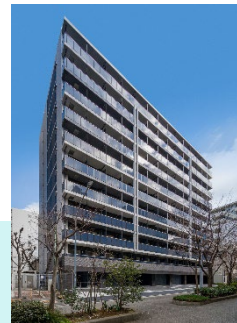
[Gala Grandy Fukagawa-Sumiyoshi] (sold out at an early stage)

(Address) 2-24-5 Ogibashi, Koto-ku, Tokyo
 (Closest station) 7-minute walk from Sumiyoshi station on
 Tokyo Metro Hanzomon Line and Toei Shinjuku Line
 (Total units) 74
 (Floor plan) 2BD (with kitchen only) and 1BD (with dining/
 kitchen only)
 (Completion) December 2022



[Gala Park Hills Musashi-Koyama] (sold out at an early stage)

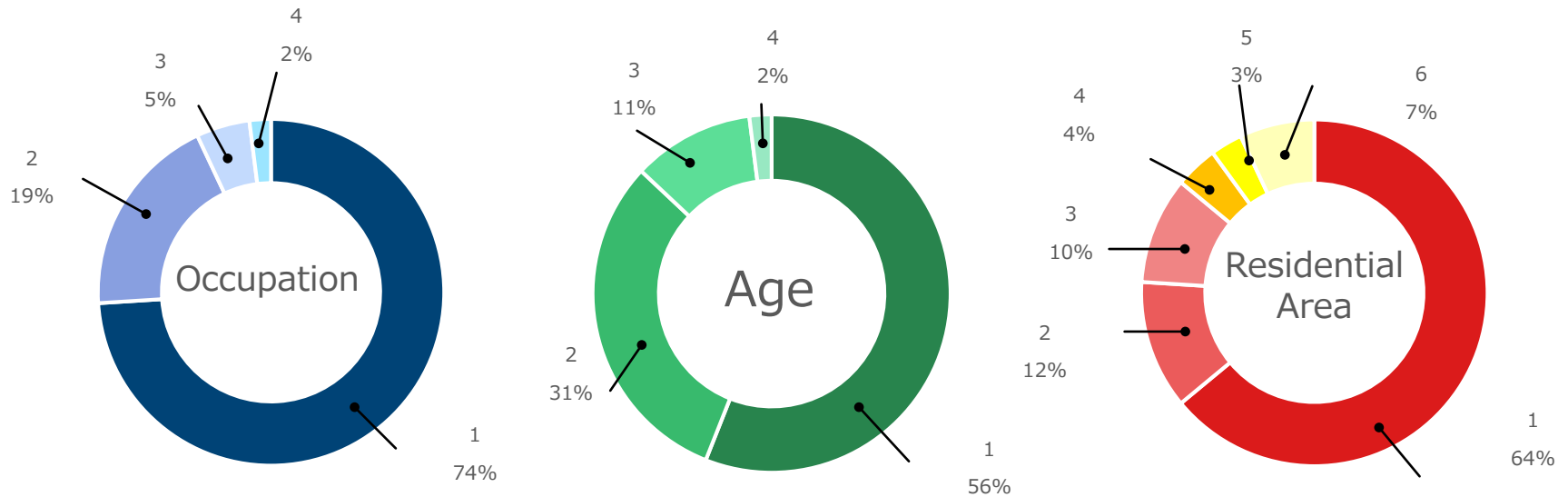
(Address) 1-4-5 Koyamadai, Shinagawa-ku, Tokyo
 (Closest station) 8-minute walk from Musashi-Koyama station
 on Tokyu Meguro line
 (Total units) 38
 (Floor plan) 2BD (with kitchen only) and 2BD (with dining/
 kitchen only)
 (Completion) February 2023



[Gala Prime Yokohama-Kannai] (sold out at an early stage)

(Address) 2-23-1 Eiraku-cho, Minami-ku, Yokohama-shi,
 Kanagawa
 (Closest station) 4-minute walk from Isezaki-Chojamachi
 station on Yokohama Municipal Subway Blue Line
 10-minute walk from Kannai station on
 Keihin-Tōhoku-Negishi Line
 (Total units) 199
 (Floor plan) 1BD (with kitchen only) and 1BD (with dining/
 kitchen only)
 (Completion) February 2023

We have acquired a broad range of owners by providing a wide variety of products.



Note: Statistics are calculated using only asset management-type condominiums (Apr. 2022 through Mar. 2023).

[FJ College (a seminar sponsored by the Company)] ~Connections with experts~

Actively develop seminars in collaboration with experts in specific fields, financial institutions, companies that operate asset management services, etc., and utilize web seminars in response to the era of COVID-19.



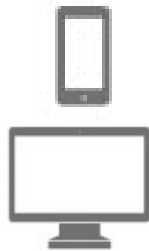
- More than 4,000 total attendees (including web seminars)
- Large numbers of young demographic investors came with the goal of visualizing their future asset formation

1万人が選んだ不動産投資
”FJカレッジ”
信頼と実績の「ガールマンションシリーズ」
東証一部上場のFJネクストからそのノウハウを学ぶ。



[Gala Navi (a members-only organization run by the Company)] ~Initiatives for new member acquisition~

Strengthening new member acquisition policies through the use of content marketing



- More than 280,000 total members
- Providing members-only content

Distributing content on a wide variety of themes such as life planning and money-related information

[GALA FUNDING]

FJ Next Group's real-estate crowd-funding service, starting from as little as ¥10,000



Subscriptions to Fund No. 1 began on May 10, 2022. including still-active funds, Gala Funding is now up to Fund No. 8! Based on a track record and expertise accumulated over more than 40 years since its foundation, the FJ Next Group carefully selects projects best suited to real-estate crowd-funding.

Fund Information

GALA FUNDING #4 (Shibuya-Nanpeidai)	GALA FUNDING #5 (Nihonbashi-Hamacho)	GALA FUNDING #6 (Akasaka)	GALA FUNDING #7 (Akasaka)	GALA FUNDING #8 (Higashi-Azabu)
Amount raised: ¥ 39,340,000	Amount raised: ¥ 30,940,000	Amount raised: ¥ 26,950,000	Amount raised: ¥ 27,020,000	Amount raised: ¥ 55,300,000

※End of operation on April 30, 2023

※Scheduled to start operation in June 2023

Estimated distribution rate	Operation period	Minimum investment	Selection method	Investment structure
3.5%	6 months	¥10,000	First-come-first-served basis or lottery format	Priority and subordinate structure (Priority 70%, Subordinate 30%)

※The above are the terms and conditions at the time of offer for the fund currently under management (End of operation), and are not necessarily applied to the funds scheduled to be formed in the future.

We will continue our efforts to contribute to society and environment

[Adoption of environmentally-friendly materials and fixtures]

Proactively adopting environmentally-friendly materials and fixtures.



Use of LED for lighting in common spaces



Flooring using environmentally-friendly plywood



Interior materials with low amounts of formaldehyde

[Environment conservation activity support]

Supporting various environmental conservation activities.



Support for environmental conservation of Akagi Nature Park



Activities supporting the Sumida Aquarium

[Greening efforts]

As part of our heat island countermeasures, we are promoting rooftop gardens.



[Other CSR activities]

We are adopting a new material "LIMEX" that has less environmental impact and replaces paper for business cards and company information.



(About LIMEX)

The main raw material is limestone, which is said to weigh an estimated 24 billion tons, even in Japan, where resources are scarce. Limestone is said to have a very low risk of depletion compared to oil, water and forest resources. By replacing it with a new material, we can save about 10 liters of water that was previously used to print 100 paper business cards. The Group will consider using environmentally friendly materials with the aim of increasing the corporate value of the Group.

- Participation in zero emissions for corporate uniform disposal
To reduce CO2 emissions, we promote the recycling of uniforms worn and used by our staff engaged in management work of our condominiums.



- Participation in "Fun to Share" – a climate change campaign, support to tree planting activities, etc.



Company outline (as of March 31, 2023)

Company name	FJ Next Holdings Co., Ltd.
Established	July 1980
Capital	¥2,774,400,000
Number of employees	39 (564 on a consolidated basis)
Head office	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1310
URL	https://www.fjnext-hd.co.jp

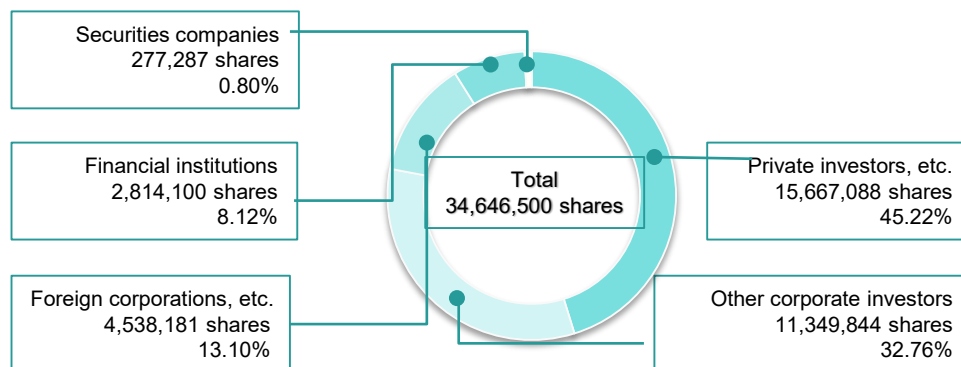
Share information (as of March 31, 2023)

Total number of authorized shares	36,861,000 shares
Total number of issued shares	34,646,500 shares
Number of shareholders	16,406

Supplementary share information (as of March 31, 2023)

Fiscal year	From April 1 of each year through March 31 of the following year
Annual shareholders meeting	Late June of each year
Record date	Year-end dividend: March 31 Interim dividend: September 30
Share unit number	100 shares
Public notice	Public notice of the Company shall be given by electronic public notice. If the Company is unable to give public notice by electronic public notice due to an accident or any other unavoidable circumstances, such notices shall be published on Nihon Keizai Shimbun Newspaper. Company's website (https://www.fjnext-hd.co.jp)

Breakdown of shareholders (as of March 31, 2023)



Note: 1,961,157 treasury shares are included in "Private investors, etc."

Shareholder registry administrator (Account management institution regarding special accounts)	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo
Place of business	Transfer Agent Department, Head Office, Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo <Address for mail and inquiries (including inquiry for receipt of unpaid dividends)> Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507 TEL: 0120-288-324 (toll-free number)
Stock exchange listing	Prime Market, Tokyo Stock Exchange
Securities code	8935

[Contact Details]

Management Strategy Department

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Fax : 03 - 6733 - 7712

Email : galair@fjg.co.jp

URL : <https://www.fjnext-hd.co.jp>

Cautionary Note:

These materials were created for the purpose of providing information related to the explanation of company business and are not meant to solicit investment in marketable securities issued by the Company. Furthermore, these materials were prepared based on data available as of May 12, 2023. Opinions and projections noted in these materials are determinations made by the Company as of the time these materials were created. We do not guarantee or promise the accuracy or completeness of this information and, further, reserve the right to make changes without notice.