



**MEIWA ESTATE Co., Ltd. (8869)**  
**Financial Results for Q1 FY03/24**



August 9, 2023

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# Change in Reporting Segments

- As announced in May 2023, we change reporting segments to suit our current management structure

## ➤ Former reporting segments



## ➤ New reporting segments





# Summary of Results



## ■ Financial Results for Q1 FY03/24

- Q1 net sales and profit increased YoY
  - Net sales: ¥14 billion (up 20% YoY) Operating profit: ¥0.9 billion (up 13% YoY)  
Ordinary profit: ¥0.6 billion (up 28% YoY)  
Profit attributable to owners of parent: ¥0.5 billion (up 23% YoY)

## ■ Forecast of Consolidated Financial Results for Full-Year FY03/24

- No change from the previous announcement. Net sales, operating profit and ordinary profit are expected to increase
  - Net sales: ¥83 billion (up 33% YoY) Operating profit: ¥6.3 billion (up 6% YoY)  
Ordinary profit: ¥5.2 billion (up 4% YoY)
  - Contracts amounted to 96% of the full-year condominium net sales plan (as of the end of Q1)
- Plan to pay a year-end dividend of ¥50 per share (up ¥5 YoY)

## ■ Residential Development Business

- **Purchases: ¥12.6 billion (down 8% YoY) → Secured ¥170 billion worth of properties that will contribute to net sales from Q2 onward**
- **Supply: ¥12.9 billion (up 7% YoY) → Steady progress in the supply of condominiums scheduled to be recorded as net sales from next period onward**
- **Sales Contracts : ¥9.6 billion (down 19% YoY) → Sales contracts amounted to 96% of full-year net sales plan**

## ■ Real Estate Agency Business

- **The Real Estate Agency Business as a whole recorded YoY increases in both sales and profit**
- **Favorable results in both the Purchase and Resale, and Brokerage Businesses**
- **Completed settlement and delivery of two properties in the Wealth Solution Business**

## ■ Condominium Management Business

- **The Condominium Management Business recorded a YoY increase in sales but decrease in profit**
- **Strengthened sales activities and steadily increased switchovers of condominiums managed by other companies (46,171 units managed as of the end of Q1)**

## ■ Leasing and Related Business

- Net sales: ¥201 million (down 12% YoY)

Segment profit: ¥92 million (down 29% YoY)

## ■ Other Businesses

- Net sales: ¥51 million (up 11% YoY)

Segment profit: ¥19 million (Segment loss: ¥0.7 million in the same period of the previous fiscal year)



# Consolidated Financial Results

## Q1 FY03/24





# Consolidated Financial Results Q1 FY03/24

- Net sales: ¥14 billion (up 20% YoY)
- Operating profit: ¥0.9 billion (up 13% YoY), ordinary profit: ¥0.6 billion (up 28% YoY), profit attributable to owners of parent: ¥0.5 billion (up 23% YoY)

(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)		Full-year FY03/24 forecast (Announced May 11, 2023)	Progress (%)
Net sales	11,654	14,058	2,404	20.6%	Wealth Solution (WS) up ¥2.6 billion	83,000	16.9%
Gross profit	2,971	3,515	543	18.3%		17,500	20.1%
(Gross profit margin)	(25.5%)	(25.0%)	(-0.5pp)	-	Increase in brokerage fees for WS business (See page 14)	(21.1%)	-
SG&A expenses	2,149	2,580	431	20.1%		11,200	23.0%
Operating profit	822	934	112	13.7%		6,300	14.8%
(Operating profit margin)	(7.1%)	(6.7%)	(-0.4pp)	-		(7.6%)	-
Non-operating income	42	31	-10	-25.5%		-	-
Non-operating expenses	331	280	-51	-15.5%		-	-
Ordinary profit	532	685	152	28.7%	Gain on sale of Company-owned properties (4 properties)	-	-
(Ordinary profit margin)	(4.6%)	(4.9%)	(0.3pp)	-		5,200	13.2%
Extraordinary income	6	29	23	366.2%		(6.3%)	-
Extraordinary loss	0	34	33	4,164.3%	Loss on sale of stocks by The Impact Neutralization Trust	-	-
Profit before income taxes	538	680	142	26.5%		-	-
Profit attributable to owners of parent	475	585	109	23.1%		-	-
(Profit margin)	(4.1%)	(4.2%)	(0.1pp)	-		3,800	15.4%
						(4.6%)	-

## ■ Results by segment are as follows

(Millions of yen)

	Reporting segment					Others	Total	Adjustment	Amount recorded on quarterly consolidated statement of income
	Residential Development	Real Estate Agency	Condominium Management	Leasing and Related	Total				
Net sales									
Sales to external customers	7,647	4,781	1,376	201	14,007	51	14,058	-	14,058
Intersegment sales and transfers	-	-	10	37	48	753	801	-801	-
Total	7,647	4,781	1,387	239	14,055	804	14,860	-801	14,058
Segment profit	488	437	69	92	1,088	19	1,107	-173	934

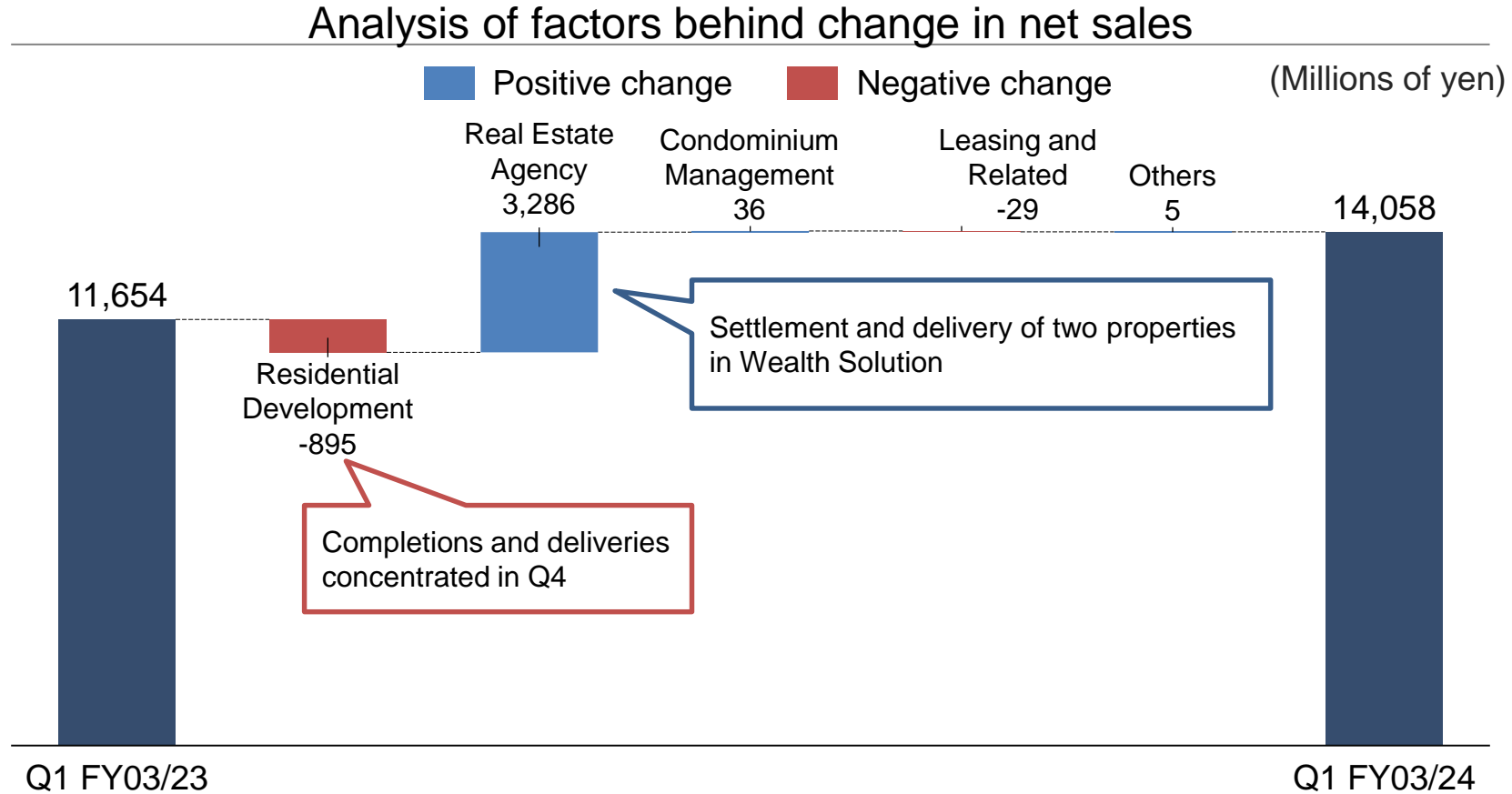
## ■ Results by segment are as follows

(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
<b>Sales to external customers</b>	<b>11,654</b>	<b>14,058</b>	<b>2,404</b>	<b>20.6%</b>
Residential Development	8,542	7,647	-895	-10.5%
Real Estate Agency	1,494	4,781	3,286	219.9%
Condominium Management	1,340	1,376	36	2.7%
Leasing and Related	231	201	-29	-12.7%
Others	45	51	5	11.7%
<b>Segment profit</b>	<b>822</b>	<b>934</b>	<b>112</b>	<b>13.7%</b>
Residential Development	746	488	-258	-34.6%
Real Estate Agency	3	437	434	13,244%
Condominium Management	80	69	-10	-13.4%
Leasing and Related	131	92	-39	-29.8%
Others	-0	19	19	-
Adjustment	-139	-173	-33	-

# Factors Behind Change in Net Sales by Segment Q1 FY03/24

- Net sales increased YoY due to strong performance in the Real Estate Agency Business.



# Residential Development Business : Completions Schedule

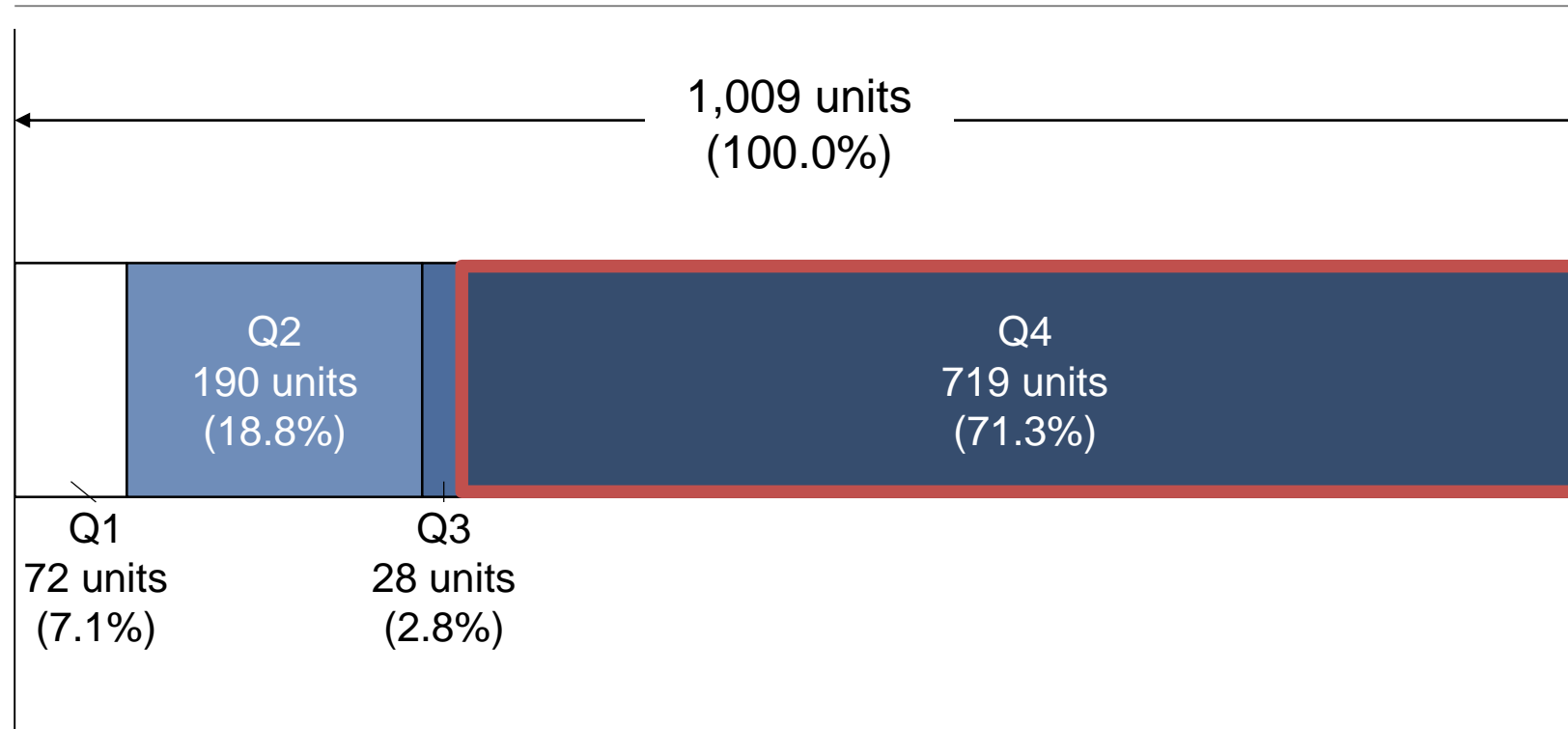
- Completion of properties concentrated in Q4 (Sales recorded at the time of completion and delivery)

→ Net sales forecast weighted toward Q4

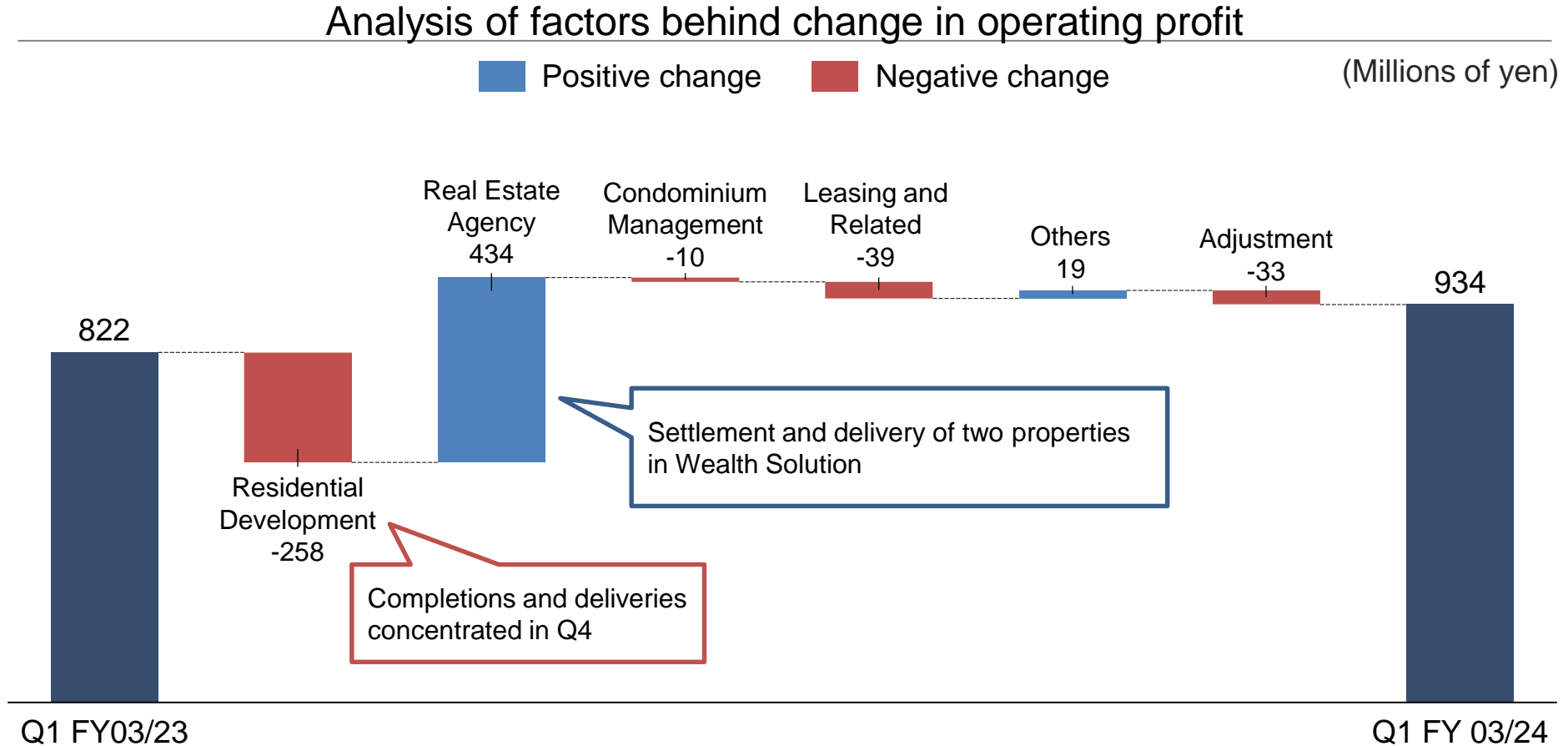
FY03/24

Planned Completions (based on number of units)

\*Only for new condominiums



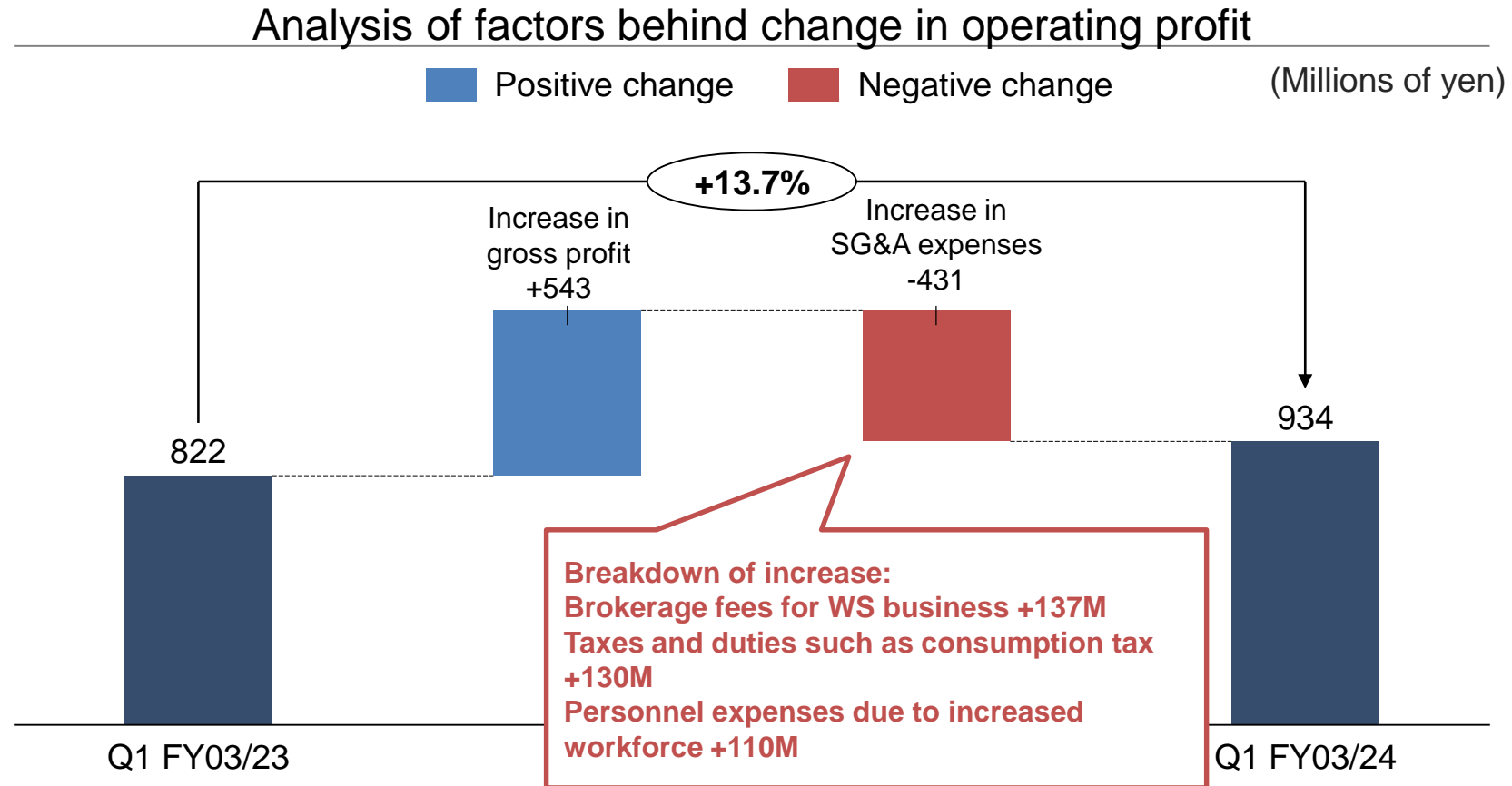
- Profit increased YoY due to strong performance in the Real Estate Agency Business



# Factors Behind Change in Operating Profit by Expense item

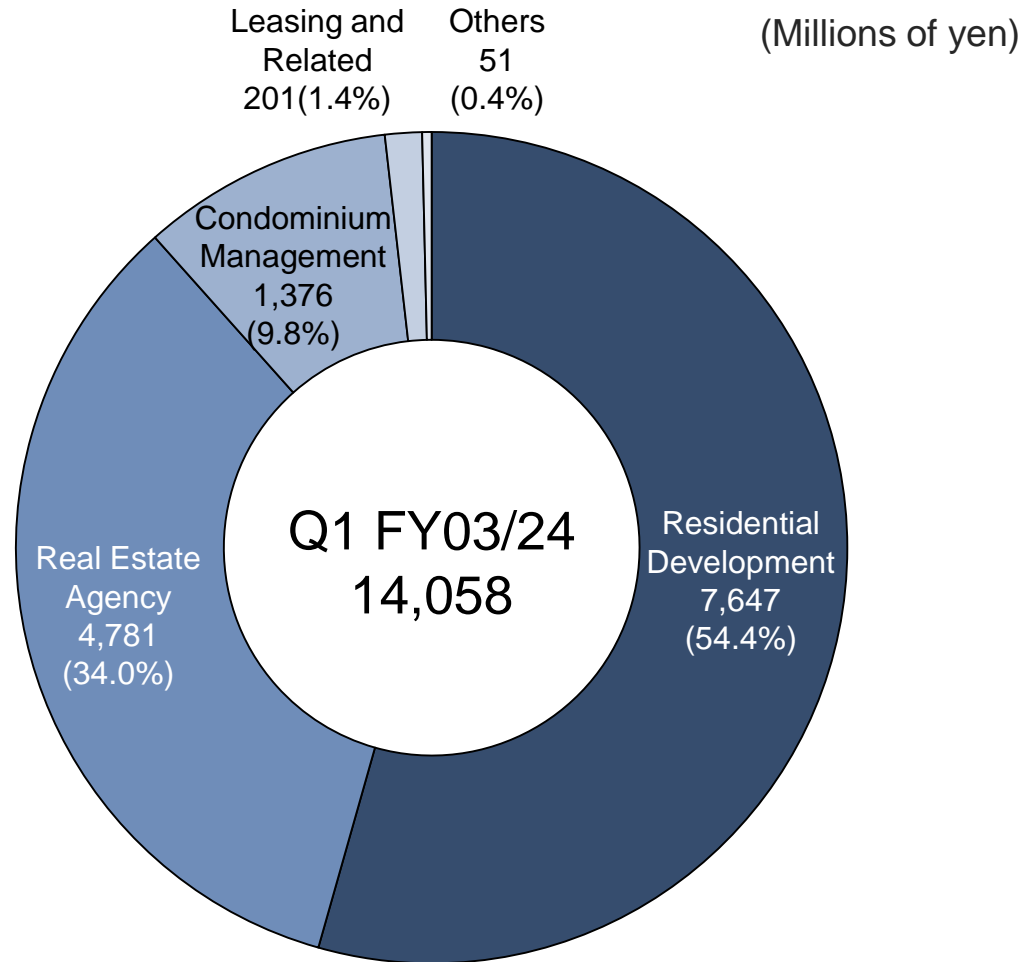
## Q1 FY03/24

- Operating profit increased as the increase in gross profit absorbed the ¥0.4 billion increase in SG&A expenses



# Composition of Net Sales and Segment Profit Q1 FY03/24

## Composition of net sales



(Millions of yen)

Segment	Net sales (Composition ratio)	Segment profit (Composition ratio)
Residential Development	7,647 (54.4%)	488 (44.1%)
Real Estate Agency	4,781 (34.0%)	437 (39.5%)
Condominium Management	1,376 (9.8%)	69 (6.3%)
Leasing and Related	201 (1.4%)	92 (8.4%)
Others	51 (0.4%)	19 (1.7%)



# Residential Development Business

■ Q1 net sales and profit down due to concentration of deliveries in Q4

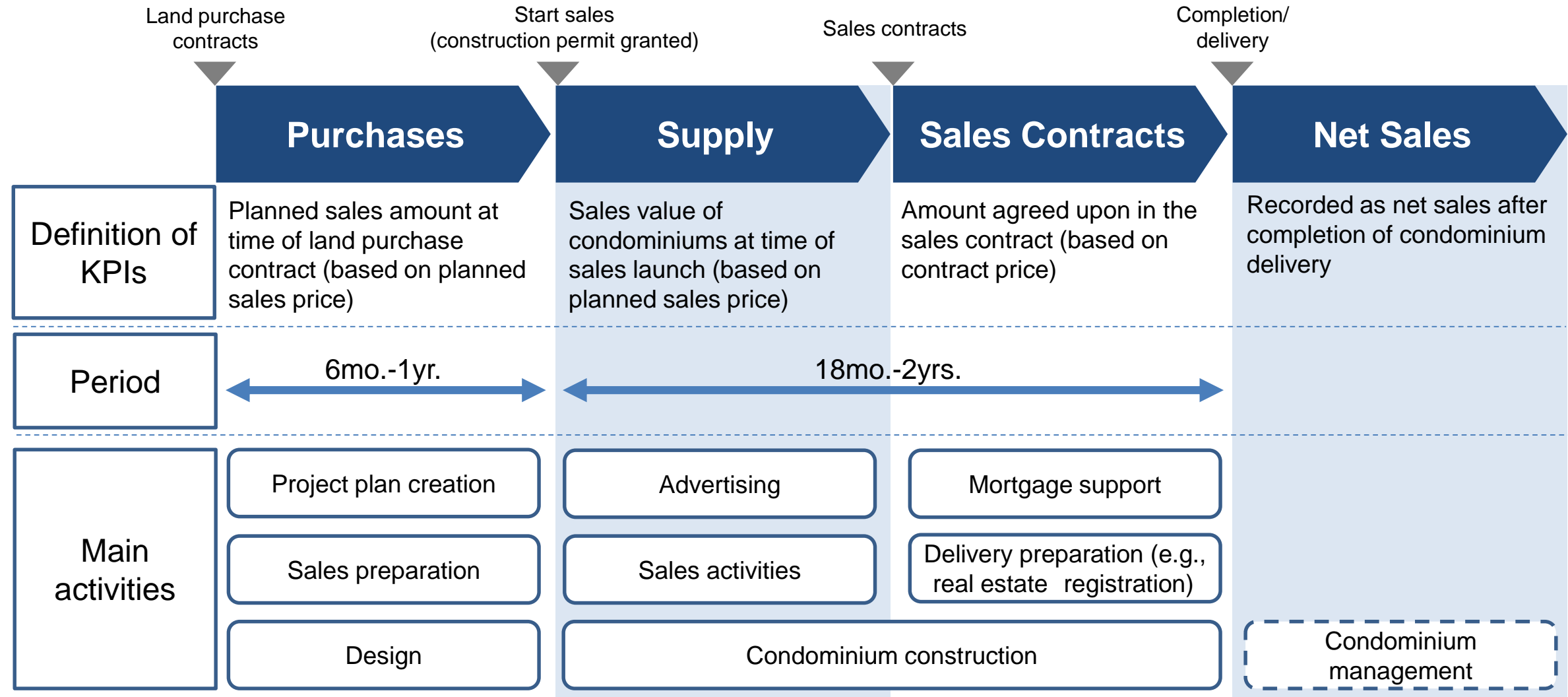
(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	8,542	7,647	-895	-10.5%
Intersegment sales and transfers	2	-	-2	-
Total	8,544	7,647	-897	-10.5%
Segment profit	746	488	-258	-34.6%

The large decrease in profit compared to the decrease in net sales is caused by shifting the recording of non-deductible consumption tax from non-operating expenses to SG&A expenses.

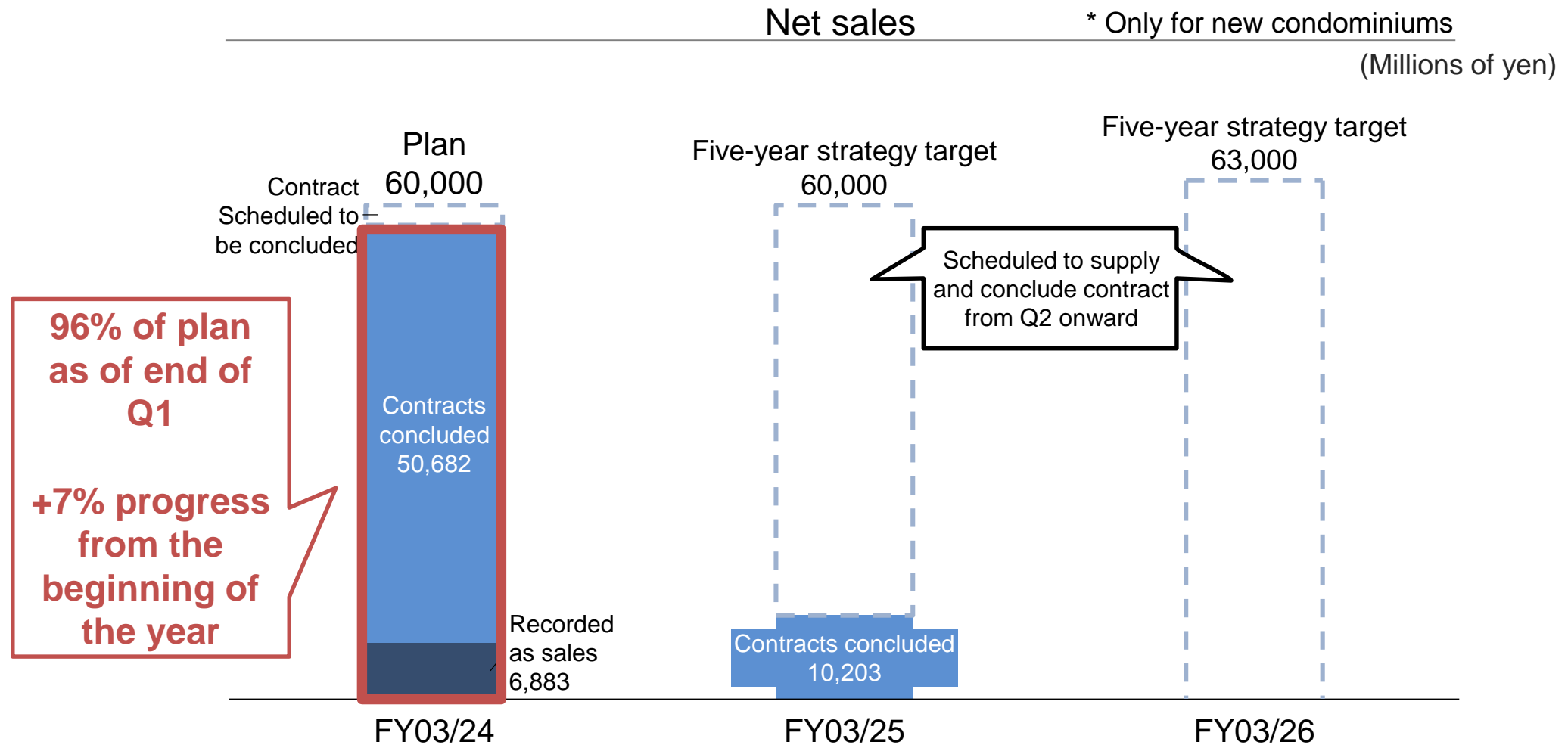
# Ref.: Leading Sales Indicators (KPIs) for the Residential Development Business

## ■ KPIs are defined as follows.



# Residential Development Business: Progress Against Full-year Net Sales Plan (1)

- Sales contracts at the end of Q1 amounted to 96% of the full-year net sales plan

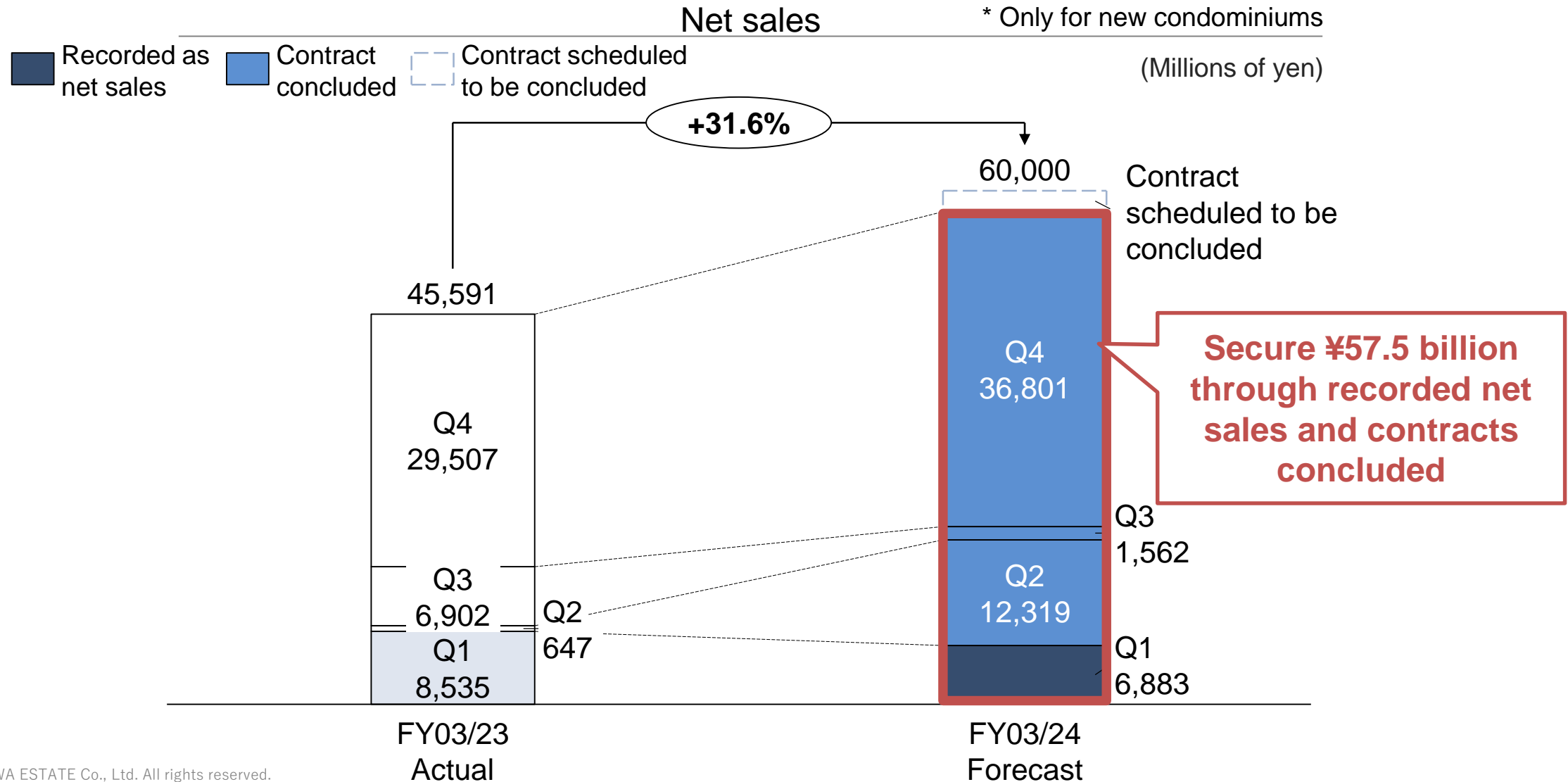


\*The "Five-year strategy target" is the target figure for our five-year strategy announced on February 28, 2022.

\*The fiscal year in which concluded contracts are recorded as net sales is determined based on the expected delivery date.

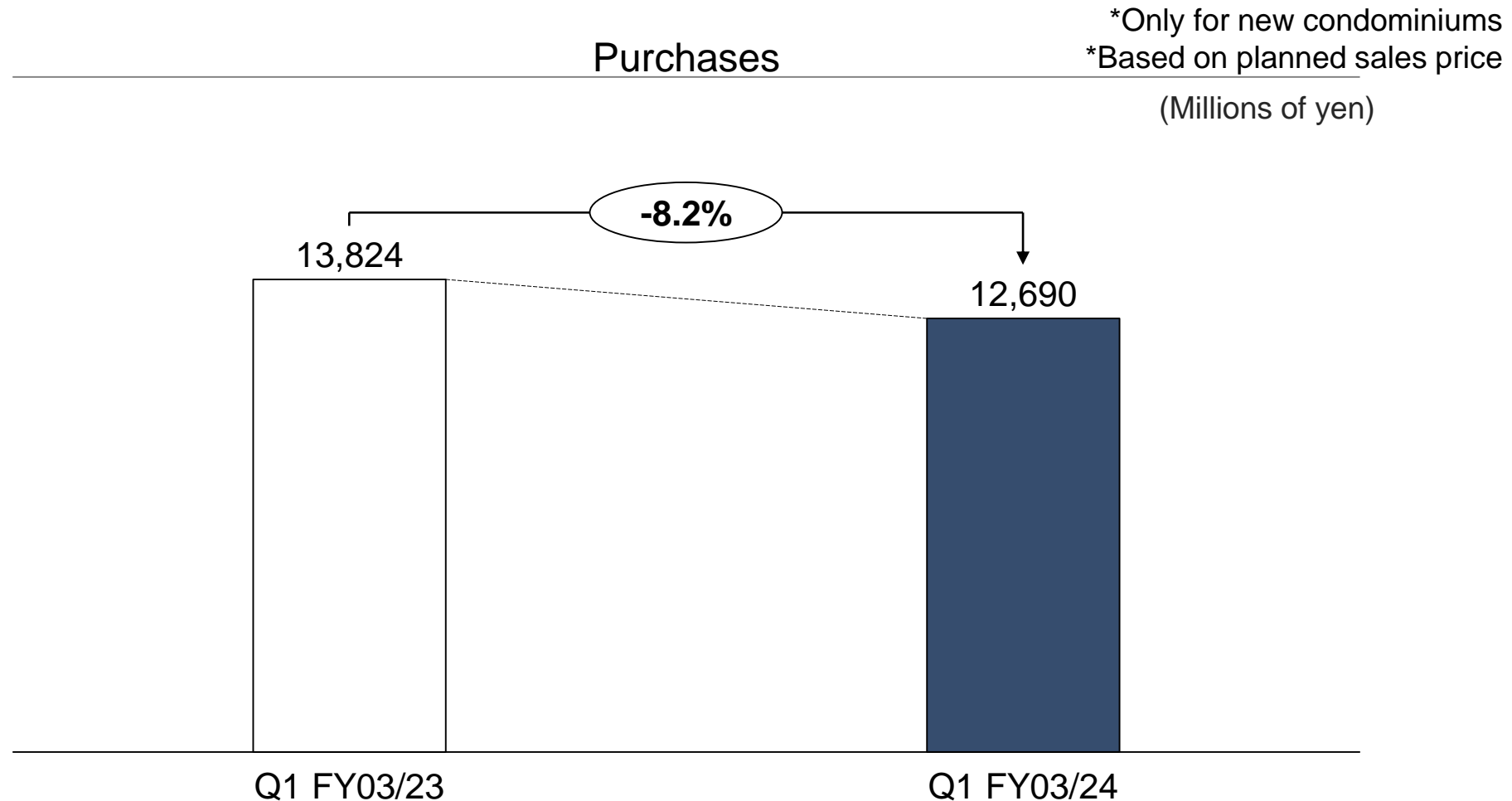
# Residential Development Business: Progress Against Full-year Net Sales Plan (2)

- Full-year net sales are projected at ¥60 billion yen (up 31% YoY)

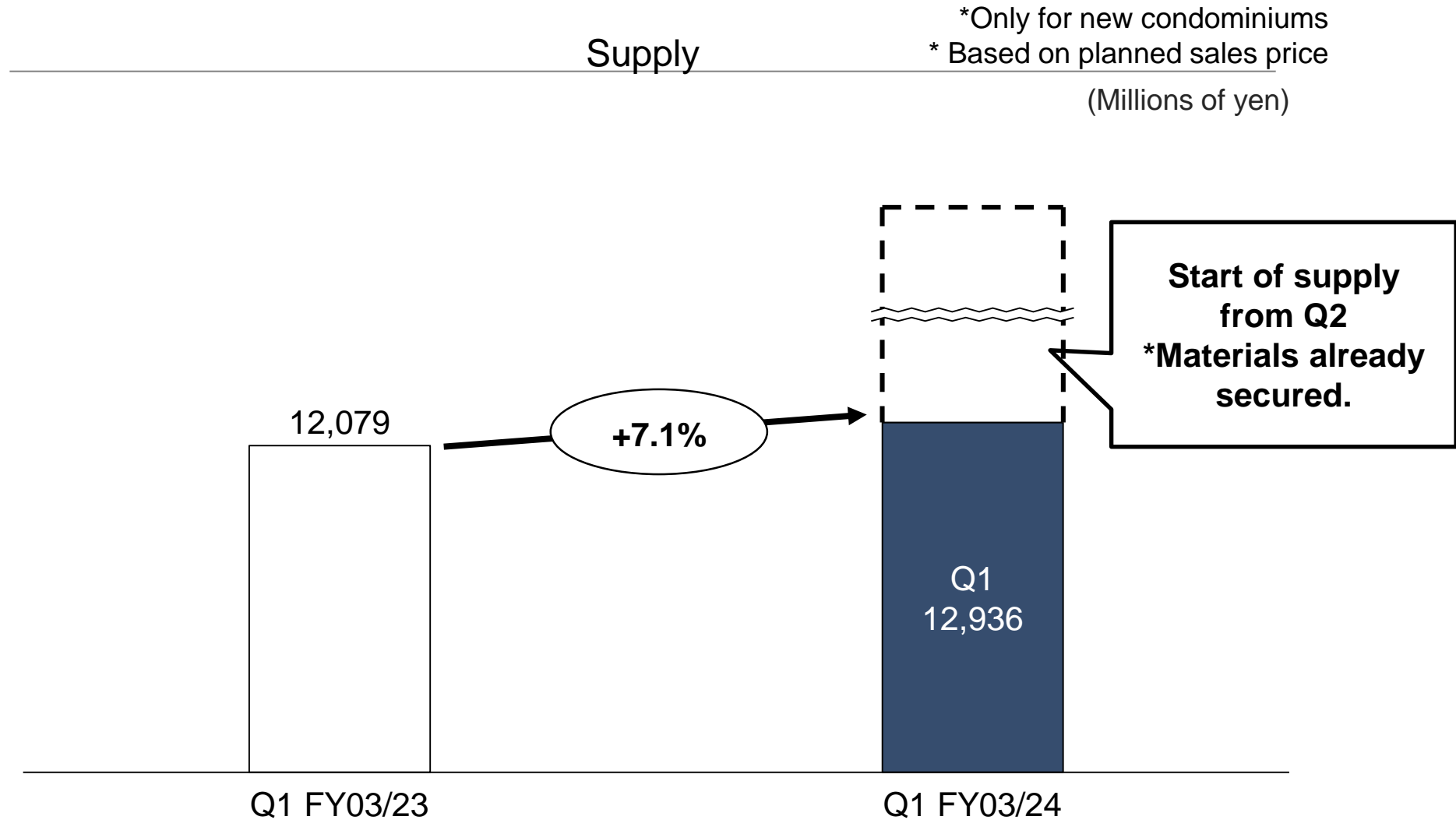


# Residential Development Business: Purchases

- Purchases in Q1 amounted to ¥12.6 billion (down 8% YoY)
- Conduct carefully selected purchases because over ¥170 billion worth of properties have been secured from Q2 onward



- Supply in Q1 amounted to ¥12.9 billion (up 7% YoY)





# Residential Development Business: Properties Supplied in Q1 (1)

**CLIO** クリオ氷川台シーズンテラス  
CLIO HIKAWADAI SEASON TERRACE



Nerima, Tokyo  
Total number of units: 55  
Sales launched in June 2023  
Scheduled to be completed in December 2024

**CLIO** クリオ ラベルヴィ船橋  
CLIO la belle vie FUNABASHI



Funabashi, Chiba  
Total number of units: 61  
Sales launched in April 2023  
Scheduled to be completed in October 2024



# Residential Development Business: Properties Supplied in Q1 (2)

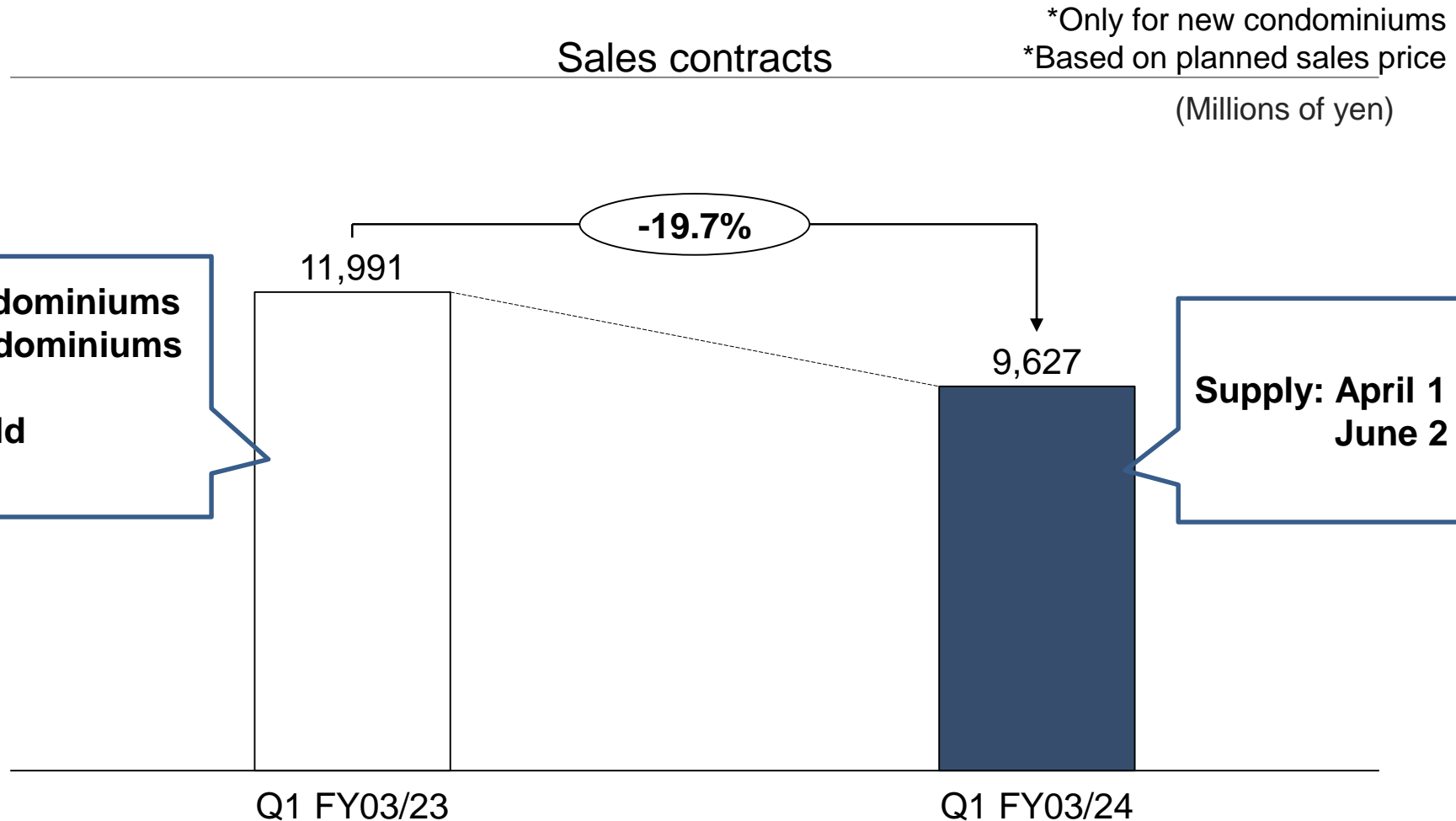
**CLIO** クリオ代官町ザ・クラシック  
CLIO DAIKANCHO THE CLASSIC



Nagoya, Aichi  
Total number of units: 72  
Sales launched in June 2023  
Scheduled to be completed in  
March 2025

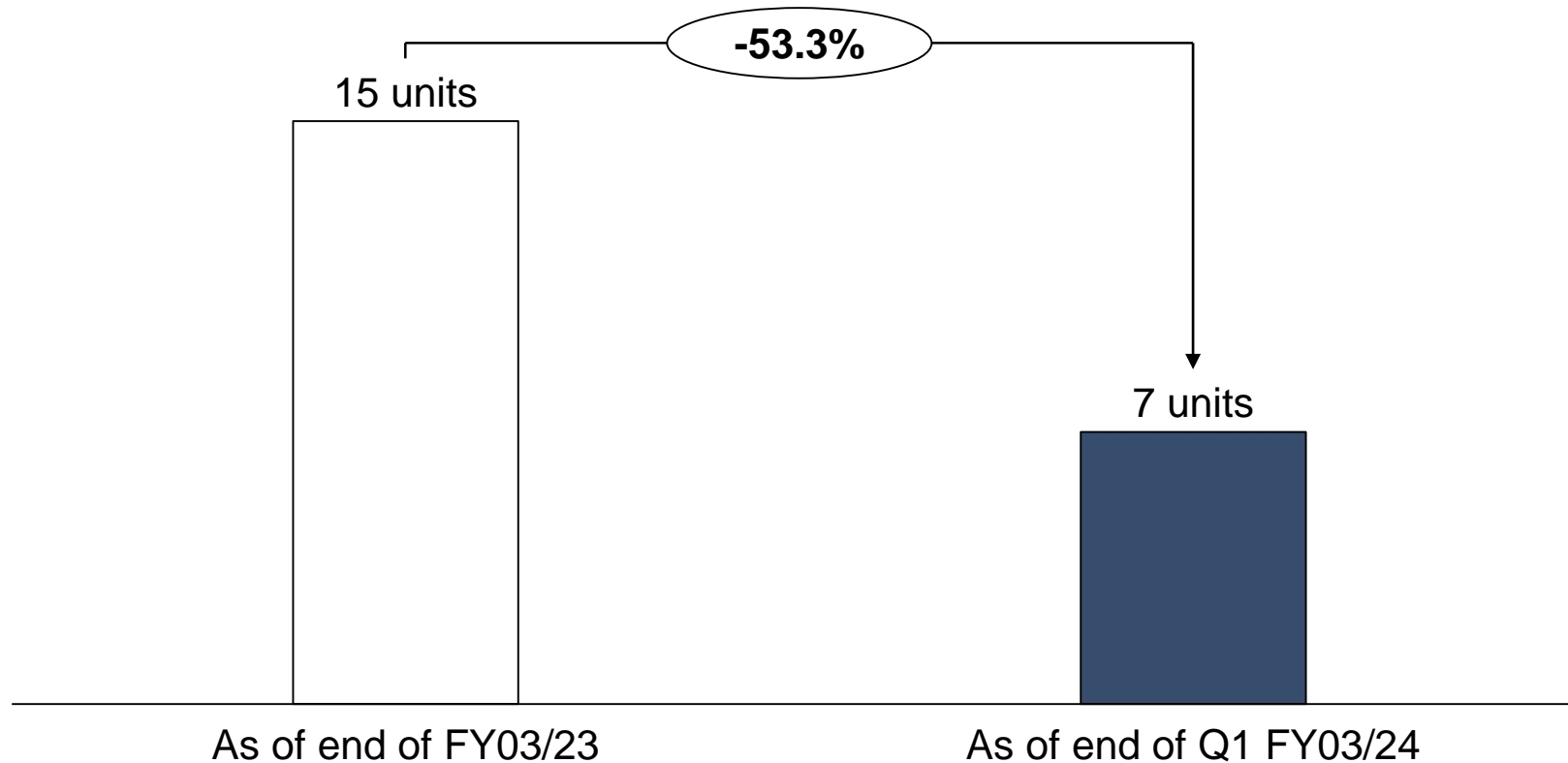
# Residential Development Business: Sales Contracts

- Sales contracts in Q1 amounted to ¥9.6 billion (down 19% YoY)
- Delayed sales due to a delay in the supply schedule of some properties



- Completed inventory at the end of Q1 was low at seven units

Completed inventory (completed uncontracted units) \*Only for new condominiums



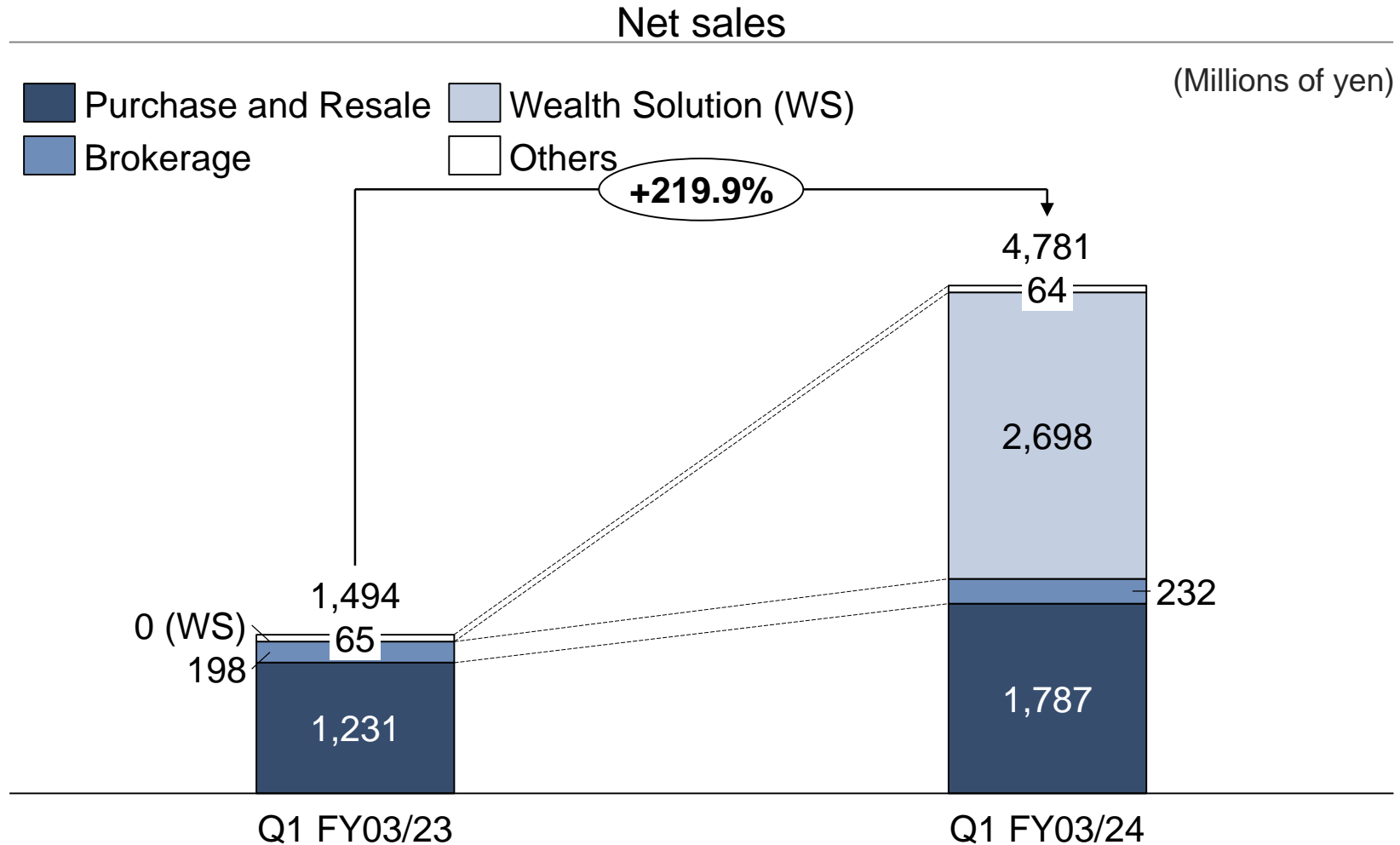
# Real Estate Agency Business

- Settlement and delivery of two properties were completed in Wealth Solution, YoY increase in net sales and profit

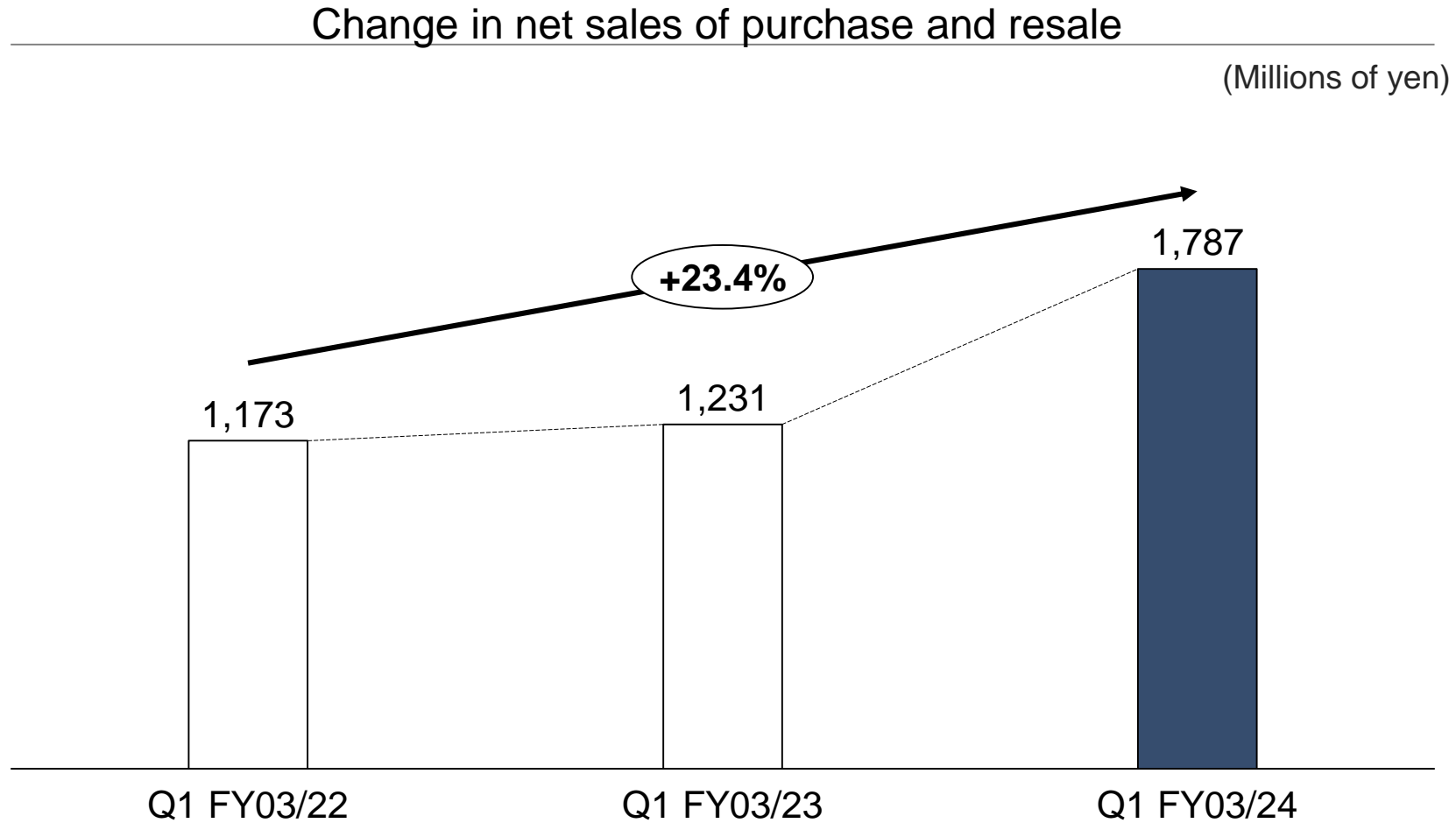
(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	1,494	4,781	3,286	219.9%
Intersegment sales and transfers	-	-	-	-
Total	1,494	4,781	3,286	219.9%
Segment profit	3	437	434	13,244%

- Net sales in Q1 were ¥4.7 billion

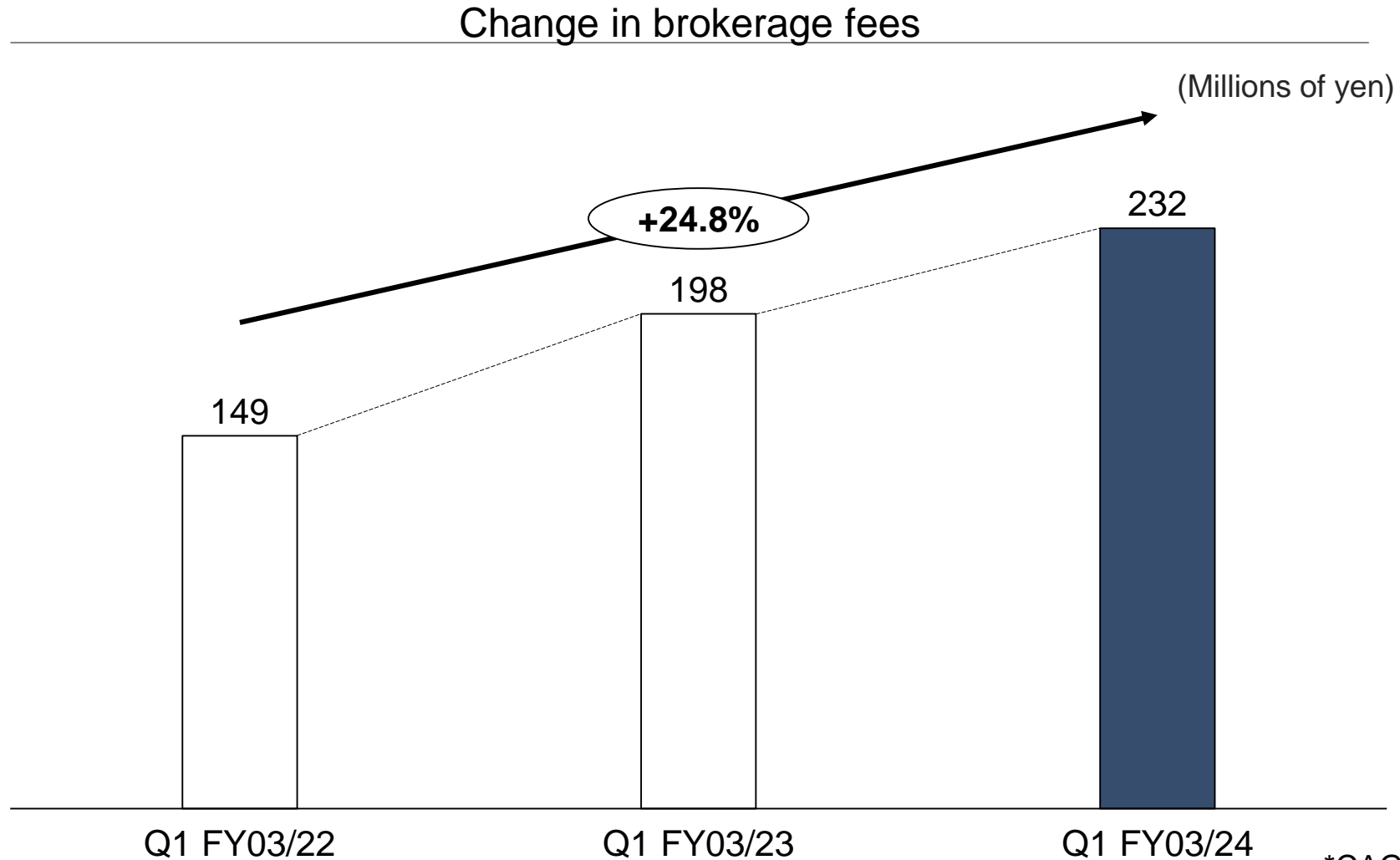


- Net sales in Q1 increased to ¥1.7 billion at a CAGR of 23.4%



\*CAGR: Compound Annual Growth Rate

- Net sales in Q1 increased to ¥232 million at a CAGR of 24.8%



\*CAGR: Compound Annual Growth Rate



## ■ Completed settlement and delivery of two properties in Q1

Q1 FY03/24 Condominium sales

CLIO la belle vie Yokohama Sakuragicho Suite



Total number of units: 32  
Yokohama, Kanagawa  
Delivered in April 2023

CLIO la belle vie Motoasakusa



Total number of units: 37  
Taito, Tokyo  
Delivered in April 2023

# Condominium Management Business

- Meiwa Estate Community Co., Ltd. achieved high levels of customer satisfaction



Won the SUUMO AWARD 2022  
Excellence Award



Highly rated in the Oricon Customer  
Satisfaction Ranking

# Condominium Management Business Results Q1 FY03/24

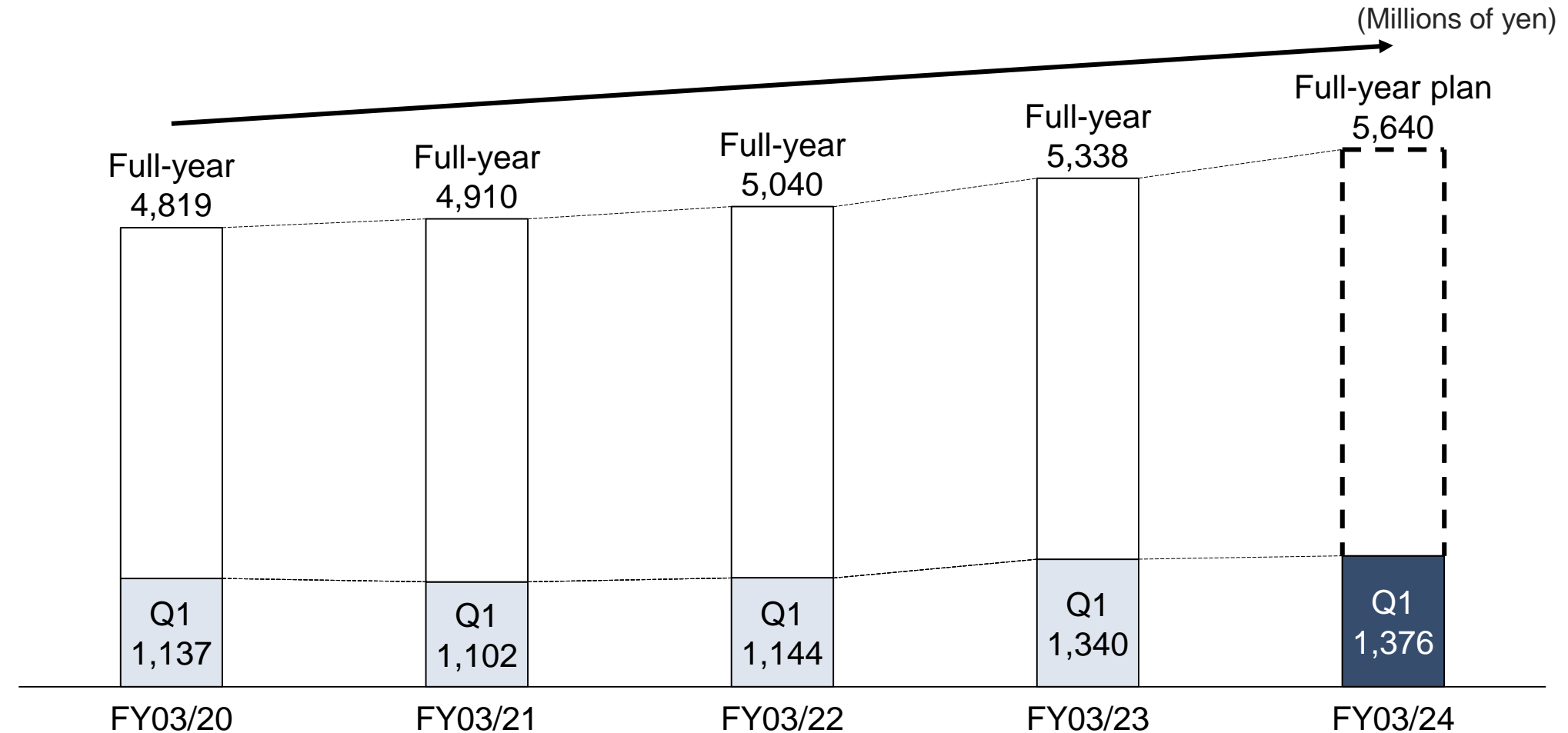
- Net sales increased, but profit decreased due to an increase in costs (personnel costs).

(Millions of yen)

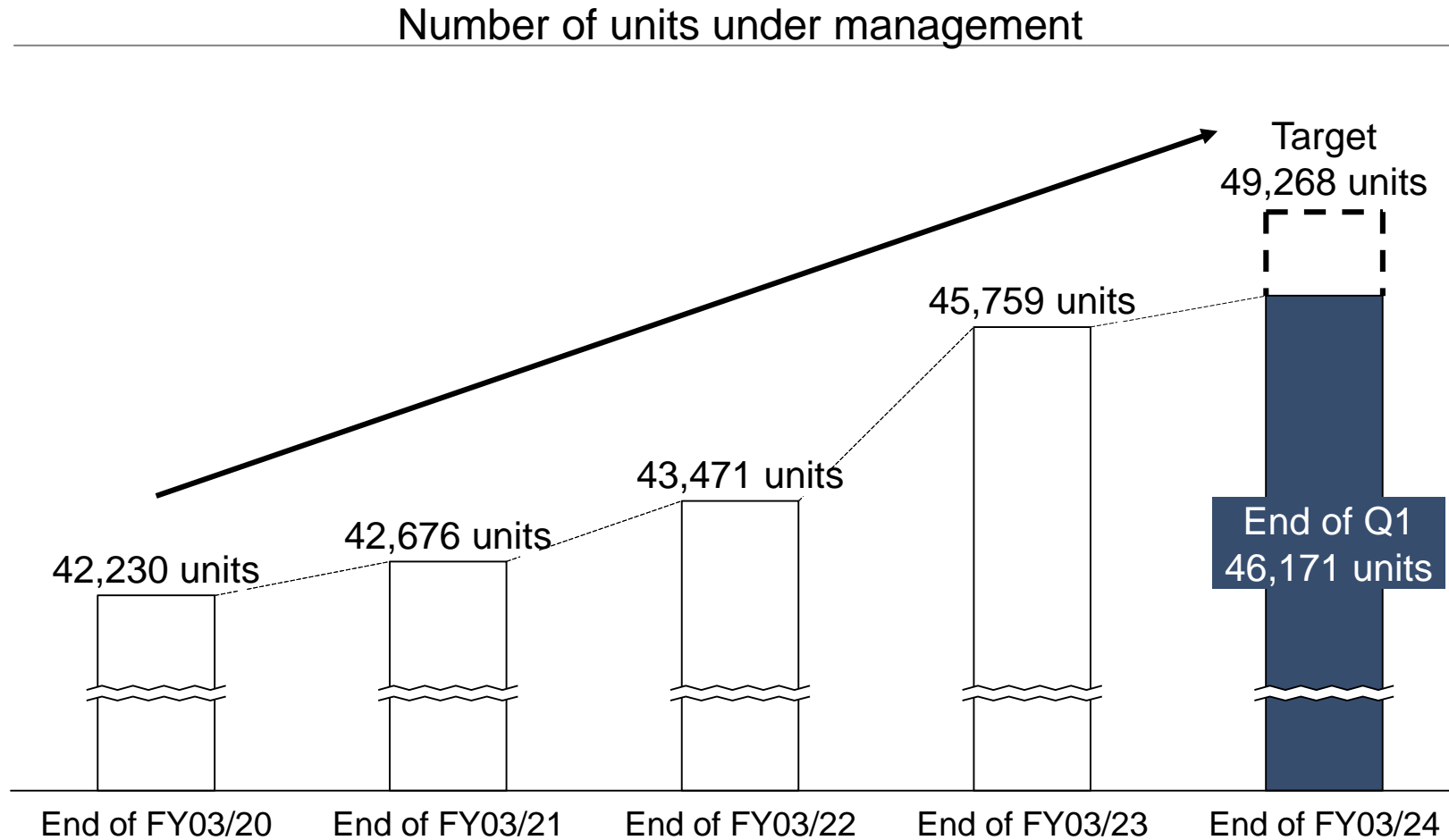
	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	1,340	1,376	36	2.7%
Intersegment sales and transfers	11	10	-0	-3.9%
Total	1,351	1,387	35	2.7%
Segment profit	80	69	-10	-13.4%

- Net sales in Q1 were ¥1.37 billion (up 2% YoY)

Change in net sales of Condominium Management Business



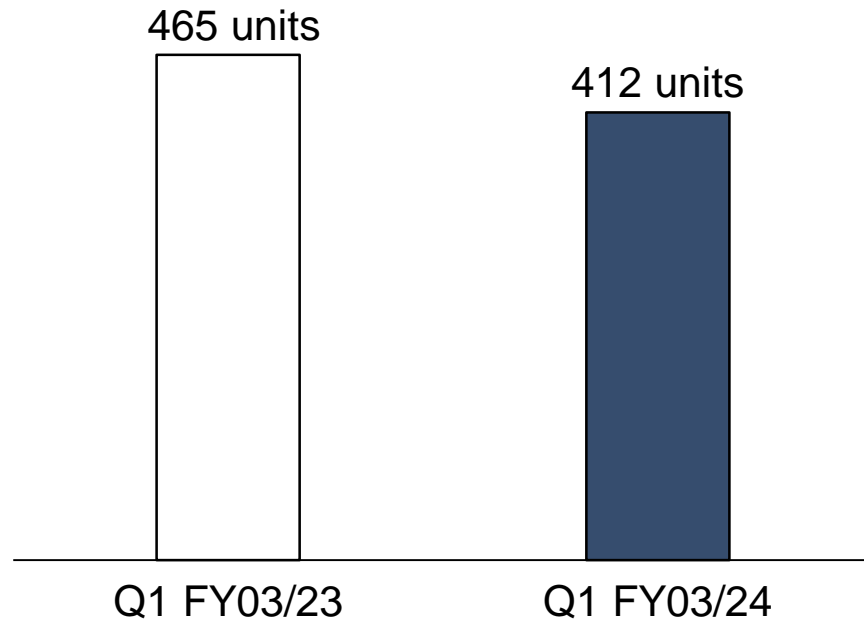
- Number of units under management increased to 46,171 units as of the end of Q1



# Condominium Management Business: New Management Contracts (1) 明和地所

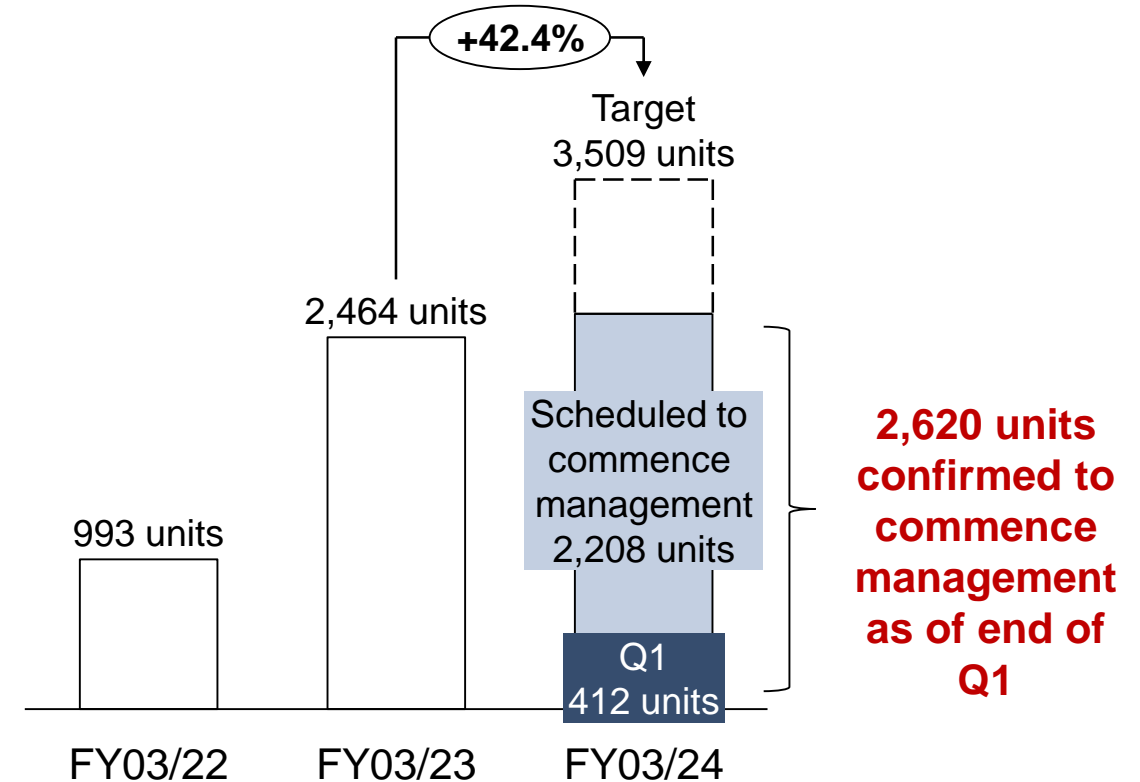
- 2,620 new contracts confirmed as of the end of Q1, including those scheduled to commence management

Q1 new management contracts



Number of new contracted units in Q1 stayed in the 400s as in the previous year

Change in full-year new management contracts



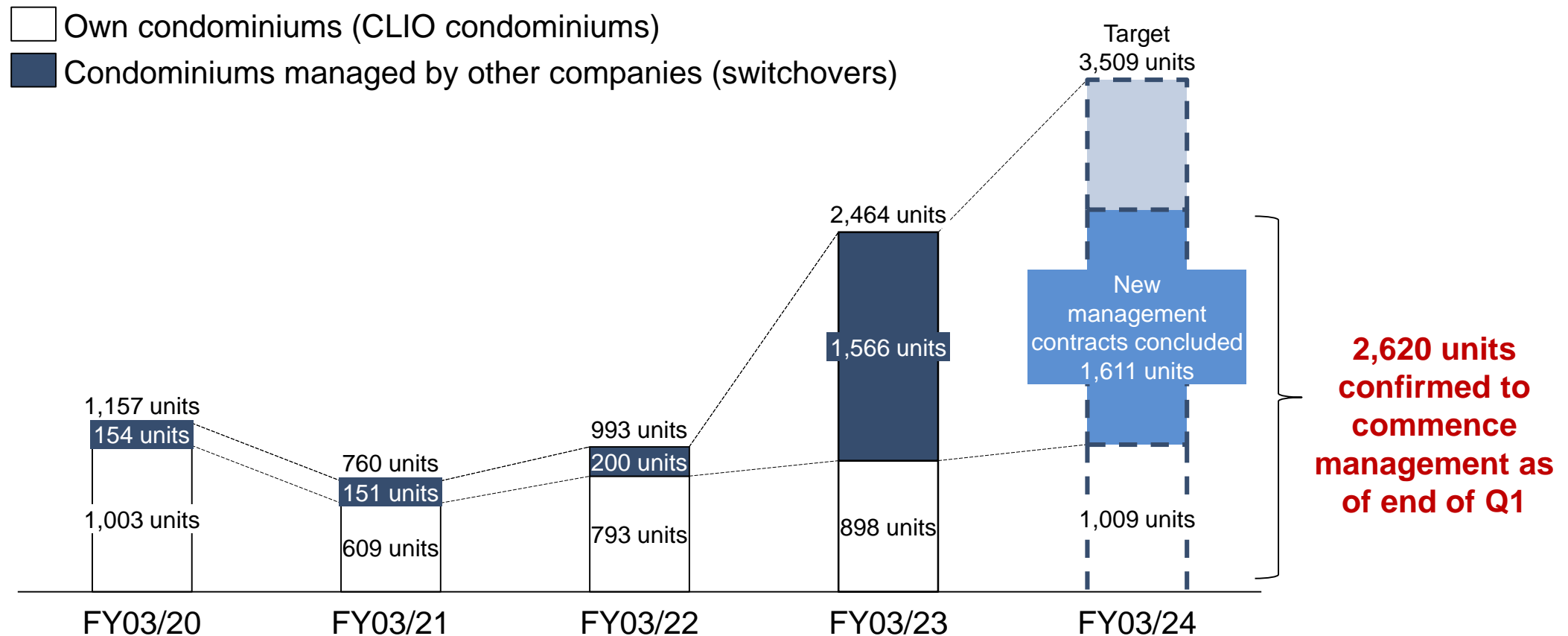
Aiming to achieve 3,509 units in new contracted units, up 42% YoY, for the full year

\*Based on start of management



- Steady progress in the number of condominiums switching from other management companies

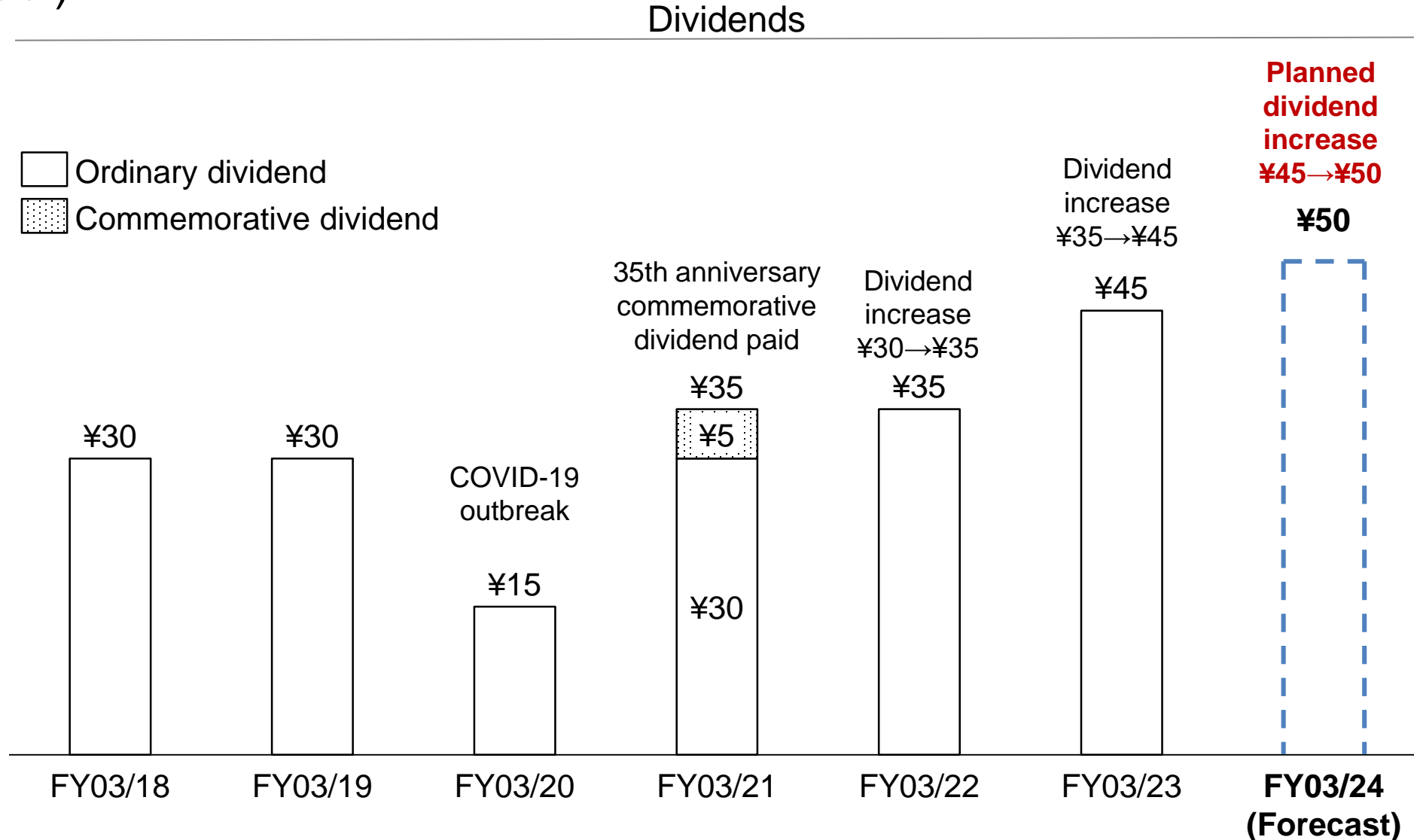
Breakdown of new management contract units \*Based on start of management





# Shareholder Returns

- Dividends of ¥50 per share is planned for FY03/24 (no change from the previous forecast)



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

**Shareholder benefit points** are awarded based on the number of shares held

Number of shares held	Benefit points
600 shares to 699 shares	4,000 points
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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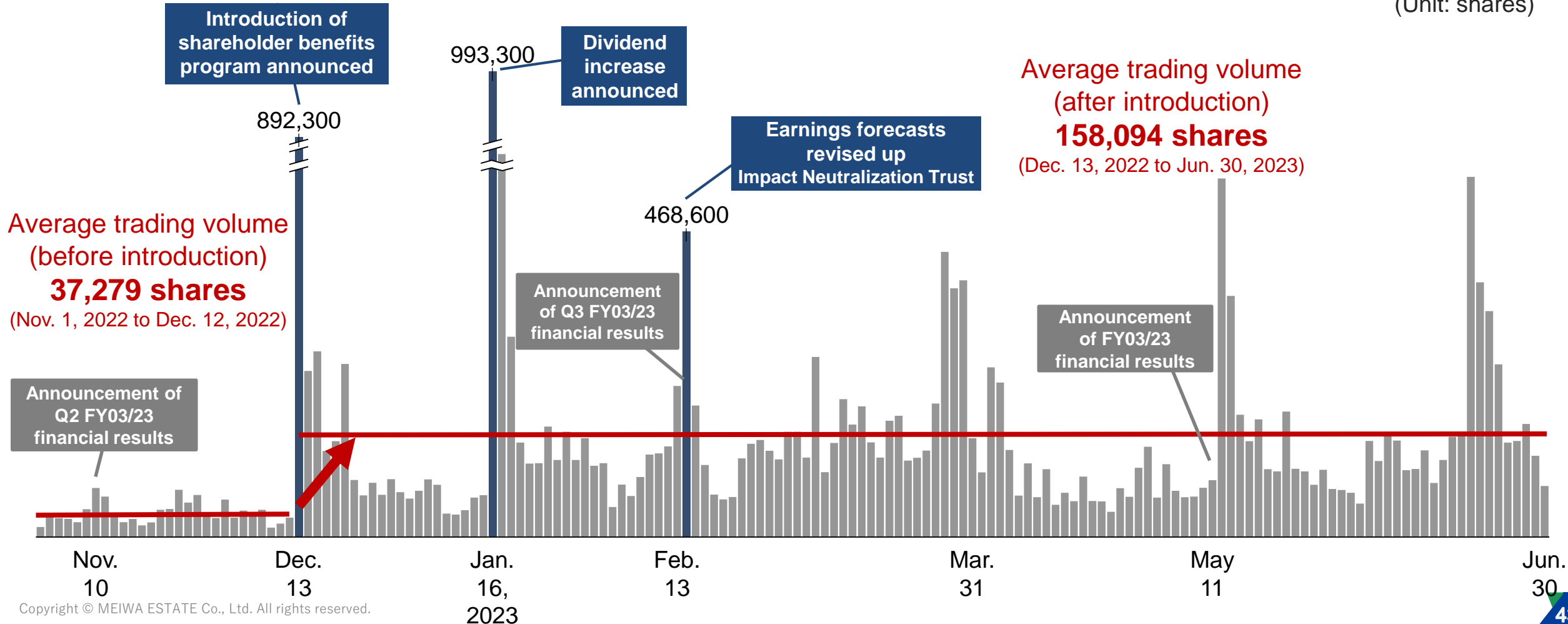


# Increase of Share Liquidity

- The introduction of shareholder benefit program triggered a four-fold increase in share liquidity (as of the end of June 2023)

Changes in trading volume of the Company's shares

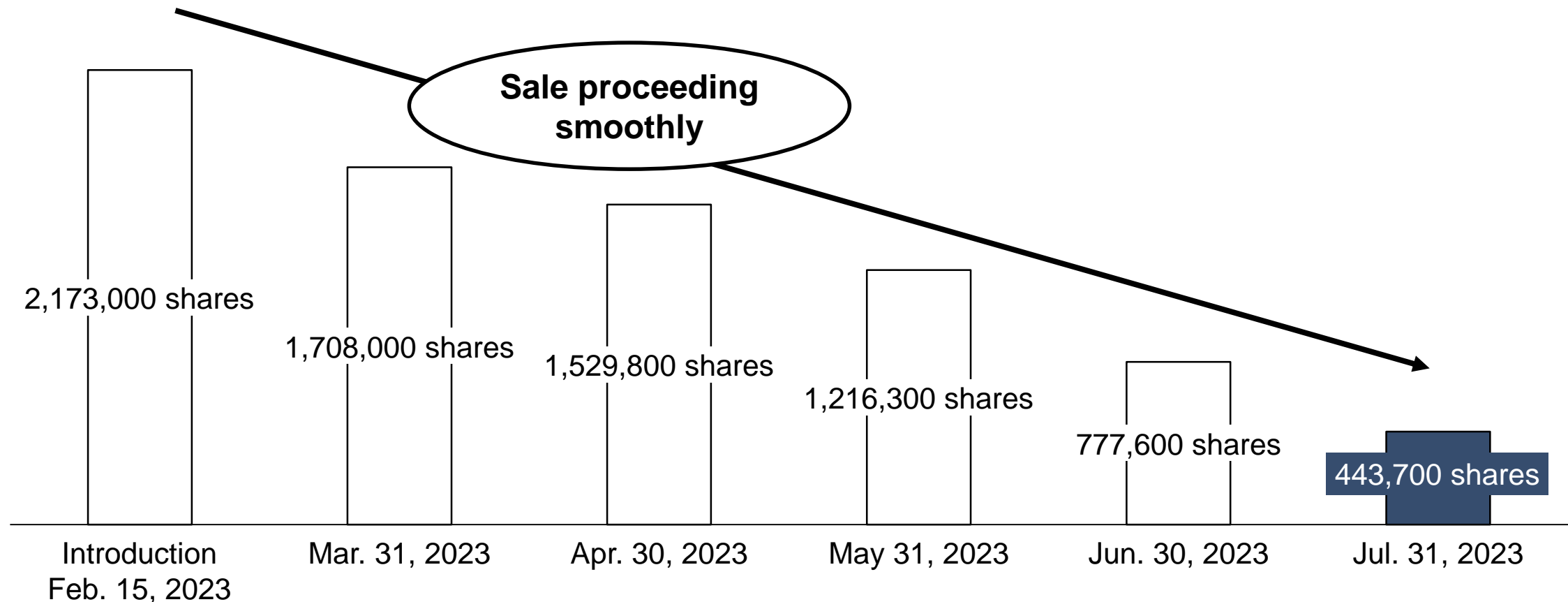
(Unit: shares)



# The Impact Neutralization Trust

- Using the Impact Neutralization Trust to optimize shareholder composition and increase the Tradable Share Ratio (announced on February 13, 2023)
- Completed the sale of 1.72 million shares (80%) as of the end of July

Changes in the number of shares held by the Trust





# Fact Sheet



# Consolidated Balance Sheet as of End of Q1 FY03/24

(Millions of yen)

	End of FY03/23	End of Q1 FY03/24	Change	Change (%)
Total assets	116,538	121,533	4,994	4.3%
Current assets	104,242	110,677	6,434	6.2%
Cash and deposits	34,147	33,738	-409	-1.2%
Real estate for sale	7,015	11,970	4,954	70.6%
Real estate for sale in process	61,371	63,119	1,748	2.9%
Non-current assets	12,295	10,855	-1,439	-11.7%
Property, plant and equipment	7,544	6,835	-709	-9.4%
Intangible assets	251	244	-7	-3.1%
Investments and other assets	4,499	3,776	-722	-16.1%
Total liabilities	86,539	91,679	5,139	5.9%
Interest-bearing liabilities	58,092	62,830	4,738	8.2%
Other liabilities	28,447	28,849	401	1.4%
Net assets	29,998	29,853	-145	-0.5%
Equity ratio	25.7%	24.6%	-1.2pp	-

# Sales Breakdown of Residential Development and Real Estate Agency Businesses

(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
<b>Residential Development Business</b>	<b>8,542</b>	<b>7,647</b>	<b>-895</b>	<b>-10.5%</b>
Condominiums	8,535	6,883	-1,652	-19.4%
Units delivered	150	87	-63	-42.0%
Land and buildings	-	760	760	-
Others	6	3	-3	-45.5%
<b>Real Estate Agency Business</b>	<b>1,494</b>	<b>4,781</b>	<b>3,286</b>	<b>219.9%</b>
Purchase and resale	1,231	1,787	556	45.1%
Units delivered	22	32	10	45.5%
Brokerage fees	198	232	34	17.3%
No. of transactions	135	160	25	18.5%
Wealth solution (Sales of entire condominium)	-	2,698	2,698	-
Others	65	64	-1	-1.5%
Gross profit margin				
Condominiums	21.2%	22.6%	1.4pp	-
Purchase and resale	16.3%	13.3%	-3.0pp	-



# Residential Development Business: Sales Leading Indicators (KPIs)

(Millions of yen)

	Q1 FY03/23 Actual	1Q FY03/24 Actual	Change	Change (%)
<b>Purchases</b>	<b>13,824</b>	<b>12,690</b>	<b>-1,133</b>	<b>-8.2%</b>
Condominiums	13,824	12,690	-1,133	-8.2%
Land and buildings	-	-	-	-
<b>Supply</b>	<b>12,260</b>	<b>12,936</b>	<b>675</b>	<b>5.5%</b>
Condominiums	12,079	12,936	856	7.1%
No. of units	151	185	34	22.5%
Land and buildings	180	-	-180	-
<b>Sales Contracts</b>	<b>12,172</b>	<b>9,627</b>	<b>-2,545</b>	<b>-20.9%</b>
Condominiums	11,191	9,627	-2,364	-19.7%
No. of units	218	171	-47	-21.6%
Land and buildings	180	-	-180	-

# Real Estate Agency Business: Sales Indicators

(Millions of yen)

		Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
Purchase and resale	Units purchased	46	33	-13	-28.3%
	Contracts	975	1,577	602	61.7%
	No. of units	21	28	7	33.3%
Brokerage	Brokerage fees	198	232	34	17.3%
	No. of transactions	135	160	25	18.5%
W/S	Purchases	-	691	691	-
	Contracts	-	698	698	-

# Condominium Management Business: Sales Breakdown

(Millions of yen)

	Q1 FY03/23 Actual	Q1 FY03/24 Actual	Change	Change (%)
<b>Net sales</b>	<b>1,340</b>	<b>1,376</b>	<b>36</b>	<b>2.7%</b>
Management fees	1,066	1,114	48	4.5%
Construction-related	252	240	-11	-4.7%
Others	21	21	0	0.5%

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## Contact

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Contact

[https://www.meiwajisyo.co.jp/corp/ir/contact/index\\_en.html](https://www.meiwajisyo.co.jp/corp/ir/contact/index_en.html)

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