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ASTRIS CORPORATE ADVISORY JAPAN

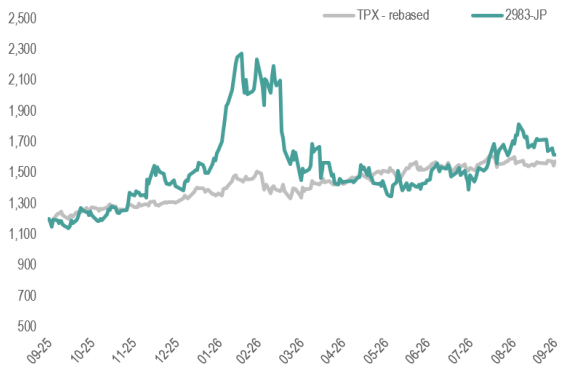
Arr Planner Co., Ltd (2983)

Guidance raised; H2 still has upside

1 October 2026

Q2 FY1/27 results update

Share price: ¥1,607 **Market cap: ¥17.2bn**



Source: Bloomberg

- **Design-driven growth strategy continues to deliver –** Arr Planner's affordable luxury positioning continues to drive strong growth amid a competitive homebuilding market, with record company-wide H1 order value. Gross margin continued to expand on higher per-unit selling prices across both custom-built and development homes, supported by stronger product appeal and brand image. With the broader homebuilding industry raising prices, the Company has room to lift unit prices. In our view, record order backlog and development home inventory give good visibility on the revised guidance. In the Tokyo Metropolitan Area, H1 orders rose marginally while revenue grew strongly as custom-built home deliveries and development home sales progressed. The Company is focused on gaining share in the area and continues to target double-digit revenue and profit growth company-wide in H2.

Guidance raised, but upside remains

- **Operating leverage continued to compound** – Q2 revenue of ¥14.74bn (+16.7% YoY) and operating profit of ¥1.51bn (+40.6% YoY) were both quarterly records, and operating margin reached double digits for the first time at 10.2%. Development Homes led, with Q2 units sold up +13.8% YoY to 198, and H1 revenue grew +18.7% in the Tokai Area and +22.3% in the Tokyo Metropolitan Area. The Company continued to build development home inventory (¥29.03bn, +34.5% YoY) ahead of anticipated sales, and order unit prices continue to rise. The Company also raised its FY1/27 guidance and dividend forecast.
- **Revised guidance still leaves upside –** FY1/27 guidance was raised to revenue of ¥56.5bn (+3.7% vs prior guidance) and operating profit of ¥5.0bn (+23.5% vs prior guidance). The implied H2 operating margin of 8.5% is below the 9.2% achieved in H1. Of the ¥0.95bn increase in operating profit guidance, ¥0.71bn reflects H1 outperformance against plan and ¥0.24bn a higher H2 plan. We see further upside to the revised guidance.
- **Valuations** – On our earnings estimates, the shares trade on an estimated PER FY1/27 of 5.2x and PBR of 1.6x.

Year-end	1/25	1/26	1/27E	1/28E	1/29E
Sales (¥bn)	40.19	48.62	56.52	62.65	69.00
OP (¥bn)	2.16	3.75	5.00	5.48	5.97
NI (¥bn)	1.44	2.46	3.28	3.62	3.94
EPS (¥)	135.07	230.66	308.31	339.81	369.46
DPS (¥)	22.50	40.00	55.00	61.17	66.50
Sales growth YoY (%)	+25.3	+21.0	+16.2	+10.8	+10.1
OP growth YoY (%)	+306.2	+73.2	+33.5	+9.6	+8.9
NI growth YoY (%)	+547.9	+71.1	+33.7	+10.2	+8.7
EPS growth YoY (%)	+552.8	+70.8	+33.7	+10.2	+8.7
PER (x)*	11.9	7.0	5.2	4.7	4.3
EV/EBITDA (x)*	13.9	8.4	6.3	5.7	5.2
EV/Sales (x)*	0.8	0.7	0.6	0.5	0.5
PBR (x)*	3.0	2.2	1.6	1.3	1.0
ROE (%)	28.7	36.5	36.0	30.5	26.4
ROCE (%)	21.5	30.0	30.9	26.6	23.4
FCF yield (%)*	10.0	(8.4)	9.9	13.5	13.3
Dividend yield (%)*	1.4	2.5	3.4	3.8	4.1

Source: Company, Astris Advisory (estimates)
Note: Valuation metrics are calculated based on the most recent share price

Price Performance

	YTD	1M	3M	12M
Abs (%)	+13.6	-5.0	+10.7	+36.0
Rel (%)	-7.7	-3.8	+7.6	+2.4

Company sector

Real Estate Management & Development (GICS)

Stock data

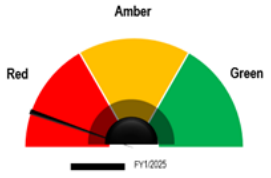
Price (¥)	1,607
Mkt cap (¥bn)	17.2
Mkt cap ($m)	109.1
52-week range (¥)	1,129 – 2,400
Shares O/S (m)	10.7
Average daily value ($m)	0.5
Free float (%)	29.0
Foreign shareholding (%)	5.1
Ticker	2983
Exchange	Tokyo Growth
Net Debt/Equity (x)	1.8
BBG BUY | HOLD | SELL	0 | 0 | 0

Source: Bloomberg

Business Overview

Arr Planner is a detached home builder based in Nagoya, Japan, with a rapidly growing presence in the Tokyo Metropolitan Area. The Company differentiates itself from competitors as a builder of architecturally-driven detached homes at an affordable price point.

Astris-Sustainability ESG rating



Reference Ratings	
MSCI	-
Sustainalytics	-
Refinitiv	-
S&P Global	-
Bloomberg	-
CDP	-

Next events

Q3 FY1/27 results December 2026

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This report has been commissioned and paid for by the company

Q2 FY1/27 results

Consolidated results

Arr Planner delivered an 11th consecutive quarter of YoY growth in revenue, operating profit and units sold, with H1 setting records on all three. H1 ordinary profit rose +43.8% to ¥2.36bn. EPS increased +48.6% to ¥156.52, 42.8% ahead of the H1 plan. Higher selling prices per home, reflecting stronger product appeal and brand image, lifted gross margin while SG&A was on budget.

Operating profit grew +45.5% YoY in H1, more than 2x revenue growth, on gross margin gains, with SG&A growth (+15.1% YoY) trailing revenue growth (+19.7%)

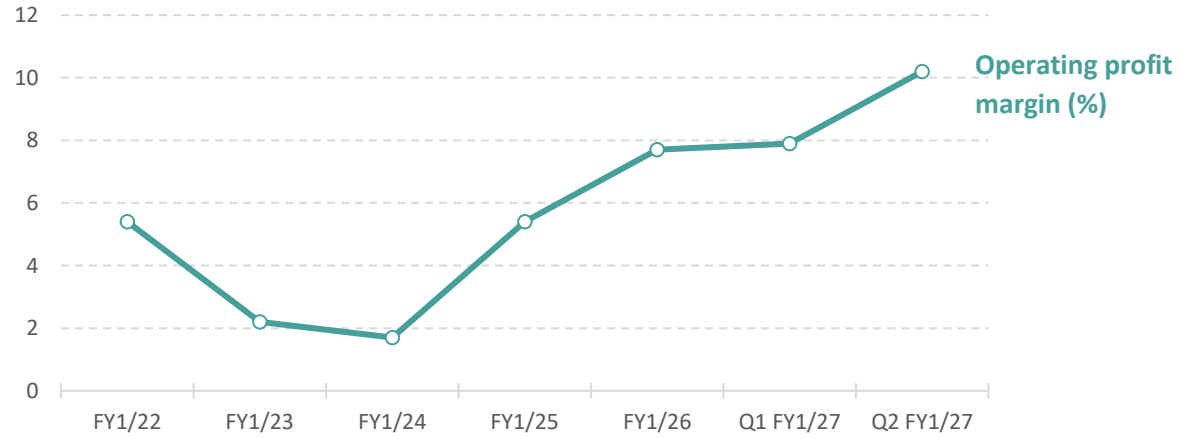
Key financials

(¥bn)	FY1/26 H1	FY1/27 H1	YoY (%)	FY1/27 Revised guidance	Progress vs. Guidance (%)
Sales	22.87	27.37	+19.7	56.50	48.4
Gross profit/(loss)	**4.15**	**5.31**	**+27.8**	**10.84**	**48.9**
Gross margins (%)	*18.2*	*19.4*	*+120bp*	*19.2*	*+20bp*
Operating profit/(loss)	**1.73**	**2.51**	**+45.5**	**5.00**	**50.3**
Operating margins (%)	*7.5*	*9.2*	*+170bp*	*8.8*	*+40bp*
Net income	1.12	1.67	+49.1	3.25	51.4
EPS (¥)	**105.33**	**156.52**	**+48.6**	**304.27**	**51.4**

Source: Company

Operating margin stepped up to 10.2% in Q2 FY1/27, the company's first double-digit quarter, and the company says it aims to keep improving margins

Operating profit margin (%) since FY1/22



Source: Company

Tokai Area H1 revenue reached ¥19.94bn (+18.7% YoY) on 503 units (+7.9%), with development home units up +13.3% and land-only units down -10.7%. The Tokyo Metropolitan Area contributed ¥7.43bn (+22.3% YoY) on 109 units (+19.8%). Order value rose marginally, +1.4% YoY to ¥7.63bn, following +37.2% growth a year earlier. Order units rose +0.9% to 116, or +5.6% excluding land-only orders. Arr Planner attributes the marginal increase in Tokyo orders to a payback from strong order growth in the prior year and to low inventory in the area at the start of the period. The Company regards its order backlog and inventory as the source of future revenue: custom-built homes take ~10-12 months from

contract to delivery, and the company-wide inventory turnover period was 7.66 months at the end of Q2 FY1/27.

Further, Arr Planner has yet to see competitive pressure from major homebuilders expanding into development homes in the Tokyo Metropolitan Area. The Company plans to expand its operating base and headcount in the area gradually, and continues to target double-digit YoY revenue and profit growth company-wide in H2.

Both regions posted record H1 revenue, with the Tokai Area up +18.7% YoY and the Tokyo Metropolitan Area up +22.3%

Geographic operating performance

	FY1/25 H1	FY1/26 H1	FY1/27 H1	YoY Growth (%)
Sales (¥bn)				
Tokai Area	15.68	16.80	19.94	+18.7
Tokyo Metropolitan Area	4.59	6.08	7.43	+22.3
Units sold				
Tokai Area	441	466	503	+7.9
Tokyo Metropolitan Area	82	91	109	+19.8

Source: Company

Arr Planner is targeting Tokyo Metropolitan Area revenue on a par with the Tokai Area by 2033 (~¥45bn each). Tokyo revenue was ¥13.65bn in FY1/26, so the region must grow more than 3x in eight years.

Other key highlights

- **H1 operating profit rose +45.5% YoY to ¥2.51bn as operating margin expanded +170bp to 9.2%, driven by a combination of gross margin improvement and volume growth.** Gross margin rose +120bp to 19.4% on higher selling prices per home, reflecting stronger product appeal and brand image, and the SG&A ratio fell 40bp as SG&A grew +15.1% against revenue growth of +19.7%.
- **H1 order value rose +13.9% YoY to a record ¥29.05bn on 651 units (+7.1%), with development home orders up +18.2% by units, which Arr Planner attributes to improving ASP and sales mix.** Q2 order value of ¥14.41bn grew +7.3% YoY but slipped -1.6% QoQ.
- **Custom-built home order backlog of ¥15.78bn (+16.6% YoY) and development home inventory of ¥29.03bn (+34.5% YoY) are both at record levels, giving good visibility toward achieving H2 performance targets for both segments**. The Company stepped up land procurement ahead of anticipated sales, and says there is almost no non-performing inventory in Tokyo and that discounting is limited.
- **Inventory investment was funded by interest-bearing debt, which rose ¥3.42bn from the FY1/26 year-end to ¥22.82bn, and H1 operating cash flow was -¥2.73bn.** The Company's equity ratio nevertheless improved +190bp YoY to 22.9%, and net D/E stayed below 2x at 1.8x. **Annualized ROE reached 39.2% and ROIC 11.9%, driven by earnings growth and efficient use of leverage.**
- **In September 2026, Arr Planner announced the company-wide rollout of ChatGPT Work*[1] and integrate the use of AI agents in its workflow. Claude Code*[2] has been rolled out on a limited basis to executives and selected specialist departments.** The Company aims to use AI agents to improve the speed and quality of proposals and operating efficiency. We see AI as a potential further lever for SG&A efficiency.

*1 ChatGPT Work is an enterprise AI workspace provided by OpenAI.
*2 Claude Code is an AI coding tool provided by Anthropic.

- The Company opened a Tokyo-area 'machikado' display home (a real-size display home built in a residential area) in Tokorozawa in April 2026 and will open a showroom in Ichinomiya in October 2026, its 26th location in the Tokai Area.

Guidance revision

On 10 September 2026 Arr Planner raised FY1/27 guidance for the first time this year, lifting forecast revenue +3.7% to ¥56.5bn, operating profit +23.5% to ¥5.0bn, and net profit +22.6% to ¥3.25bn, with the full-year dividend raised ¥10 to ¥55.

The Company noted that its H2 outlook is essentially unchanged. Implied H2 revenue (revised guidance less H1 actual) of ¥29.13bn is within ¥0.13bn of the original plan, and only ¥0.24bn of the ¥0.95bn operating profit raise reflects a higher H2 outlook. The implied H2 operating margin of 8.5% is below the 9.2% achieved in H1. **Arr Planner sees custom-built homes tracking to its plan and believes upside, as seen in H1, could be driven by development home sales outperforming its forecast.**

Revised guidance primarily reflects H1 outperformance, with the Company largely maintaining its initial H2 forecasts

Revised FY1/27 guidance and implied H2 guidance

(¥bn)	Original guidance	Revised guidance	Change (%)	H1 actual	Progress (%)	Implied H2	H2 YoY (%)
Sales	54.50	56.50	+3.7	27.37	48.4	29.13	+13.1
Gross profit/(loss)	**9.85**	**10.84**	**+10.1**	**5.31**	**48.9**	**5.53**	**+17.8**
Gross margins (%)	*18.1*	*19.2*	*+110bp*	*19.4*	–	*19.0*	*+75bp*
Operating profit/(loss)	**4.05**	**5.00**	**+23.5**	**2.51**	**50.3**	**2.49**	**+23.1**
Operating margins (%)	*7.4*	*8.8*	*+140bp*	*9.2*	–	*8.5*	*+70bp*
Net income	2.65	3.25	+22.6	1.67	51.4	1.58	+18.2
EPS (¥)	248.30	304.27	+22.5	156.52	51.4	147.75	+17.9
DPS (¥)	**45.0**	**55.0**	**+22.2**	**25.0 (interim)**	**–**	**30.0 (final)**	**+20.0**

Note: Implied H2 equals revised guidance less H1 actual; H2 YoY compares with FY1/26 actual less H1 FY1/26. DPS comparisons are split-adjusted.
Source: Company, Astris Advisory

Segment results

On a segment basis, Development Homes again led growth, with Custom-built Homes also growing at a high-teens pace as deliveries progressed smoothly.

Development Homes revenue grew +22.9% YoY on volume and ASP, while Custom-built Homes grew +17.4% YoY with ASP up +7.7%

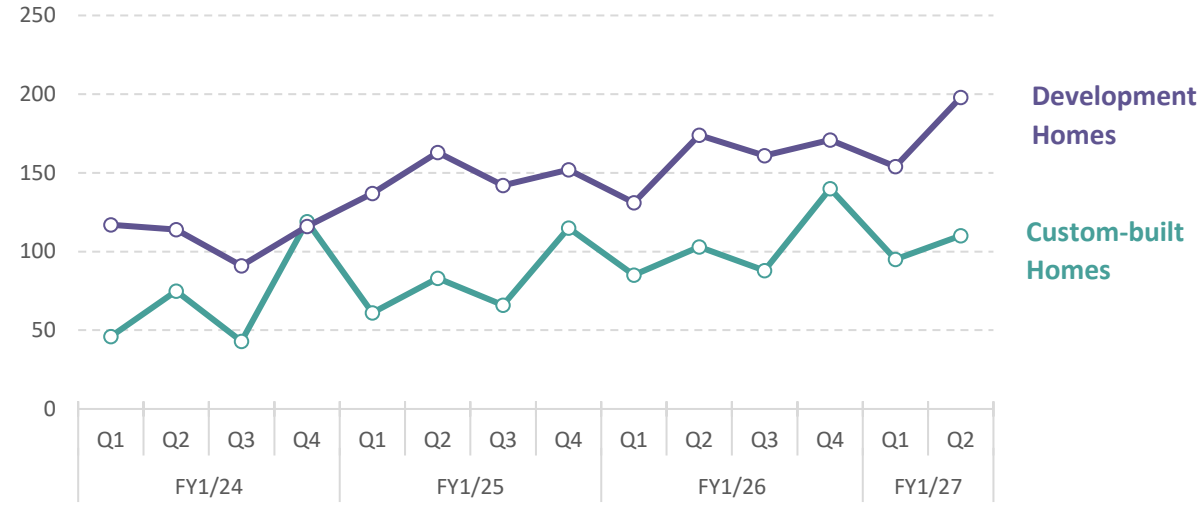
Segment revenue, before elimination

(¥bn)	FY1/26 H1	FY1/27 H1	YoY (%)
Custom-built Homes	**5.57**	**6.54**	**+17.4**
Development Homes (Home + Land)	**14.09**	**17.32**	**+22.9**
Development Homes (Land Only)	2.09	2.14	+2.2
Brokerage	0.46	0.56	+22.4
Exterior	0.27	0.42	+52.8
Reform	0.14	0.16	+14.9
Pre-owned / Investment Properties	0.23	0.22	-4.1
Other	0.02	0.02	-16.8

Source: Company

Homes sold in Q2 FY1/27 rose YoY in both Development Homes (+13.8%) and Custom-built Homes (+6.8%)

Quarterly home sales by segment (units)



Source: Company

Custom-built Homes

Custom-built Homes revenue rose +17.4% YoY to ¥6.54bn on 205 units sold (+9.0%) at an ASP of ¥31.9mn (+7.7%). Deliveries of projects ordered in FY1/26 progressed smoothly. H1 order units grew +2.3% YoY, but the record backlog equals 2.4x H1 custom-built home revenue. Given lead times of ~10-12 months from contract to delivery, visibility on performance through FY1/28 is good.

Development Homes (Home + Land)

Development Homes (Home + Land) revenue of ¥17.32bn rose +22.9% YoY on 352 units sold (+15.4% YoY) and an ASP of ¥49.2mn (+6.5%). Amid industry-wide price increases that have lifted the average market prices for development homes, the Company says its design-led product has become relatively more attractive within the same price range. Land-only sales rose +2.2% to ¥2.14bn on 53 units sold (-14.5%).

Arr Planner trades at a discount to domestic peers on a PER basis, against a backdrop of strong earnings growth in FY1/26 and a weak earnings outlook for small-cap homebuilding peers

Peer analysis of key profitability and valuation metrics

Ticker	Company	Mkt Cap US$ (mn)	Profitability OPM LTM (%)	OPM 10-yr average (%)	ROE LTM (%)	ROIC 10-yr average (%)	Valuation EV/EBITDA 12M Fwd (x)	EV/Sales 12M Fwd (x)	Div yield 12M Fwd (%)	PER 12M Fwd (x)	PBR (x)
2983 JP	**Arr Planner Co., Ltd.**	**109**	**8.5**	**4.3**	**37.9**	**5.9**	**7.1**	**0.6**	**3.0**	**6.1**	**1.86**
Domestic peers											
1431 JP	Lib Work Co., Ltd.	96	3.4	4.6	2.2	7.8	21.0	1.1	1.0	144.2	3.21
3465 JP	KI-Star Real Estate Co., Ltd.	622	7.7	7.3	25.9	7.9	7.6	0.6	5.0	4.7	1.28
8904 JP	AVANTIA CO., LTD.	76	2.6	3.6	4.0	2.5	19.2	0.4	4.6	18.8	0.43
8917 JP	First Juken Co., Ltd.	96	6.8	7.9	3.9	5.0	3.4	0.2	3.9	10.8	0.36
2981 JP	Landix, Inc.	82	13.6	11.2	21.4	8.4	5.6	0.8	2.2	6.6	1.21
8860 JP	Fuji Corporation Limited	165	5.7	5.4	7.4	3.2	13.0	0.9	4.0	6.1	0.44
1419 JP	Tama Home Co., Ltd.	538	1.9	3.8	4.4	11.5	8.9	0.3	4.6	21.0	2.85
3291 JP	Iida Group Holdings Co., Ltd.	3,813	6.9	7.2	7.1	5.5	7.8	0.6	4.6	8.2	0.59
3288 JP	Open House Group Co. Ltd	5,229	11.6	11.7	20.2	10.3	6.5	0.8	3.0	6.5	1.40
1911 JP	Sumitomo Forestry Co., Ltd.	4,722	5.9	6.9	8.6	8.1	9.2	0.7	4.4	8.2	0.68
Average			**6.6**	**7.0**	**10.5**	**7.0**	**10.2**	**0.6**	**3.7**	**23.5**	**1.24**
Overseas peers											
GRBK US	Green Brick Partners, Inc.	2,843	19.5	15.8	15.7	13.2	8.7	1.6	-	10.9	1.47
BZH US	Beazer Homes USA, Inc.	890	-1.8	4.0	-0.7	4.5	16.6	0.9	-	22.9	0.79
HOV US	Hovnanian Enterprises, Inc.	663	3.0	6.8	2.1	9.6	7.8	0.5	-	48.2	0.97
KOF FP	Kaufman & Broad SA	457	8.1	8.0	25.8	17.0	2.0	0.2	11.5	7.0	1.90
Average			**7.2**	**8.7**	**10.7**	**11.1**	**8.8**	**0.8**	**11.5**	**22.3**	**1.29**

Source: FactSet, Bloomberg, Astris Advisory

Astris earnings estimates and key assumptions

We raise our forecasts following the Q2 FY1/27 result and the Company's guidance revision.

- Our estimates assume custom-built home and development home volume growth consistent with revised Company guidance and disclosed operating trends, gross margin near the H1 level and continued operating leverage from SG&A efficiency.
- We have not factored in changes to interest rates or the Japanese real estate market.
- We have not factored in any M&A activity.

Astris Advisory earnings estimates

Year-end	FY1/27E old	FY1/28E old	FY1/29E old	FY1/27E new	FY1/28E new	FY1/29E new
Custom-built Homes	13.56	14.96	16.49	14.27	15.74	17.34
Development Homes (Home + Land)	33.77	37.57	41.44	35.08	39.05	43.05
Development Homes (Land Only)	5.09	5.63	6.21	5.09	5.63	6.21
Other	2.08	2.23	2.40	2.08	2.23	2.40
Sales (¥bn)	**54.50**	**60.39**	**66.54**	**56.52**	**62.65**	**69.00**
Growth YoY (%)	+12.1	+10.8	+10.1	+16.2	+10.8	+10.1
Net income (¥bn)	**2.64**	**2.91**	**3.16**	**3.28**	**3.62**	**3.94**
Net income margin (%)	4.9	4.8	4.7	5.8	5.8	5.7
ROE (%)	**29.9**	**26.3**	**23.5**	**36.0**	**30.5**	**26.4**
ROA (%)	7.2	7.2	7.0	8.9	8.8	8.4
DPS (¥)	**45.0**	**49.2**	**53.4**	**55.0**	**61.2**	**66.5**
Dividend yield (%)	3.2	3.5	3.7	3.4	3.8	4.1

Source: Astris Advisory

The key assumptions behind our estimates are as follows.

- **Sales growth** – We expect development home volume and sustained ASP increases to drive revenue growth. By region, growth in the Tokyo Metropolitan Area remains the primary catalyst under Vision 2033, which targets at least ¥100bn of revenue by 2033.
- **Profitability** – We forecast gradual operating-margin expansion from SG&A efficiency as the Company scales. Additionally, we believe higher selling prices per home, reflecting stronger product appeal and brand image, and a continued shift toward higher-value homes will support gross margin.

Summary

The Company has an ambitious revenue target of ¥100.0bn by 2033, implying a revenue CAGR of +10.7% from the FY1/25 actual of ¥40.19bn.

Arr Planner is a detached home builder based in Nagoya, Japan, with a rapidly growing presence in the Tokyo Metropolitan Area. The Company differentiates itself from competitors by establishing itself as a builder of architecturally-driven, quality-focused detached homes at an affordable price point. This strategy has resonated strongly with customers, which is reflected in the Company's strong FY1/26 results, while the broader Japanese homebuilding sector has struggled.

We view Arr Planner as a 'quality growth' homebuilder, with growth driven by a differentiated product strategy and market-share gains in the Tokyo Metropolitan Area's resilient housing market. The Company combines consistent revenue & earnings growth with disciplined capital management. Furthermore, the Company's management team is aligned with shareholders, given their significant ownership stake.

The following findings from our report underpin the thesis:

- The Company's products combining differentiated design, high housing performance and competitive pricing are resonating strongly with more affluent customers, translating into both volume growth and sustained unit price appreciation. If the strategic shift toward higher price points progresses, there is still room for ASP to rise.
- Focus on capital efficiency, sustaining a superior ROE profile relative to peers, underpinned by the Company's effective use of leverage to fund inventory acquisition.
- Further margin improvement as the Company continues to realize operating leverage and SG&A efficiency as it continues to scale its operations with fiscal discipline.

Astris Advisory estimates that Arr Planner will drive medium-term growth through:

Arr Planner continues to trade at a discount to industry peers as share price appreciation lags the Company's rapid earnings growth

- Volume growth, driven by the Company's aggressive growth strategy in the Tokyo Metropolitan Area, and sustained unit price increases, reflecting the strategic shift upmarket toward more premium builds.
- Gradual operating margin expansion driven by improved SG&A efficiency as the Company continues to scale. Additionally, we expect incremental gross margin improvement on higher selling prices per home, reflecting stronger product appeal and brand image, and a continued shift toward more premium homes.

On Astris earnings estimates, the shares trade on an estimated PER FY1/27 of 5.2x and PBR of 1.6x.

JGAAP financial summary

Income statement (¥bn)	FY 1/25	FY 1/26	FY 1/27E	FY 1/28E	FY 1/29E
Sales	**40.19**	**48.62**	**56.52**	**62.65**	**69.00**
COGS	(33.45)	(39.77)	(45.58)	(50.59)	(55.72)
Gross profit	**6.74**	**8.85**	**10.94**	**12.06**	**13.28**
Gross profit margin (%)	16.8	18.2	19.4	19.3	19.3
Operating profit	**2.16**	**3.75**	**5.00**	**5.48**	**5.97**
OP margin (%)	5.4	7.7	8.9	8.8	8.7
Non-operating income	0.05	0.08	0.07	0.08	0.07
Non-operating expenses	(0.21)	(0.31)	(0.38)	(0.39)	(0.42)
Pre-tax profit	**1.99**	**3.48**	**4.69**	**5.17**	**5.62**
Tax	(0.55)	(1.03)	(1.41)	(1.55)	(1.69)
Effective tax rate (%)	27.9	29.4	30.0	30.0	30.0
Net income	**1.44**	**2.46**	**3.28**	**3.62**	**3.94**
Non-controlling NI	-	-	-	-	-
Parent attributable NI	**1.44**	**2.46**	**3.28**	**3.62**	**3.94**
Sales growth YoY (%)	+25.3	+21.0	+16.2	+10.8	+10.1
OP growth YoY (%)	+306.2	+73.2	+33.5	+9.6	+8.9
Pre-tax profit YoY (%)	+500.5	+74.9	+34.7	+10.2	+8.7
NI growth YoY (%)	+547.9	+71.1	+33.7	+10.2	+8.7

Cash flow statement (¥bn)	FY 1/25	FY 1/26	FY 1/27E	FY 1/28E	FY 1/29E
Profit before tax	**1.99**	**3.48**	**4.69**	**5.17**	**5.62**
Depreciation/amortization	0.24	0.24	0.34	0.38	0.41
Changes in working capital	1.08	0.94	(0.17)	0.78	0.69
Real estate for sale	(1.19)	(5.06)	(1.50)	(2.20)	(2.50)
Interest expenses, net	(0.01)	(0.03)	-	-	-
Other non-cash items	(0.00)	-	-	-	-
Tax paid	(0.16)	(0.89)	(1.41)	(1.55)	(1.69)
Cash from Operating Activities	**1.95**	**(1.31)**	**1.95**	**2.57**	**2.54**
Capex	(0.24)	(0.12)	(0.25)	(0.25)	(0.25)
Acquisitions/increase stakes	-	-	-	-	-
Other investing cash flow	(0.08)	(0.25)	-	-	-
Cash from Investing Activities	**(0.32)**	**(0.37)**	**(0.25)**	**(0.25)**	**(0.25)**
Total cash dividends paid	(0.13)	(0.32)	(0.59)	(0.65)	(0.71)
Debt issuance/(retirement)	0.44	2.79	1.05	1.54	1.75
Equity financing/(buybacks)	0.00	0.00	-	-	-
Other	(0.02)	(0.08)	(0.08)	(0.08)	(0.08)
Cash from Financing Activities	**0.29**	**2.39**	**0.39**	**0.81**	**0.96**
FX impact	-	-	-	-	-
Net cash flow	**1.92**	**0.71**	**2.09**	**3.13**	**3.25**
Free cash flow	**1.71**	**(1.43)**	**1.70**	**2.32**	**2.29**
EBITDA	**2.40**	**3.99**	**5.34**	**5.86**	**6.38**
EBITDA margins (%)	6.0	8.2	9.5	9.4	9.3
Free cash flow margin (%)	4.2	-2.9	3.0	3.7	3.3
Free cash flow conversion (%)	85.7	N/A	36.3	44.9	40.7
Capex/sales (%)	0.6	0.2	0.4	0.4	0.4
Capex/depreciation (%)	100.2	50.2	73.7	66.5	60.4
CFO margin (%)	4.8	-2.7	3.5	4.1	3.7

Balance sheet (¥bn)	FY 1/25	FY 1/26	FY 1/27E	FY 1/28E	FY 1/29E
Cash & equivalents	5.36	6.29	8.38	11.51	14.76
Inventory (real estate)	20.66	25.81	27.31	29.51	32.01
Accounts receivables	0.08	0.11	0.16	0.17	0.19
Other	0.74	1.02	0.99	1.10	1.21
Current assets	**26.83**	**33.24**	**36.84**	**42.29**	**48.17**
Tangible assets	1.20	0.93	0.84	0.71	0.55
Intangible assets	0.04	0.04	0.04	0.04	0.04
Investment	-	-	-	-	-
Other	0.83	0.90	0.90	0.90	0.90
Fixed assets	**2.06**	**1.86**	**1.78**	**1.65**	**1.49**
Total assets	**28.89**	**35.10**	**38.61**	**43.94**	**49.66**
Short term borrowing	12.52	14.91	14.91	14.91	14.91
Trade creditors	2.63	3.26	3.52	3.90	4.30
Other	3.70	4.44	4.02	4.53	4.95
Current liabilities	**18.85**	**22.61**	**22.45**	**23.35**	**24.16**
Long term borrowing	4.12	4.41	5.46	7.00	8.75
Other LT liabilities	0.25	0.27	0.27	0.27	0.27
Long term liabilities	**4.37**	**4.68**	**5.73**	**7.27**	**9.02**
Shareholder's equity	**5.66**	**7.82**	**10.44**	**13.33**	**16.48**
Share acquisitions rights	-	-	-	-	-
Non-controlling interests	-	-	-	-	-
Total net assets	**5.66**	**7.82**	**10.44**	**13.33**	**16.48**
Total liabilities & net assets	**28.89**	**35.10**	**38.61**	**43.94**	**49.66**

Key metrics	FY 1/25	FY 1/26	FY 1/27E	FY 1/28E	FY 1/29E
Profitability					
Gross margin (%)	16.8	18.2	19.4	19.3	19.3
Operating margin (%)	5.4	7.7	8.9	8.8	8.7
Net margin (%)	3.6	5.1	5.8	5.8	5.7
ROA (%)	5.3	7.7	8.9	8.8	8.4
ROE (%)	**28.7**	**36.5**	**36.0**	**30.5**	**26.4**
ROCE (%)	21.5	30.0	30.9	26.6	23.4
ROIC (%)	7.1	10.6	12.1	11.6	11.1
Liquidity					
Current ratio (x)	1.4	1.5	1.6	1.8	2.0
Quick ratio (x)	0.9	1.0	1.2	1.4	1.6
Leverage					
Debt/Equity ratio (x)	2.9	2.5	2.0	1.6	1.4
Net Debt/Equity ratio (x)	2.0	1.7	1.1	0.8	0.5
Equity ratio (x)	0.20	0.22	0.27	0.30	0.33
Interest cover (x)	11.6	14.4	15.3	16.7	16.8
Net Debt/EBITDA (x)	4.7	3.3	2.2	1.8	1.4
Valuation					
EPS reported (¥)	135.1	230.7	308.3	339.8	369.5
PER (x)	**11.9**	**7.0**	**5.2**	**4.7**	**4.3**
Diluted PER (x)	11.9	7.0	5.2	4.7	4.3
DPS (¥)	22.5	40.0	55.0	61.2	66.5
Dividend payout ratio (%)	16.7	17.3	17.8	18.0	18.0
Dividend yield (%)	**1.4**	**2.5**	**3.4**	**3.8**	**4.1**
Total shareholder return (%)	**1.4**	**2.5**	**3.4**	**3.8**	**4.1**
Free cash flow yield (%)	10.0	(8.4)	9.9	13.5	13.3
Diluted free cash flow yield (%)	10.0	(8.4)	9.9	13.5	13.3
PBR (x)	**3.0**	**2.2**	**1.6**	**1.3**	**1.0**
EV/sales (x)	0.8	0.7	0.6	0.5	0.5
EV/EBITDA (x)	13.9	8.4	6.3	5.7	5.2
EV/EBIT (x)	15.4	8.9	6.7	6.1	5.6

Source: Company, Astris Advisory (estimates)

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