


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



May 13, 2024

- Summary
- Consolidated Financial Statements FY03/24
- Results of the Residential Development Business
- Results of the Real Estate Agency Business
- Results of the Condominium Management Business
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- In Full-year FY03/24, **net sales increased and profits decreased YoY**
  - Gross profit margin of condominiums decreased YoY, and segment profit in the Residential Development Business decreased
  - Exceeded the revised full-year forecast announced in February 2024
  - We plan to pay dividends of **¥40 per share** for FY03/24
- We announced the Strategy 2027
  - Adjusting the change in business conditions, we reformulated the strategy for three years from FY03/25 to FY03/27
  - Sales materials for Residential Development Business have secured for the period of the Strategy 2027
- In Full-year FY03/25, we expect that **net sales increase and profits decrease YoY**
  - Residential Development business has **secured 83% contracts of the Full-year sales target**
  - We plan to pay dividends of **¥40 per share** for FY03/25

# **Consolidated Financial Statements FY03/24**

## ■ Consolidated Financial Statements FY03/24

- **Net sales increased and profits decreased. Net sales: ¥71.2 billion** (up 14.3% YoY), **Operating profit: ¥4.9 billion** (down 16.3% YoY), **ordinary profit: ¥3.9 billion** (down 20.0% YoY ), **Profit attributable to owners of parent: ¥2.7 billion** (down 37.0% YoY ). **EPS ¥118.62** (down ¥69.70 YoY)
- In Residential Development Business, gross profit margin of condominiums decreased YoY, and segment profit decreased. Our efforts to differentiate ourselves from our competitors and develop high-value-added properties resulted in strong sales.
- In Real Estate Agency Business, both Purchase and Resale business and Brokerage business made strong progress and **maintained double-digit growth.**
- In Wealth Solution Business for high net worth (HNW) individuals, we completed delivery of two rental properties
- In Condominium Management Business, switchovers of condominiums managed by other companies were strong at 1.5 more times YoY
- Compared to the revised full-year forecast announced in Feb. 2024, operating profit was 10% higher, ordinary profit was 14% higher, profit attributable to owners of parent was 15% higher

# 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



# Consolidated Financial Results FY03/24

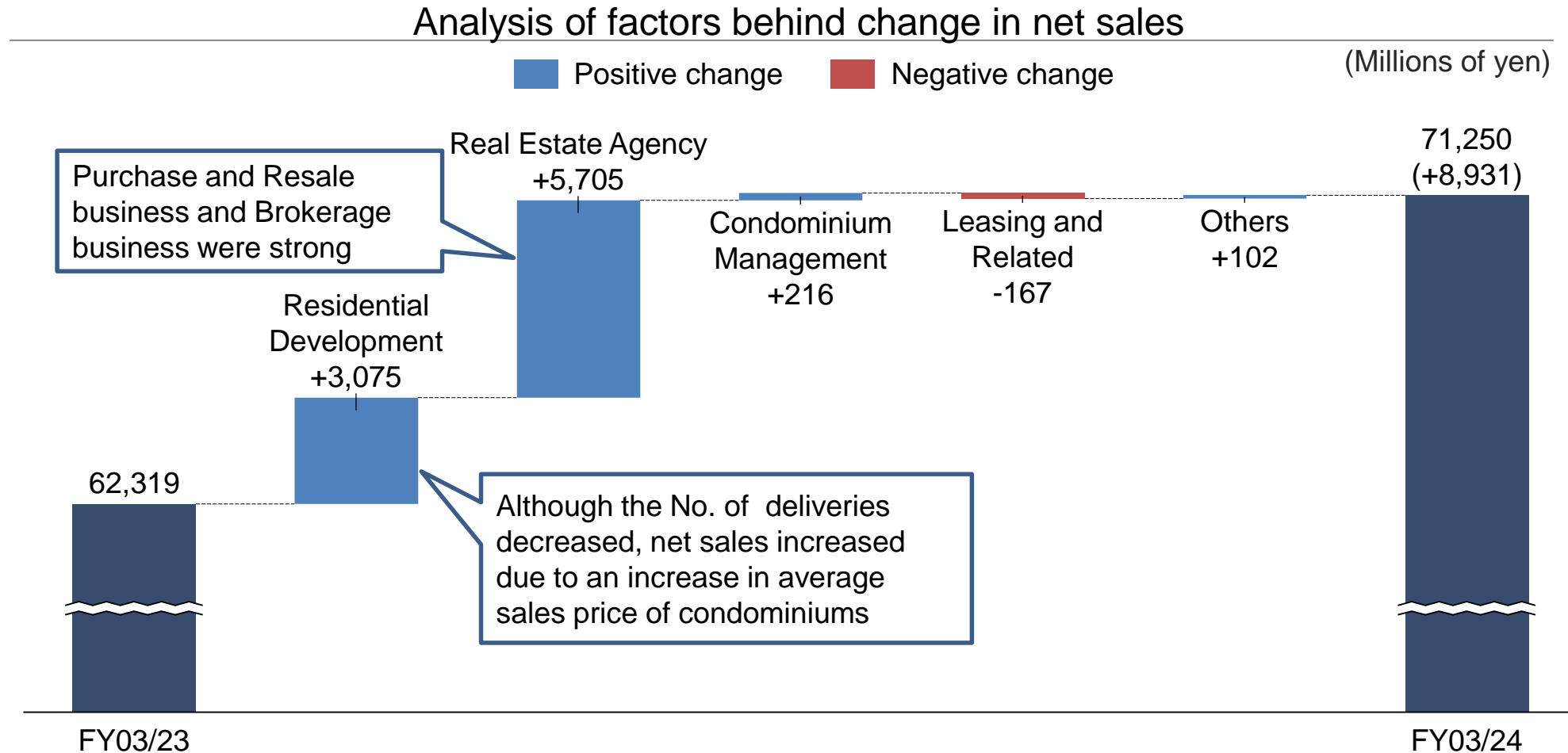
- Net sales: ¥71.2 billion (up ¥8.9 billion YoY), Operating profit: ¥4.9 billion (down ¥0.9 billion YoY), ordinary profit: ¥3.9 billion (down ¥0.9 billion YoY )

(Millions of yen)

	FY03/23 Actual	FY03/24 Actual	Change	Change (%)	Full-year FY03/24 Revised forecast (Announced Feb 13,2024 )	Progress
Net sales	62,319	71,250	8,931	14.3%	70,000	101.8%
Gross profit	15,656	15,532	-123	-0.8%	15,100	102.9%
(Gross profit margin)	(25.1%)	(21.8%)	(-3.3pp)	—	(21.6%)	—
SG&A expenses	9,714	10,559	845	8.7%	10,600	99.6%
Operating profit	5,941	4,973	-968	-16.3%	4,500	110.5%
(Operating profit margin)	(9.5%)	(7.0%)	(-2.6pp)	—	(6.4%)	—
Non-operating income	132	180	48	36.5%	—	—
Non-operating expenses	1,083	1,162	78	7.3%	—	—
Ordinary profit	4,989	3,990	-998	-20.0%	3,500	114.0%
(Ordinary profit margin)	(8.0%)	(5.6%)	(-2.4pp)	—	(5.0%)	—
Extraordinary income	6	144	138	2,191.7%	—	—
Extraordinary loss	145	249	104	71.6%	—	—
Profit before income taxes	4,850	3,885	-965	-19.9%	—	—
Profit attributable to owners of parent	4,415	2,781	-1,634	-37.0%	2,400	115.9%
(Profit margin)	(7.1%)	(3.9%)	(-3.2pp)	—	(3.4%)	—

# Factors Behind Change in Net Sales by Segment

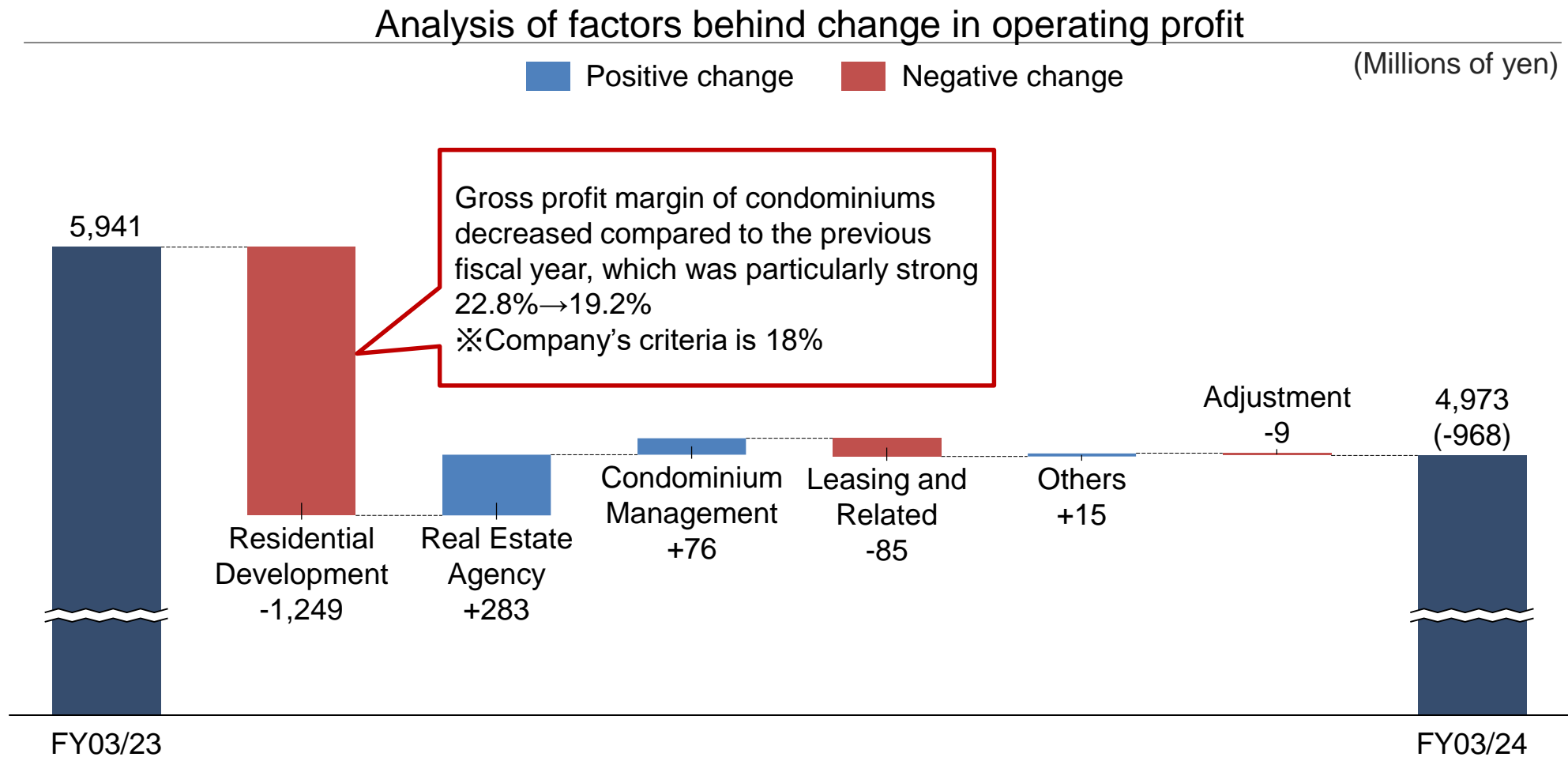
- Net sales increased due to an increase in average sales price of condominiums and an strong performance in the Real Estate Agency Business





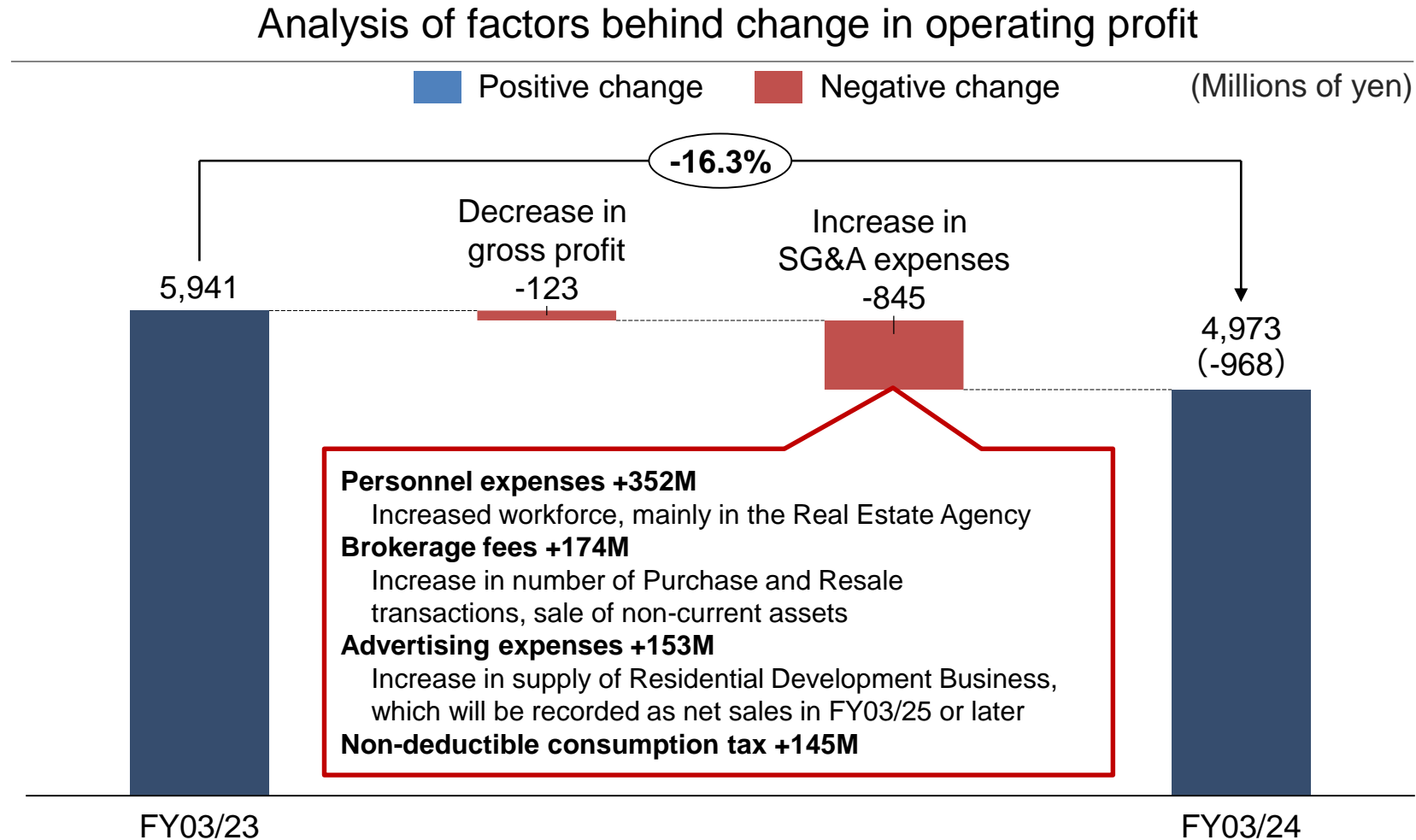
# Factors Behind Change in Operating Profit by Segment

- Gross profit margin of condominiums decreased compared to the previous fiscal year, and segment profit in the Residential Development Business decreased



# Factors Behind Change in Operating Profit by Accounting item

- Operating profit decreased YoY due to a decrease in gross profit and an increase in SG&A expenses aimed at strengthening sales activities



- We developed high-value-added properties.

**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  
Completed and delivered in March 2024

**CLIO** クリオ横濱桜木町ミッドグレイス  
CLIO YOKOHAMA SAKURAGICHO MID GRACE



Yokohama, Kanagawa  
Total number of units: 42  
Completed and delivered in March 2024



- We developed high-value-added properties.

**CLiO** クリオ レジダンス札幌大通イースト  
CLIO RESIDENCE SAPPORO ODORI EAST



Sapporo, Hokkaido  
Total number of units: 134  
Completed and delivered in March 2024

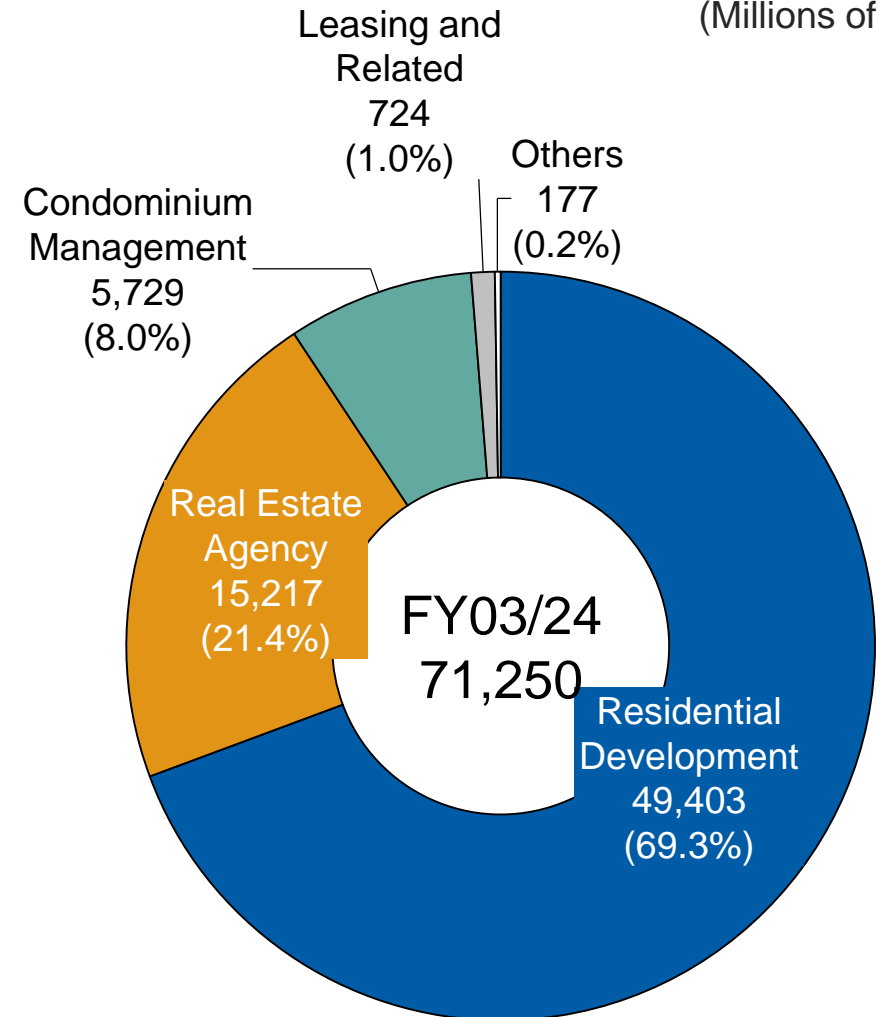
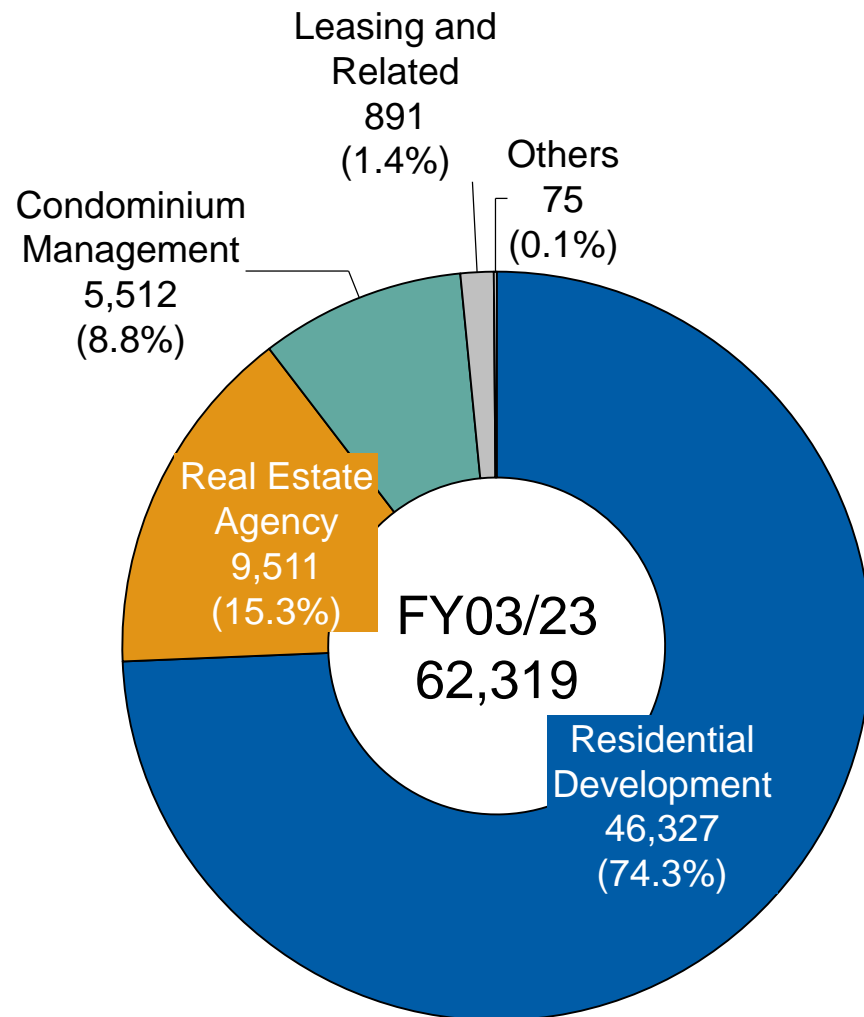
**CLiO** クリオ渡辺通サザンマークス  
CLIO WATANABE-DORI SOUTHERN MARKS



Fukuoka, Fukuoka  
Total number of units: 42  
Completed and delivered in March 2024

## Composition of net sales

(Millions of yen)

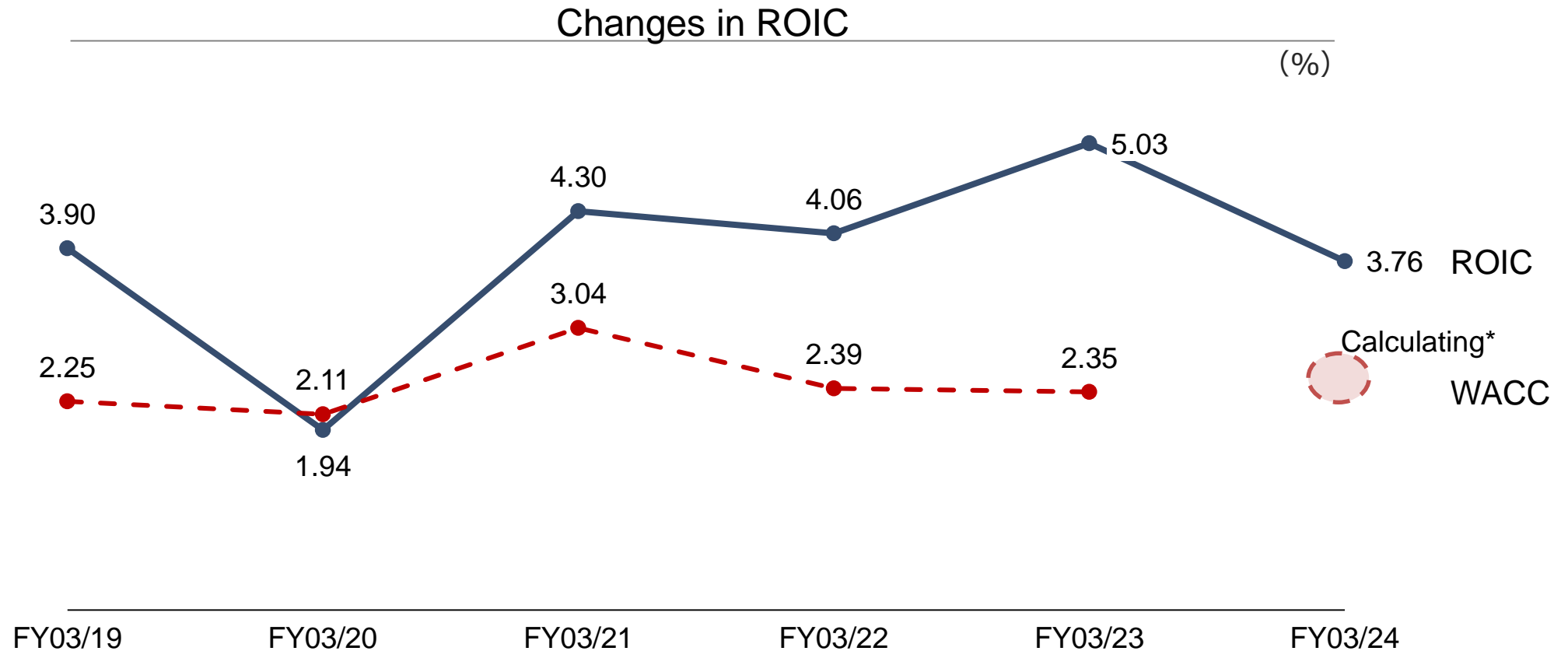


## Composition of segment profit

(Millions of yen)

Segment	FY03/23 Actual	FY03/24 Actual	Change	Change (%)
Residential Development	5,511	4,262	-1,249	-22.7%
Real Estate Agency	229	512	283	123.7%
Condominium Management	406	483	76	19.0%
Leasing and Related	378	293	-85	-22.5%
Others	89	104	15	16.8%
Adjustment	-673	-683	-9	—

- ROIC in FY03/24 was 3.76%



\*Calculated on a consolidated basis. See Fact Sheet for details of calculation formula.  
Please note that WACC for the most recent period is being calculated and is scheduled to be disclosed around the time of the Q1 FY03/25 financial results announcement.



# **Results of the Residential Development Business**





- Net sales in FY03/24 were ¥47.9 billion, up 5.3% YoY
- Conducted carefully selected purchases in consideration of the recent rise in construction costs
- Completed inventory at the end of FY03/24 was low at 11 units due to the smooth progress of sales contracts
- Purchases: ¥52.4 billion (down 22.5% YoY)
  - Additional purchases have been executed for Wealth Solution Business
- Supply: ¥67.5 billion (up 24.0% YoY)
  - Started to supply condominiums scheduled to be recorded as net sales from FY03/25 onward
- Sales contracts: ¥53.3 billion (up 4.0% YoY)
  - Sales progress was steady due to the solid demand

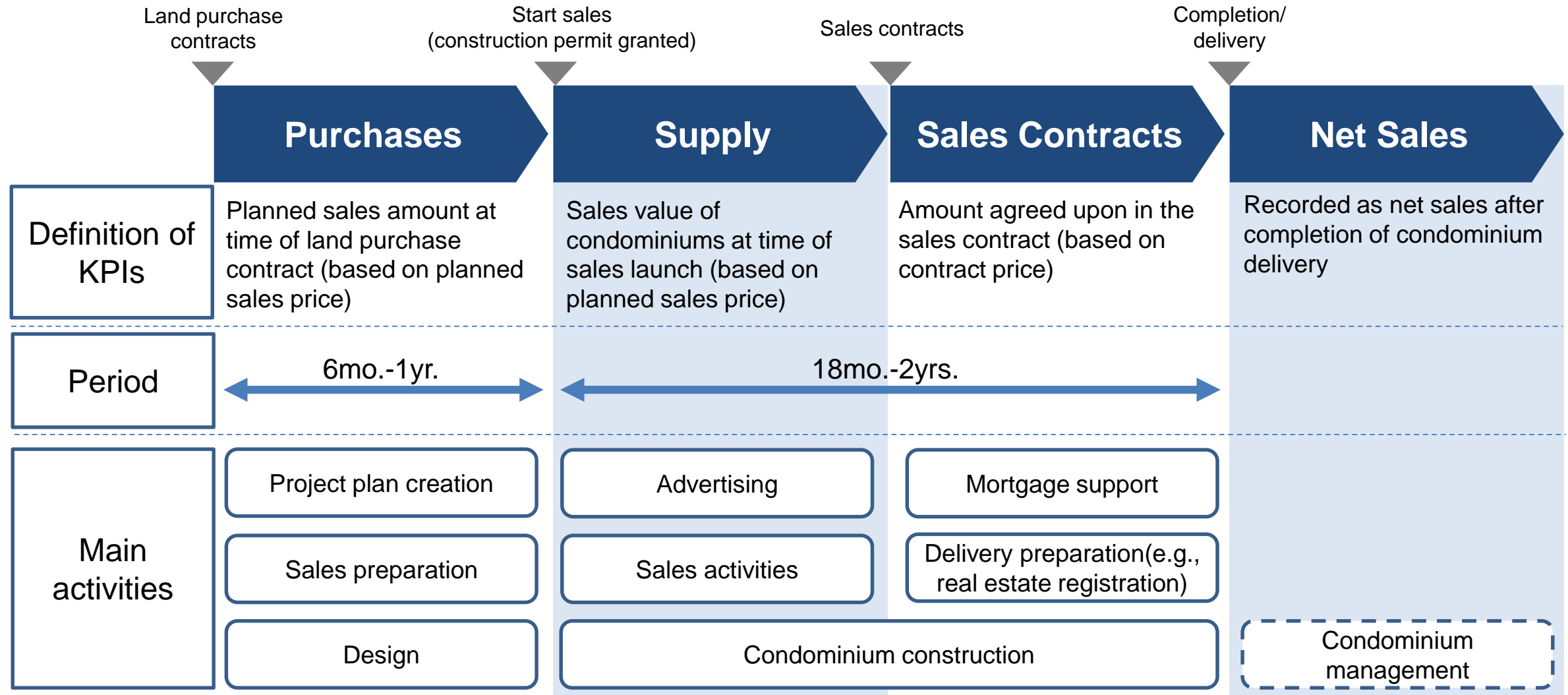
■ Net sales increased but profit decreased YoY

(Millions of yen)

	FY03/23 Actual	FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	46,327	49,403	3,075	6.6%
Intersegment sales and transfers	8	—	-8	—
Total	46,336	49,403	3,066	6.6%
Segment profit	5,511	4,262	-1,249	-22.7%

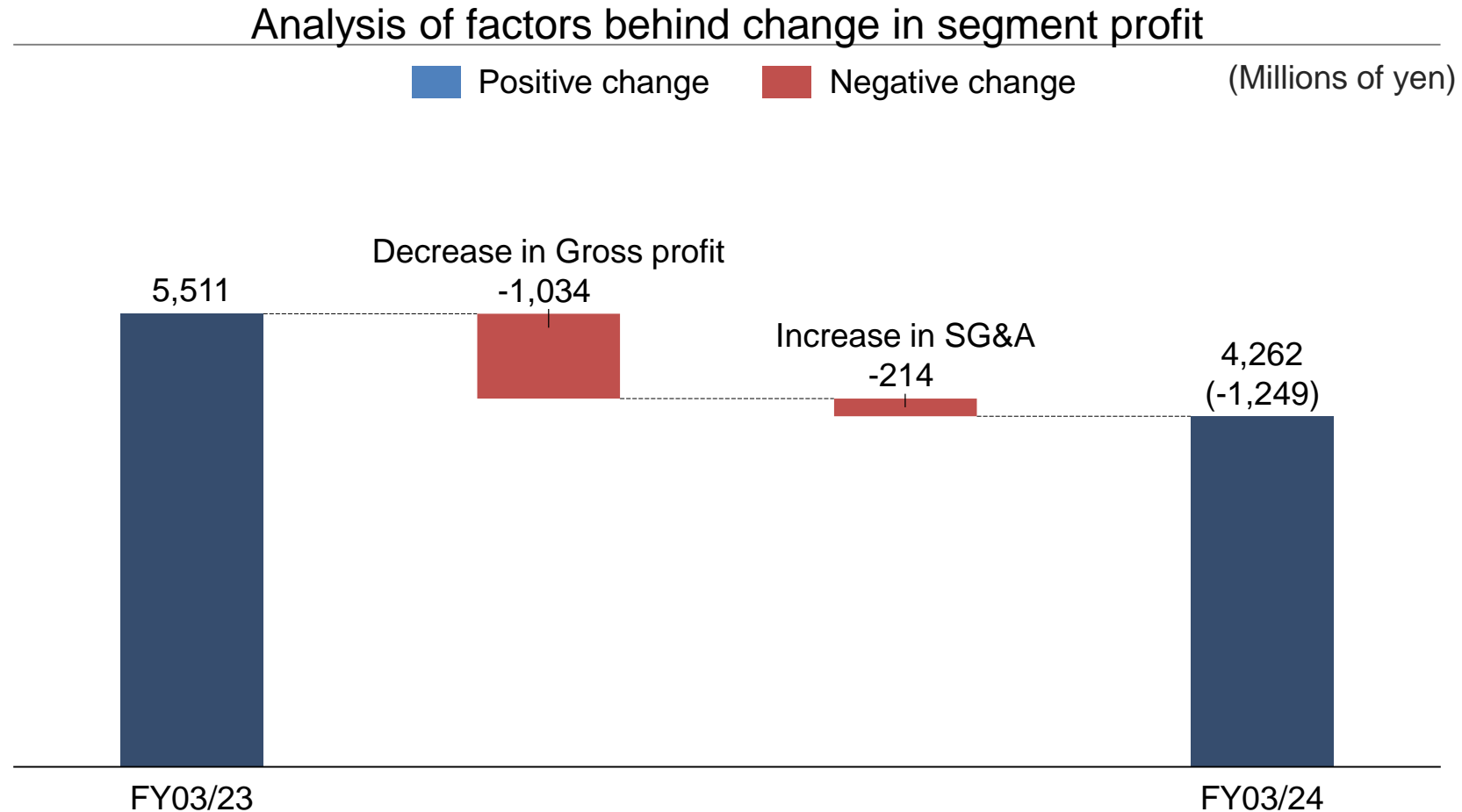
# [Ref.] Leading Sales Indicators (KPIs) for the Residential Development Business

- KPIs are defined as follows.



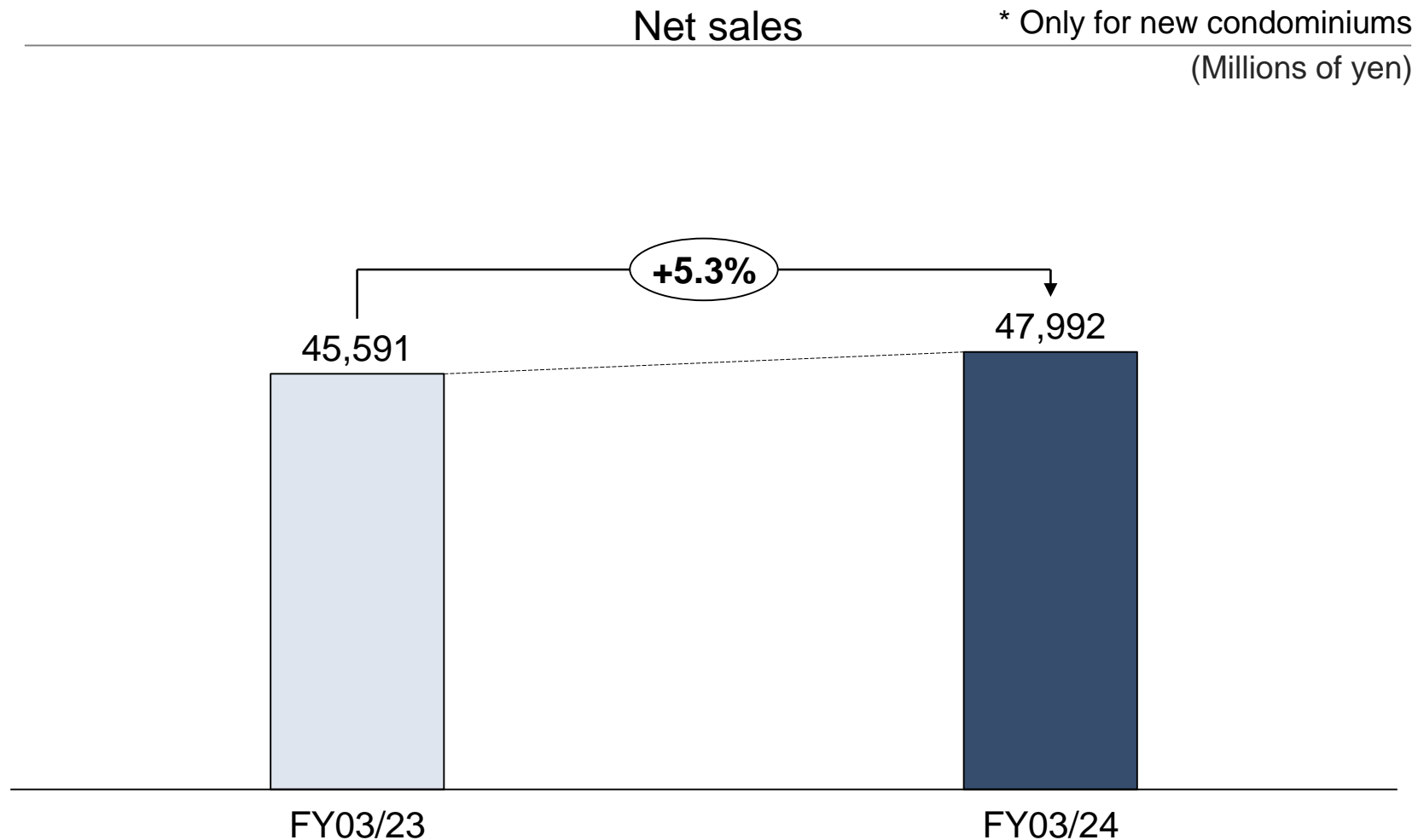
# Residential Development Business: Segment Profit

- Segment profit decreased due to a down of gross profit margin of condominiums

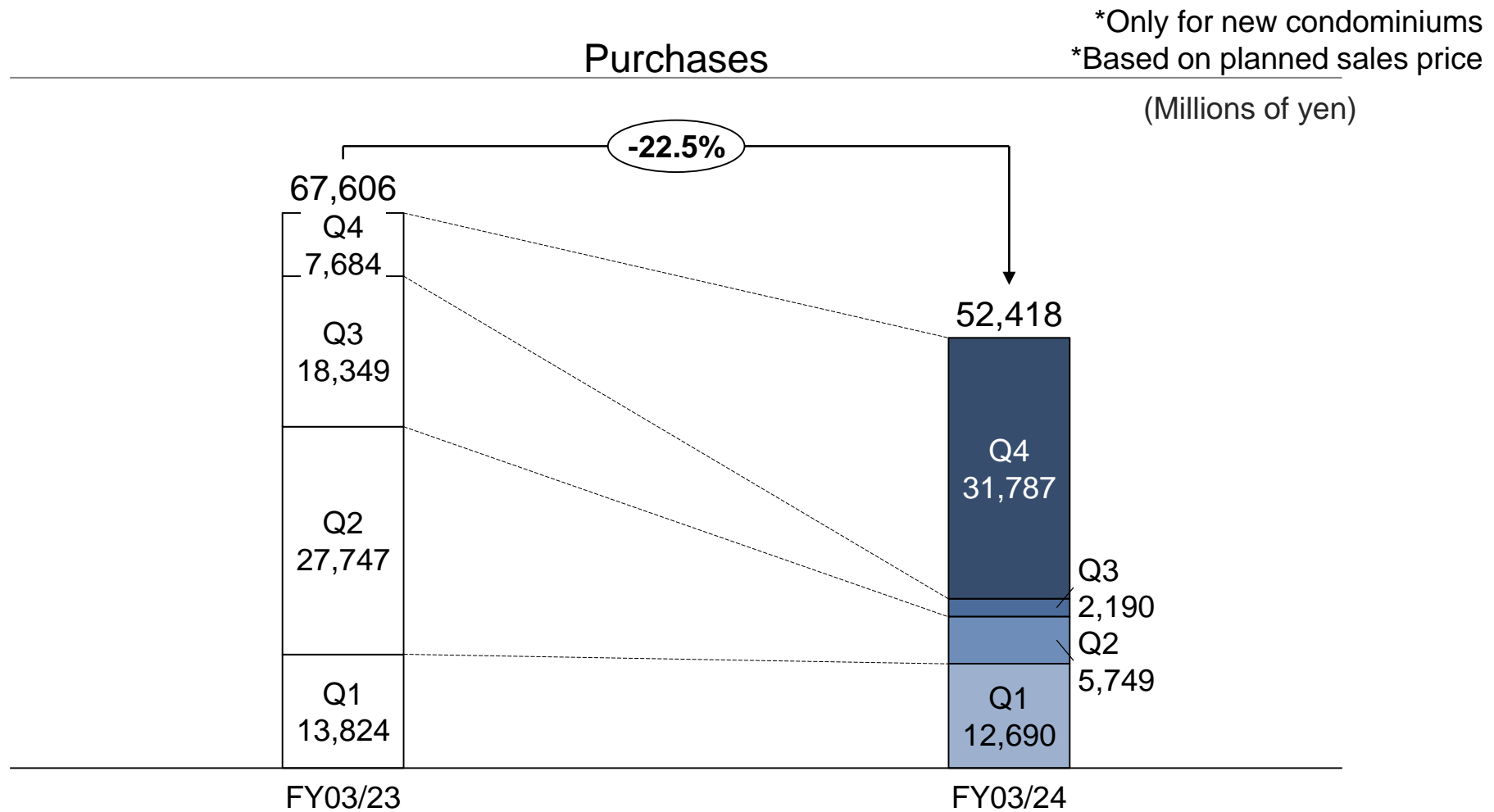


# Residential Development Business: Net Sales

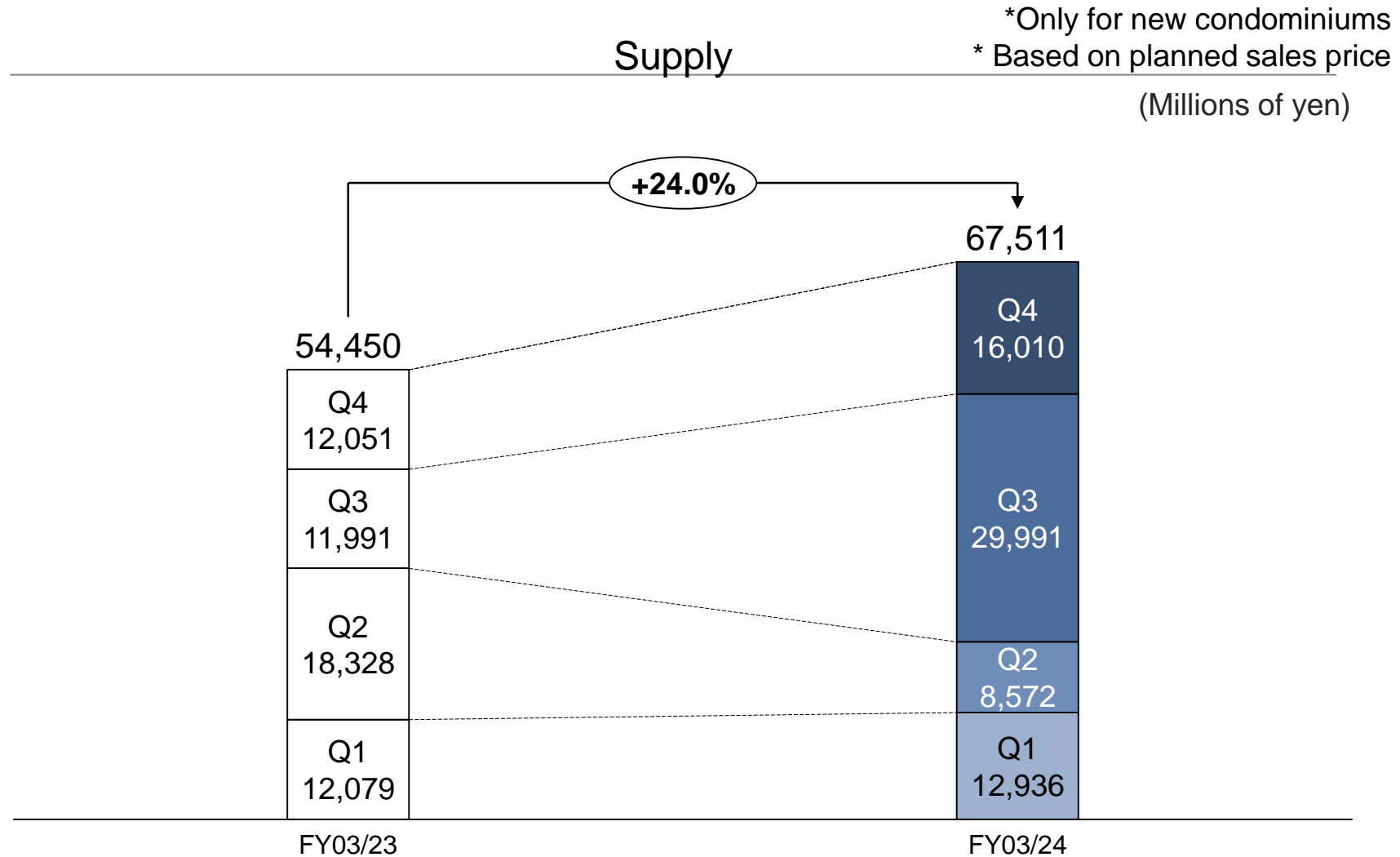
- Net sales in FY03/24 were ¥47.9 billion, up 5.3% YoY



- Purchases in FY03/24 amounted to ¥52.4 billion (down 22.5% YoY)
- Conducted carefully selected purchases in consideration of the recent rise in construction costs



- Supply in FY03/24 amounted to ¥67.5 billion (up 24.0% YoY)



# Residential Development Business: Properties Supplied in Q4 (1)

**CLiO** クリオ横浜センター北セントラルアベニュー  
CLIO YOKOHAMA CENTER KITA CENTRAL AVENUE



Yokohama, Kanagawa  
Total number of units: 31  
Sales launched in February 2024  
Scheduled to be completed in March 2025

**CLiO** クリオ西横浜セントラルマークス  
CLIO NISHI-YOKOHAMA CENTRAL MARKS



Yokohama, Kanagawa  
Total number of units: 71  
Sales launched in March 2024  
Scheduled to be completed in July 2025



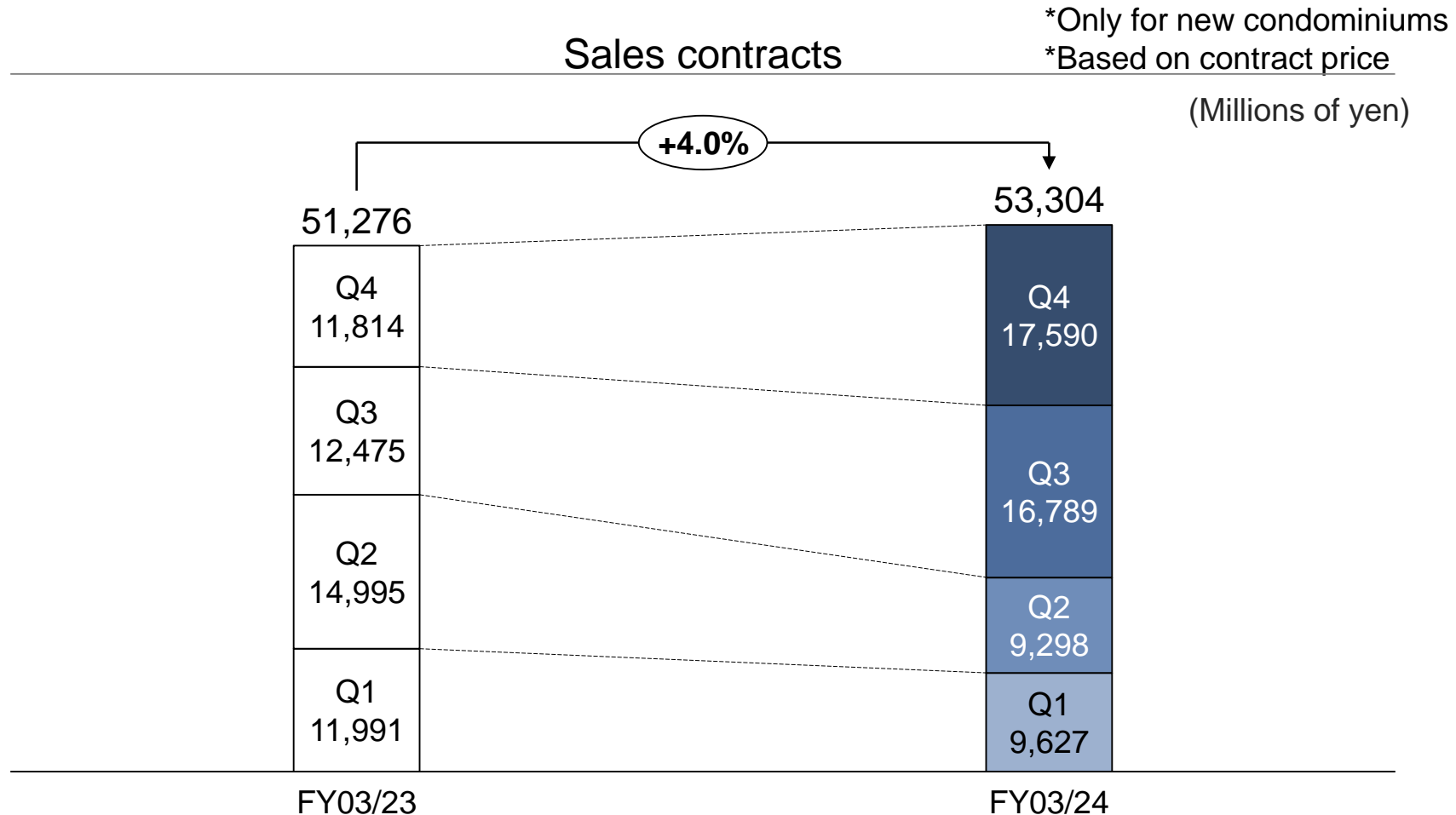
# Residential Development Business: Properties Supplied in Q4 (2)

## CLIO クリオ レジダンス大船シーズンテラス CLIO RÉSIDENCE ŌFUNA SEASON TERRACE



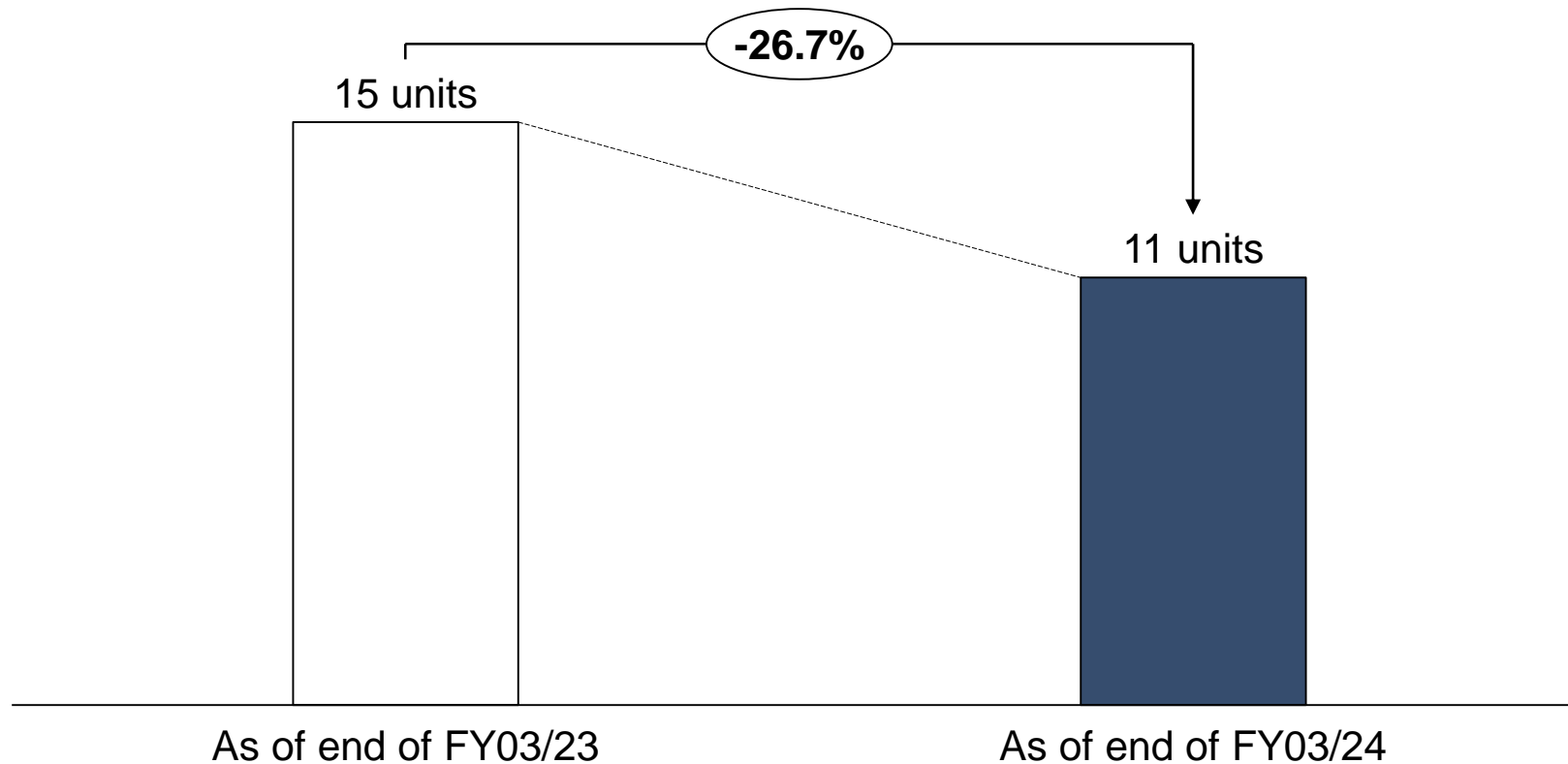
Yokohama, Kanagawa  
Total number of units: 138  
Sales launched in March 2024  
Scheduled to be completed in June 2025

- Sales contracts in FY03/24 amounted to ¥53.3 billion (up 4.0% YoY)



- Completed inventory at the end of FY03/24 was low at 11 units

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





# **Results of the Real Estate Agency Business**



- **Purchase and Resale business is expanding strong by increasing workforce**
  - **Net sales FY03/24 : ¥11.0 billion (+72.0% YoY)**
- **In the brokerage business, net sales increased by increasing workforce per store**
  - **Net sales FY03/24 : ¥0.9 billion (+18.4% YoY)**
- **Wealth Solution Business for high net worth (HNW) individuals**
  - **Completed delivery of two properties in Q1 and sales contract of 1 property in Q4**
  - **Secured properties of ¥16.2 billion as sales materials for Wealth Solution Business**

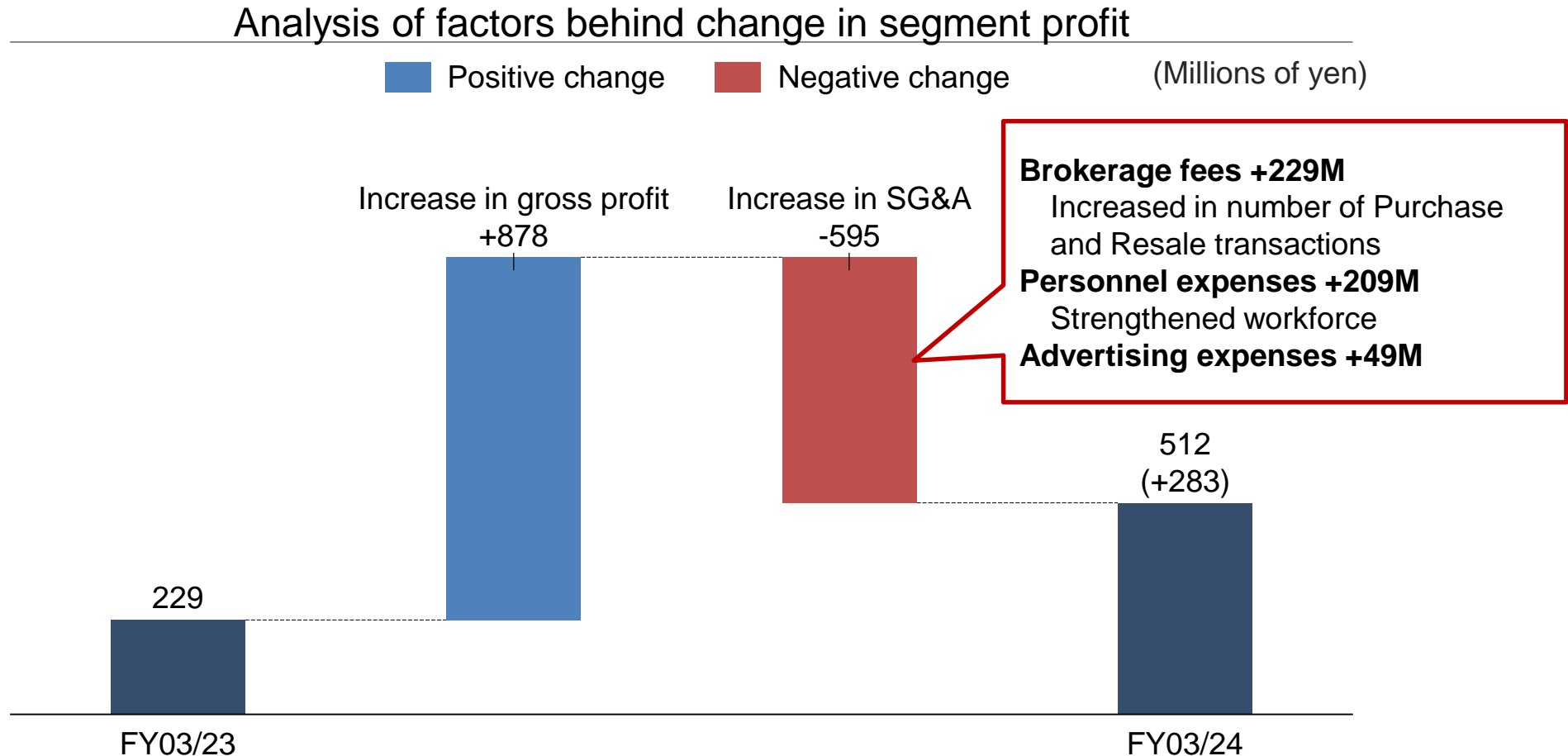
# Real Estate Agency Business Results FY03/24

- Net sales and profit increased YoY

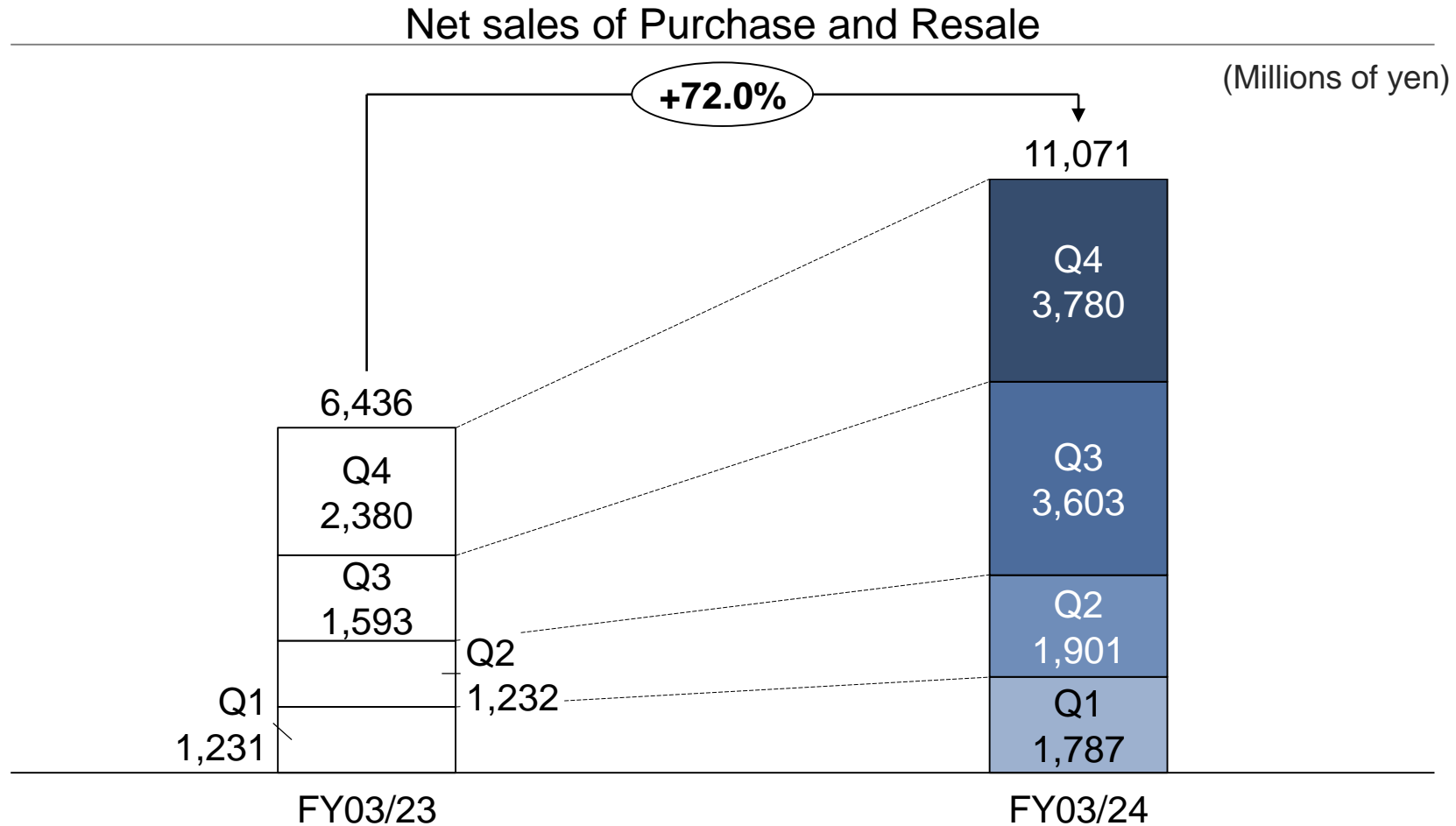
(Millions of yen)

	FY03/23 Actual	FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	9,511	15,217	5,705	60.0%
Intersegment sales and transfers	—	—	—	—
Total	9,511	15,217	5,705	60.0%
Segment profit	229	512	283	123.7%

- Strong performance in Purchase and Resale business and Brokerage business led to increased profit YoY

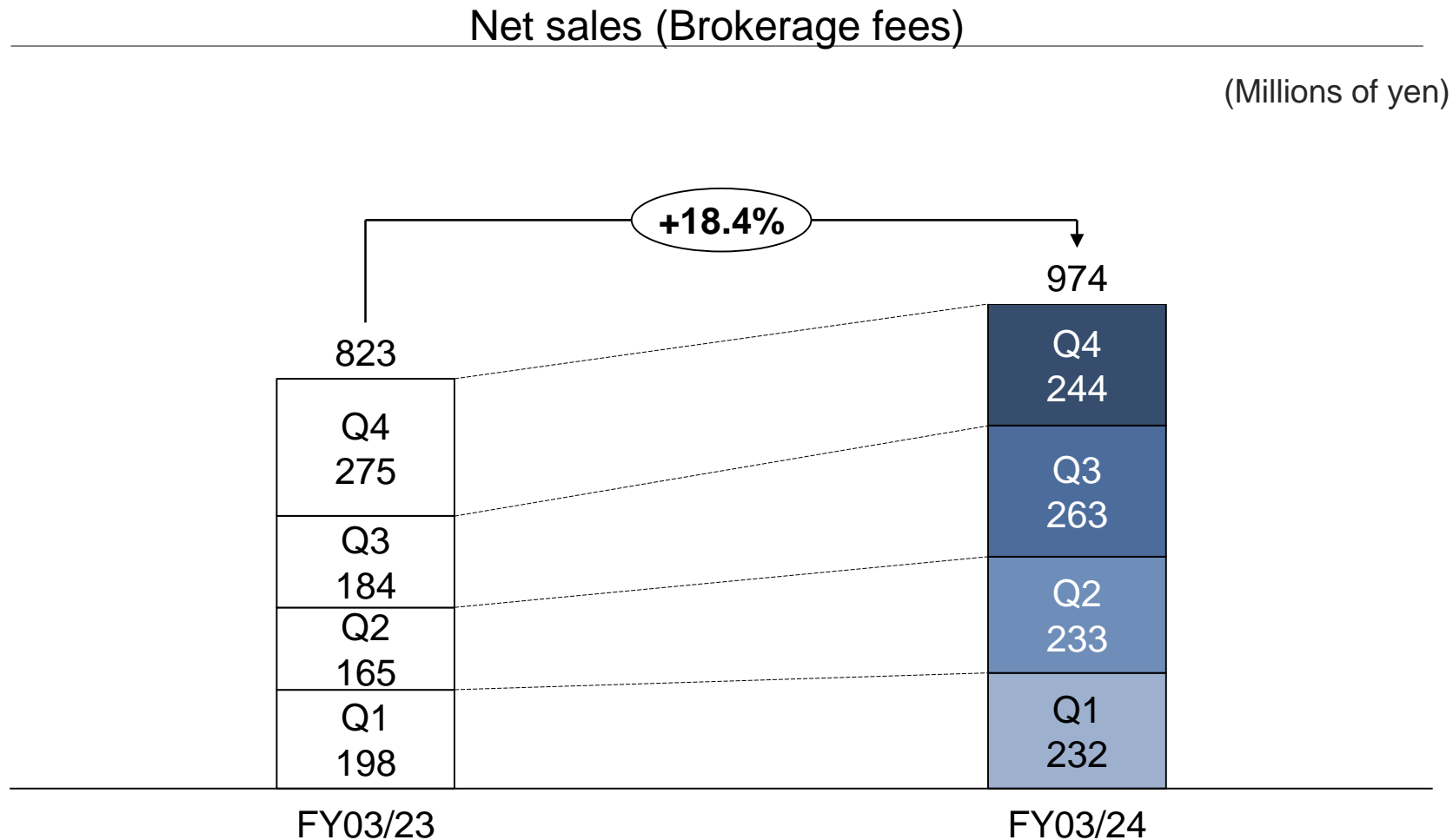


- Net sales in FY03/24 were ¥11 billion (up 72.0% YoY)





- Net sales in FY03/24 were ¥0.9 billion (up 18.4% YOY)



- Completed settlement and delivery of two properties in Q1
- Completed sales contract of 1 property in Q4 (scheduled to be delivered in May 2024)

## 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

# **Results of the Condominium Management Business**

- **Achieved high customer satisfaction**
- **Increased in switchovers of condominiums managed by other companies (x1.5 YoY)**
- **Number of units under management as of end of FY03/24: 48,940 (up 3,181units YoY)**
- **Net sales remained steady at ¥5.7 billion (up ¥0.2 billion YoY)**

- Net sales and profit increased as switchovers of condominiums managed by other companies progressed strong

(Millions of yen)

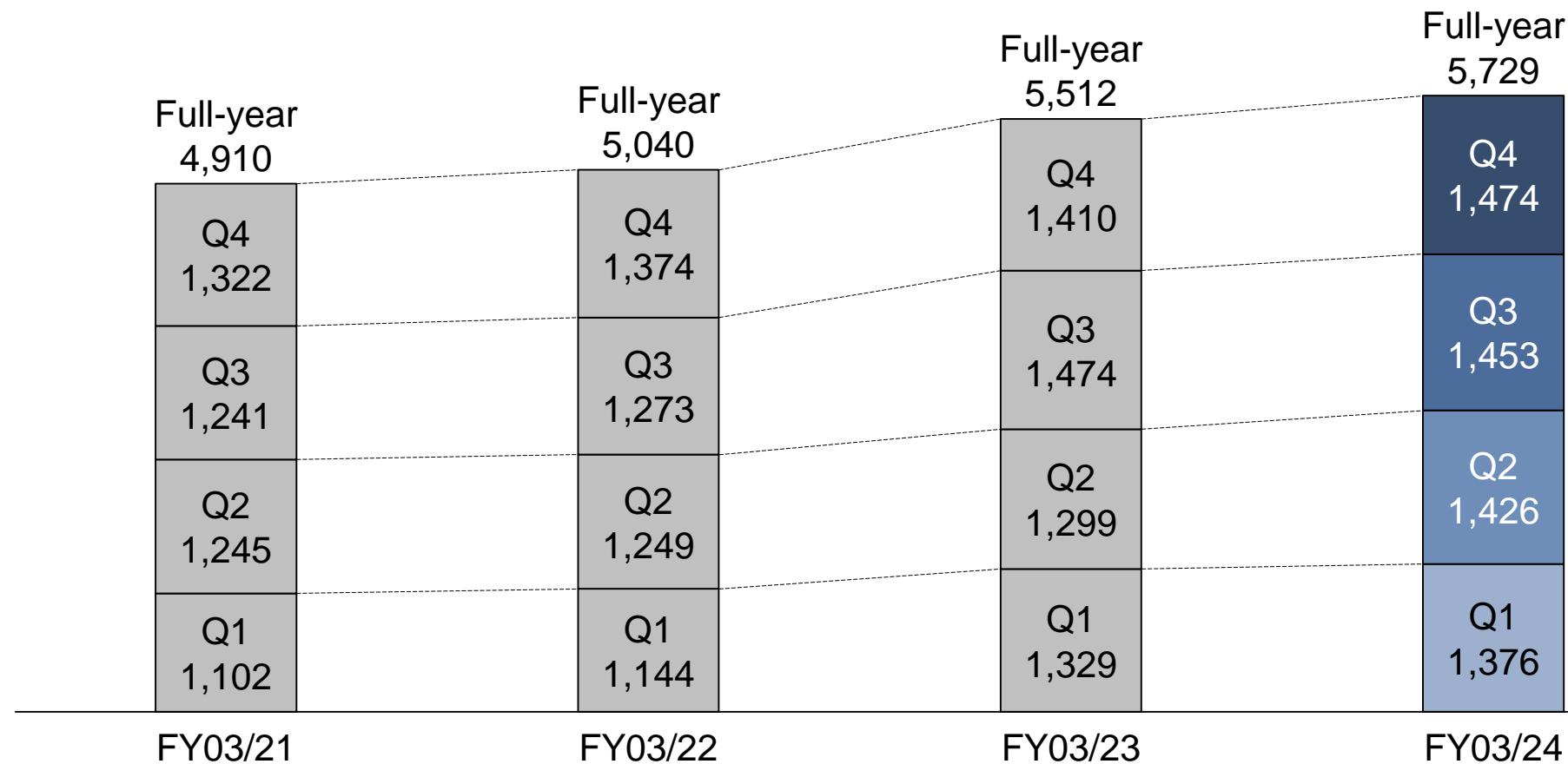
	FY03/23 Actual	FY03/24 Actual	Change	Change (%)
Net sales				
Sales to external customers	5,512	5,729	216	3.9%
Intersegment sales and transfers	43	33	-9	-22.1%
Total	5,556	5,762	206	3.7%
Segment profit	406	483	76	19.0%

# Condominium Management Business: Net Sales

- Net sales in FY03/24 were ¥5.7 billion (up ¥0.2 billion YoY)

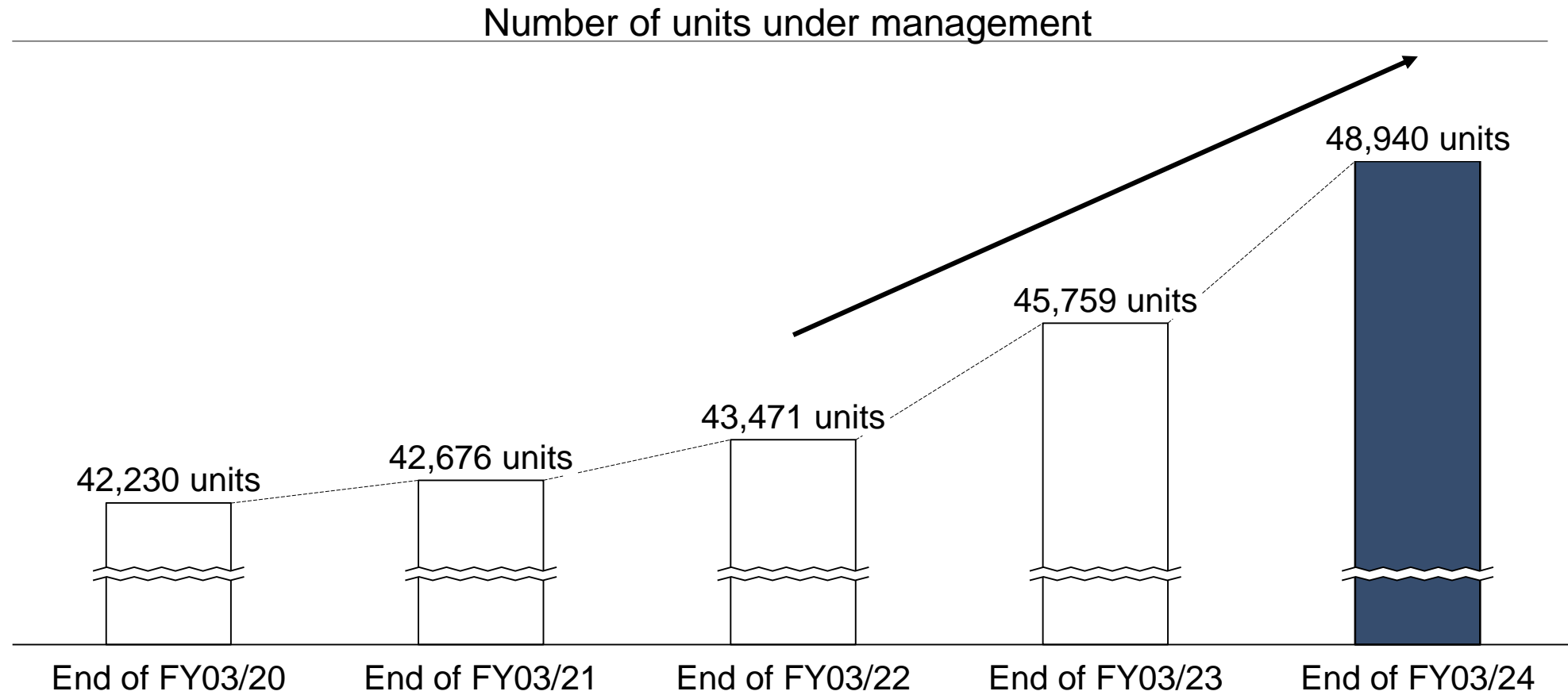
## Change in net sales of Condominium Management Business

(Millions of yen)



# Condominium Management Business: No. of Units Under Management

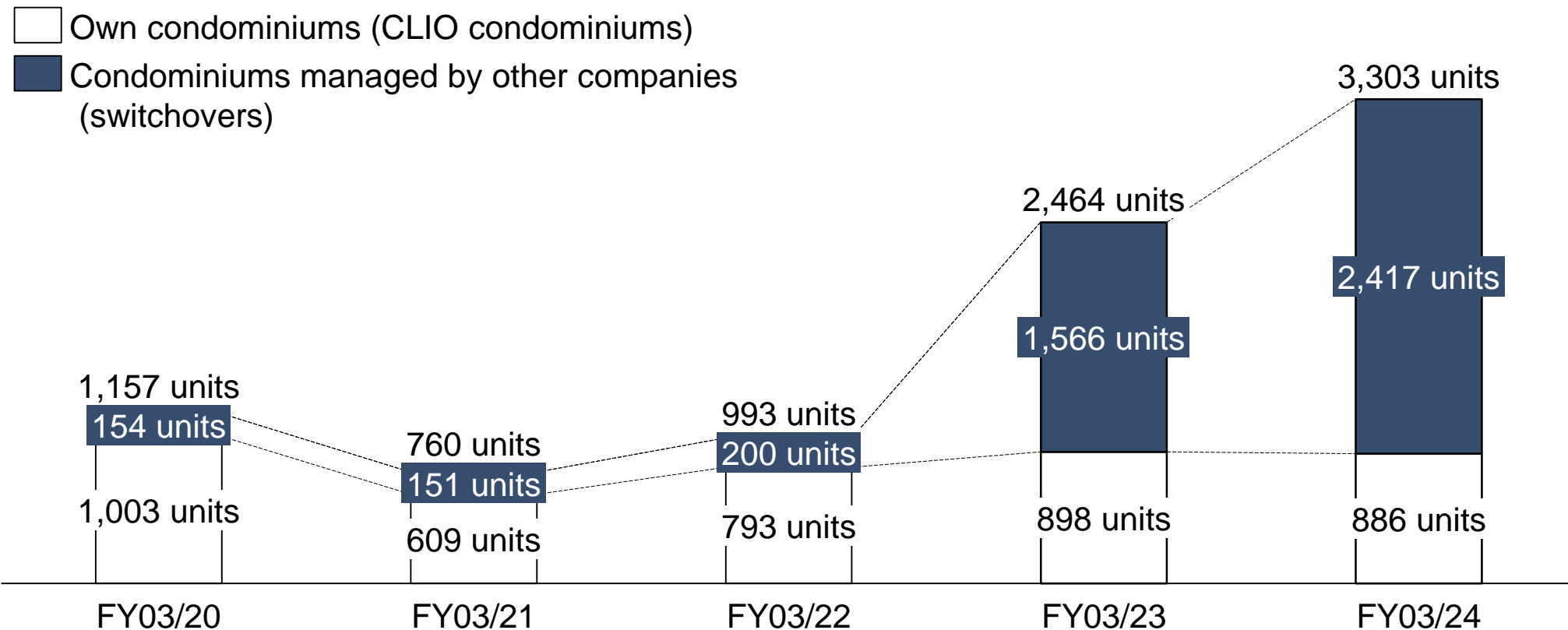
- Number of units under management increased to 48,940 units as of the end of FY03/24



- In FY03/24, number of units switched from other management companies increased (1.5x YoY)
- Continue strengthening switchovers from other management companies

## Change in number of units under new management contracts

\*Based on start of management





# Summary of the Strategy 2027

- Triggered by the increase in construction costs mainly due to labor shortages in the construction industry and the adjustment of construction schedules, the current Five-Year Strategy\* was reviewed and the Strategy for the three years from FY03/25 to FY03/27 ( Strategy 2027 ) was reformulated.
- Consolidated financial target: Aim to achieve net sales of ¥88 billion, operating profit of ¥5.5 billion and ordinary profit of ¥4.1 billion in FY03/27.
- Residential Development Business :
  - Aim to achieve net sales of ¥47 billion in FY03/27.
  - Target customers are mainly double-income families with an annual income of ¥10 million or more and high net worth individuals in the Tokyo Metropolitan Area. Such customer households have increased by 1.4 times in five years, and their annual household income has also increased.
  - Carefully select purchases in favored locations that will be accepted by this customer segment. We are working to diversify our purchase methods for this purpose. As one such measure, the Company is stepping up efforts to rebuild condominiums, for which demand is expected to expand rapidly in the future.
  - In recent years, we have increased our design capabilities and the environmental performance of our condominiums, and we will continue to provide comfortable quality housing that is preferred by this customer segment.

\*The “Five-year Strategy” announced in February 28, 2022

## ■ Real Estate Agency Business :

- Aim to achieve net sales of ¥33.7 billion in FY03/27.
- The used condominium market is worth about ¥15 trillion, much larger than that of new condominiums, and is growing at an annual rate of 23%. We will seize this secondary market through the Brokerage Business and the Purchase and Resale Business.
- Similarly to the Residential Development Business, the Purchase and Resale Business will focus on purchases in favored locations and carry out high-quality renovations to strengthen sales to high-earning families and high net worth individuals. To expand the transaction volume, the purchases workforce has been increased.
- In the Brokerage Business, the store network is already in place, so we will strengthen a store format and improve profitability.
- Rents of rental housing in the 23 wards of Tokyo are rising faster than consumer prices. In particular, the rate of increase is high for the Company's specialty family-type condominiums and compact condominiums.
- In the Wealth Solution Business, develop high-quality rental properties and sell them to high net worth individuals.

## ■ Condominium Management Business :

- Aim to achieve net sales of ¥6.2 billion in FY03/27.
- Both the number of condominiums in stock and management fees are increasing, and the condominium management market continues to expand stably.
- In the Condominium Management Business, aim for growth through the acquisition of condominiums managed by other companies based on high customer satisfaction. We will only acquire projects that can secure a certain profit margin. Maintain the following policies to ensure profitability.
  - (i) Maintain concentration on the Tokyo Metropolitan Area and Sapporo
  - (ii) Acquire new contracts with a certain level of profit margin
  - (iii) Use IT to balance customer satisfaction and operational efficiencies

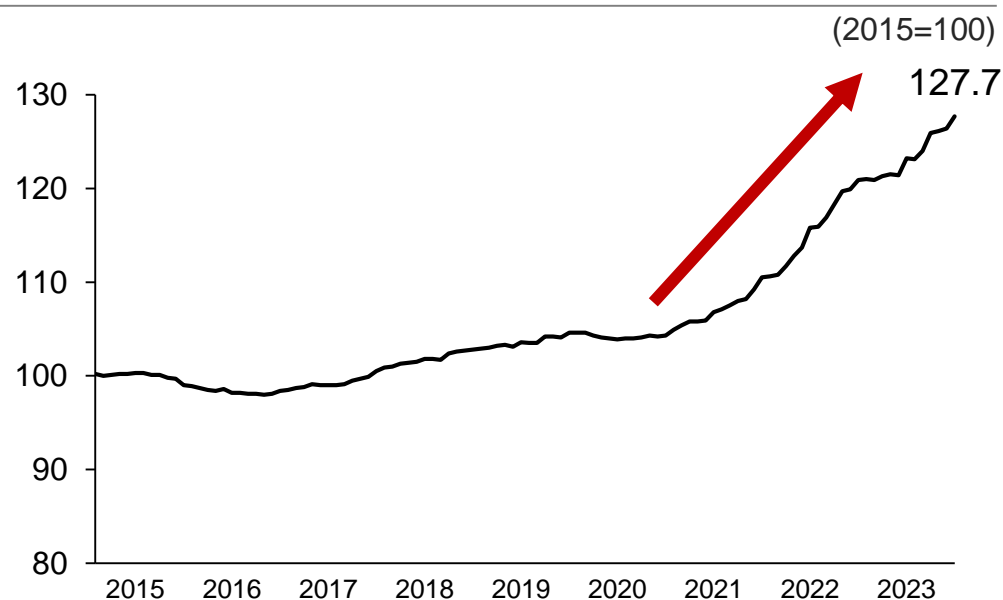
## ■ Leasing and Related Business: Aim to achieve net sales of ¥1 billion in FY03/27. Replace owned properties.

## ■ Continue to enhance shareholder returns. Aim for dividend growth in line with profit growth with a target dividend payout ratio of 30%.

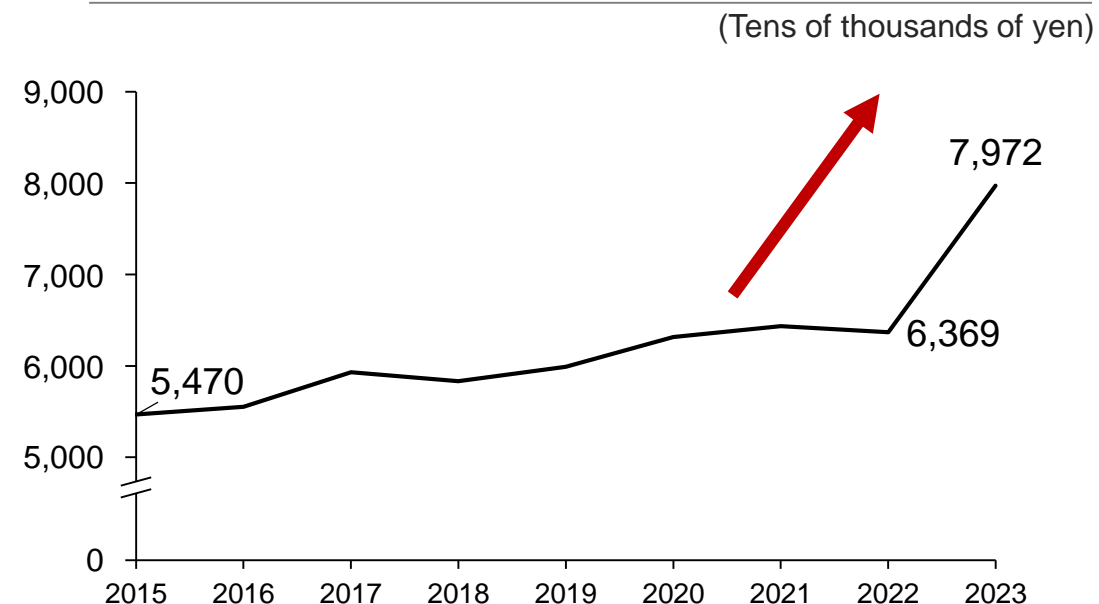
Continue to offer the shareholder benefit program, which was introduced to ensure liquidity of shares.

- Construction costs continue to rise and sales price are also increasing

Trends in the Construction Cost Index\*1



Average Price of new Condominiums in the Tokyo Metropolitan Area\*2



Adjusting the change in the business conditions, the strategy was reformulated

\*1 Compiled by the Company based on the Construction Research Institute's "Construction Cost Index (Construction Cost (Tokyo), RC Housing Complexes, base year of 2015)"

\*2 Compiled by the Company based on the Real Estate Economic Institute's "Tokyo Metropolitan Area Condominium Market Trends"

# Background of the Reformulation : The current Strategy\* and Outlook

- Changes in the business environment have led to severe conditions for purchases in the Residential Development Business.  
Volume growth in the Residential Development Business unlikely from FY03/25 onward.

Basic policies of the current strategy*			FY03/23 Review	FY03/24 Review	FY03/25, FY03/26, FY03/27 Outlook	
1	Strengthen core businesses and expand ourselves to new business domains	Residential Development	Increasing new supply	○	△	△ <b>Conditions for purchases are severe due to soaring construction costs, making expansion unlikely.</b>
		Real estate Agency	Aggressive investment in mainly human resources	○	○	◎ <b>Market continues to grow due to increased demand for used properties.</b>
		Wealth solution	Providing one-stop services	○	○	◎ <b>Market continues to grow due to diversified investment demand.</b>
		Condominium management	Growth in stock	○	○	◎ <b>Market continues to expand as the stock of condominiums increases.</b>
2	Strengthen shareholder returns			○	○	○ Responding to investor demand for enhanced returns.
3	Promote corporate activities conscious of SDGs			○	○	○ Increased environmental awareness and the 2030 target.

- Basic policies of the Strategy 2027 are below.

Basic policies		Segment
1	<b>Sales of products and services targeting high-earning families and high net worth individuals</b>	Residential development Real Estate Agency
2	<b>Providing high-quality, comfortable residences in favored locations</b>	Residential development Real Estate Agency
3	<b>Strengthening initiatives in the growing secondary market</b>	Real Estate Agency
4	<b>Sales of high-quality condominiums for rent in favored locations to high net worth individuals</b>	Real Estate Agency
5	<b>Expansion of Condominium Management and Leasing and Related Businesses that have stable profits</b>	Condominium Management Leasing and Related

# Targets (Consolidated)

- Accelerating growth in the Real Estate Agency business, aim to achieve net sales of ¥88 billion, operating profit of ¥5.5 billion and ordinary profit of ¥4.1 billion in FY03/27

(Millions of yen)

	FY03/24 Actual	FY03/25 Target	FY03/26 Target	FY03/27 Target
<b>Net sales</b>	<b>71,250</b>	<b>79,000</b>	<b>80,000</b>	<b>88,000</b>
Residential development	49,403	50,000	45,000	47,000
Real Estate Agency	15,217	22,100	28,000	33,750
Condominium Management	5,729	6,100	6,150	6,250
Leasing and Related	724	800	850	1,000
<b>Operating profit</b>	<b>4,973</b>	<b>4,700</b>	<b>5,100</b>	<b>5,500</b>
(Operating profit margin)	(7.0%)	(5.9%)	(6.4%)	(6.3%)
<b>Ordinary Profit</b>	<b>3,990</b>	<b>3,600</b>	<b>3,800</b>	<b>4,100</b>
(Ordinary profit margin)	(5.6%)	(4.6%)	(4.8%)	(4.7%)
<b>Profit</b>	<b>2,781</b>	<b>2,500</b>	<b>2,650</b>	<b>2,900</b>
(Profit margin)	(3.9%)	(3.2%)	(3.3%)	(3.3%)



- Aim for stable profit growth and sustainable dividend expansion with a target dividend payout ratio of 30%.

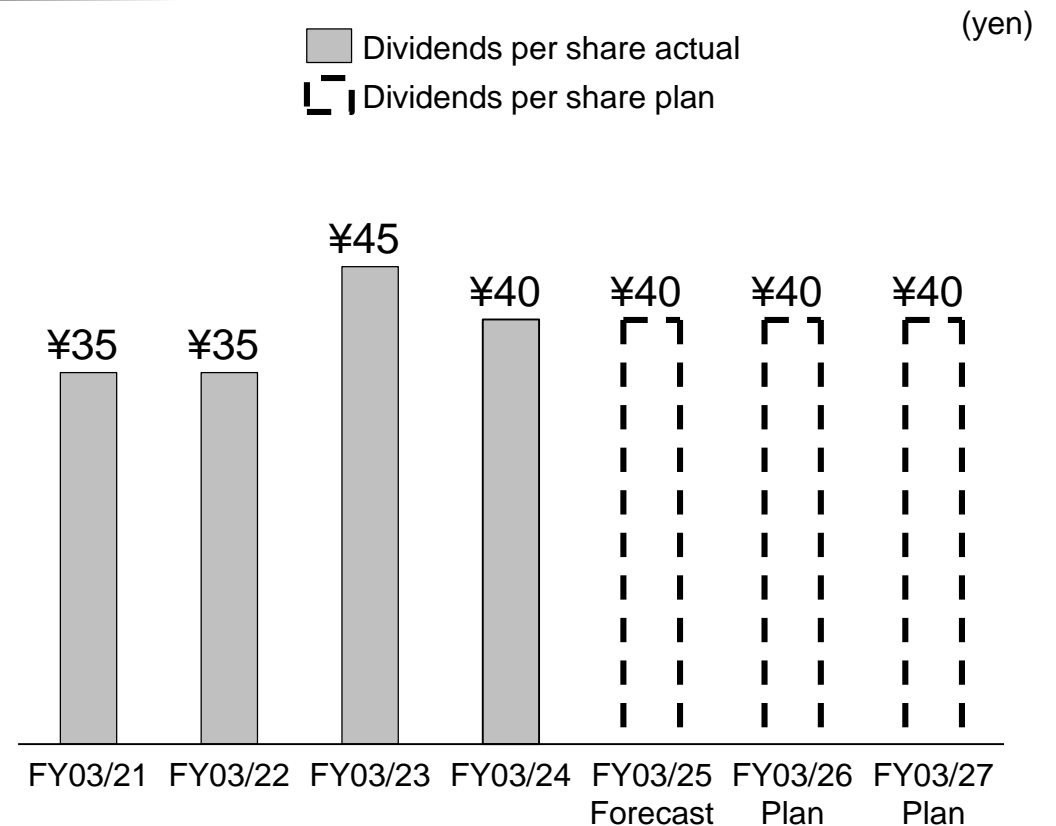
## Basic policy of dividends

The Company will continue to strive to increase shareholder value and enhance internal reserves to strengthen its financial position, while continuing to pay stable dividends.

During the period projected in the Strategy 2027, we aim for shareholder returns with a payout ratio of around 30%.



## Dividends



- Continue to offer the shareholder benefit program, which was introduced to ensure liquidity of shares.

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



➤ Click here for details on the Meiwa Estate Premium Club

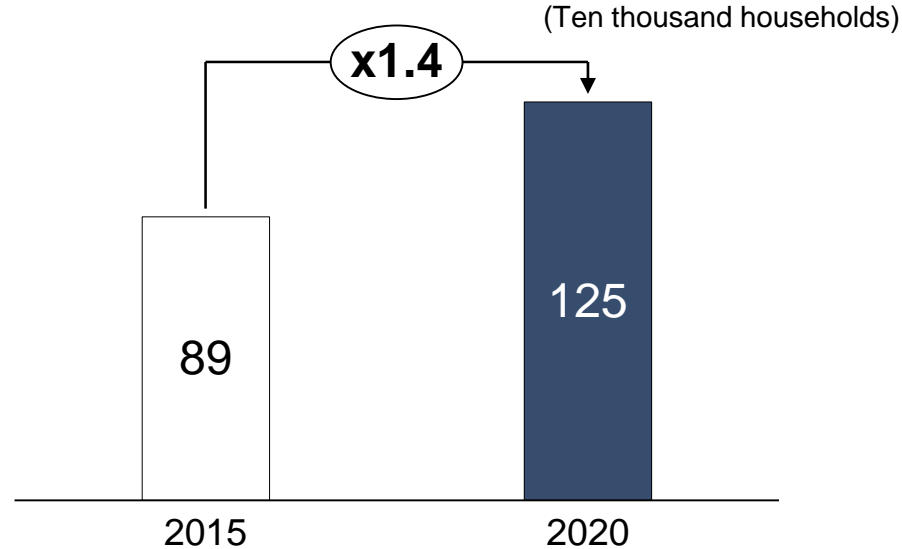
<https://meiwajisyo.premium-yutaiclub.jp/>



## Expanding Demand for Condominiums in Convenient Locations (1)

- The number of double-income households with an annual income of ¥10 million or more, our target segment, in the Tokyo Metropolitan Area has grown from 0.89 million to 1.25 million over the past five years.

Number of double-income households in their 30s to 50s  
with an annual household income of ¥10 million or more  
in the Tokyo Metropolitan Area\*1 (estimate\*2)



### Housing needs of double-income households

- ✓ Time-saving needs
  - Highly convenient property near the station
  - Proximity to supermarkets and convenience stores
- ✓ Needs for relocation in response to lifestyle changes

➡ In the Tokyo Metropolitan Area, high-earning families and high net worth individuals are expanding, and the target segment for condominium sales is expanding.

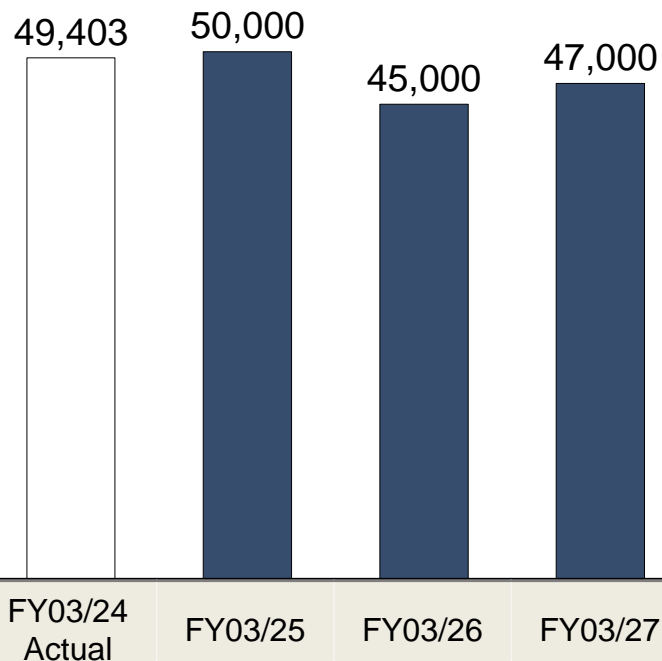
\*1 Tokyo Metropolitan Area = Tokyo, Kanagawa, Saitama, and Chiba

\*2 Compiled by the Company based on the Ministry of Internal Affairs and Communications' "2015 and 2020 Population Censuses" and "2017 and 2022 Employment Status Surveys".

- Aim to achieve net sales of ¥47 billion in FY03/27.

## Targets

■ Net sales (Million yen)



Gross profit margin	19.2%	18%	18%	18%
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## Measures

**1:  
Carefully selected purchases and diversification of purchase methods**

- Thorough area strategy and strict observance of purchase standards
- Actively working to adjust equivalent exchange and rights
- Strengthening the condominium reconstruction business
- Enhancement of real estate M&A for purchases

**2:  
Offer high-quality housing that is accepted by high net worth individuals**

- Provide eco-friendly housing (ZEH-M, etc.)
- Contribute to local communities and support community formation
- Create high-value-added condominiums based on customer feedback

**3:  
Thorough quality control and after-sales service**

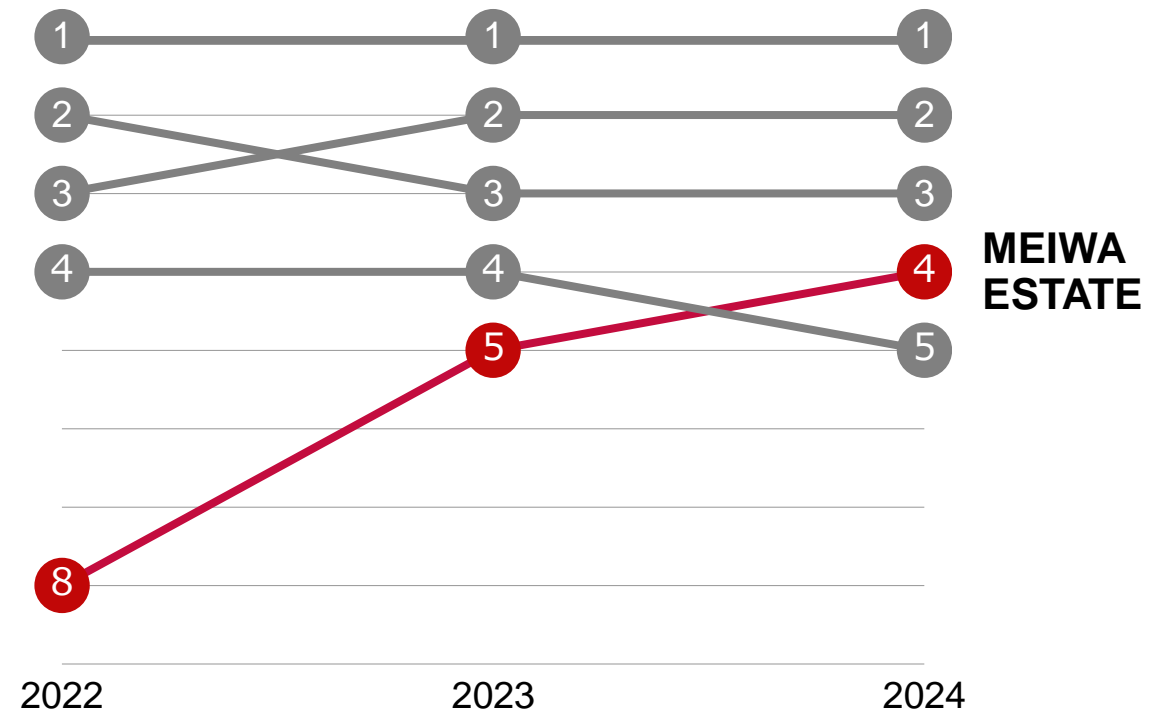
- Continued construction quality control through direct inspections by in-house specialist staff
- Standardization of the industry's longest 15-year home equipment guarantee service

- Our evaluation in the Oricon Customer Satisfaction Ranking is rising. In particular, we ranked highly in “Design”.

2024: Oricon Customer Satisfaction Ranking  
Tokyo Metropolitan Area newly built condominiums  
Ranking of Design category

First place	Sumitomo Realty & Development Co., Ltd.
2nd	Mitsui Fudosan Residential Co., Ltd.
3rd	Nomura Real Estate Development Co., Ltd
4th	<b>MEIWA ESTATE Co., Ltd.</b>
5th	Tokyo Tatemono Co., Ltd.

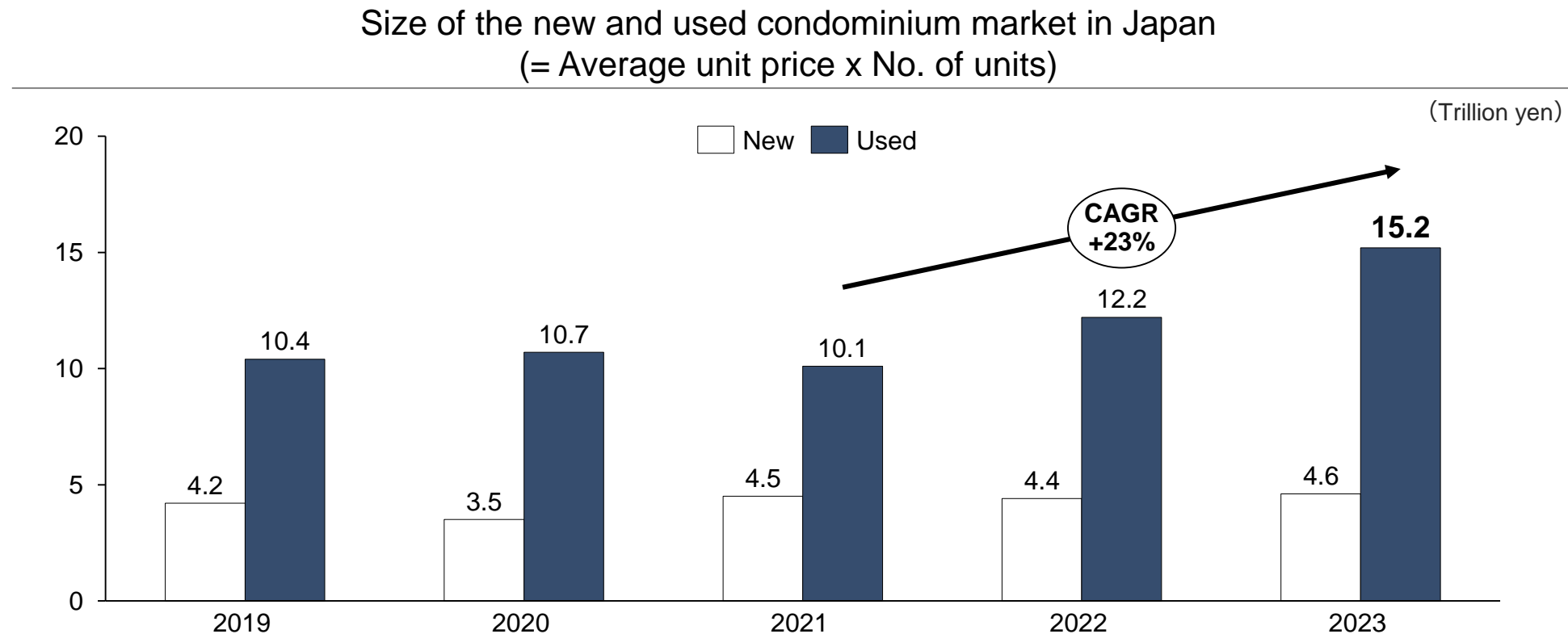
Change in Ranking of Design category



Enhancing design capabilities to create products  
selected by power high-earning families and high net worth individuals

# Market Environment: Expansion of the Used Condominium Market (1)

- While the supply of new condominiums is limited, the used condominium market has expanded to ¥15 trillion. It has been growing at an annual rate of 23% over the last three years.

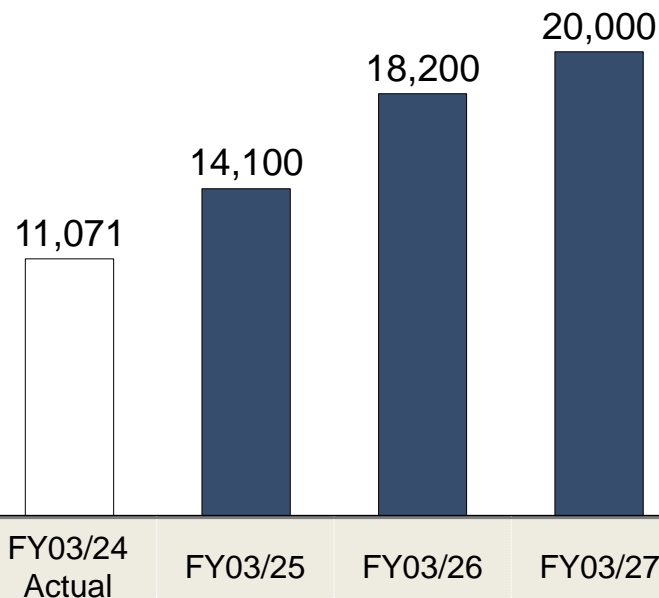


Demand for used condominiums in favored locations is expected to continue to grow, since land for new condominiums project is limited.

- Aim to achieve net sales of ¥20 billion in FY03/27.

## Targets

■ Net Sales (Million yen)



Gross profit margin	11.2%	10.5%	10.5%	10.5%
---------------------	-------	-------	-------	-------

## Measures

**1:  
Providing high-quality  
renovated condominiums**

- Use manufacturing know-how cultivated in the Residential Development Business to manufacture products that are liked by high net worth individuals

**2:  
Increase volume**

- Increase the workforce in the Purchase and Resale Business and further strengthen purchases in favored locations in central Tokyo
- Strengthen our pipeline with intermediaries
- Strengthen purchases of rental properties currently rented

**3:  
Increase capital turnover**

- Provision of support for relocation for lessee of rental properties
- Increase the number of construction staff and optimize the renovation schedule
- Flexible pricing for early sales



- Utilize the manufacturing know-how cultivated in the Residential Development Business to carry out renovations.



Bunkyo, Tokyo  
2LDK + WIC / 102.46 m<sup>2</sup>  
20 years old  
Sales price : ¥180 million yen

AFTER



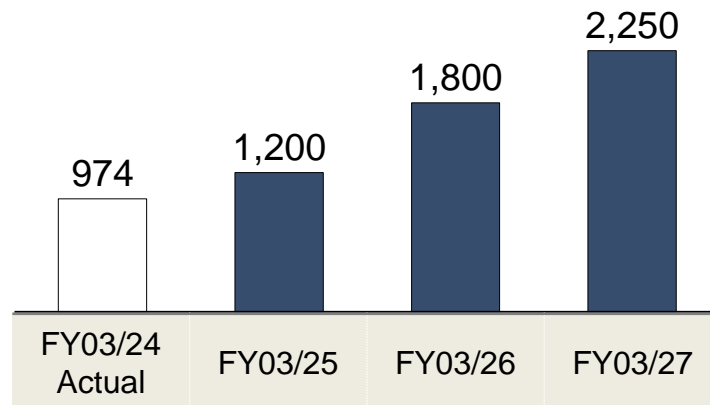
Provide customers with high-quality products through the Purchase and Resale Business



- Aim to achieve net sales of ¥2.2 billion in FY03/27.

## Targets

■ Net Sales (Million yen)



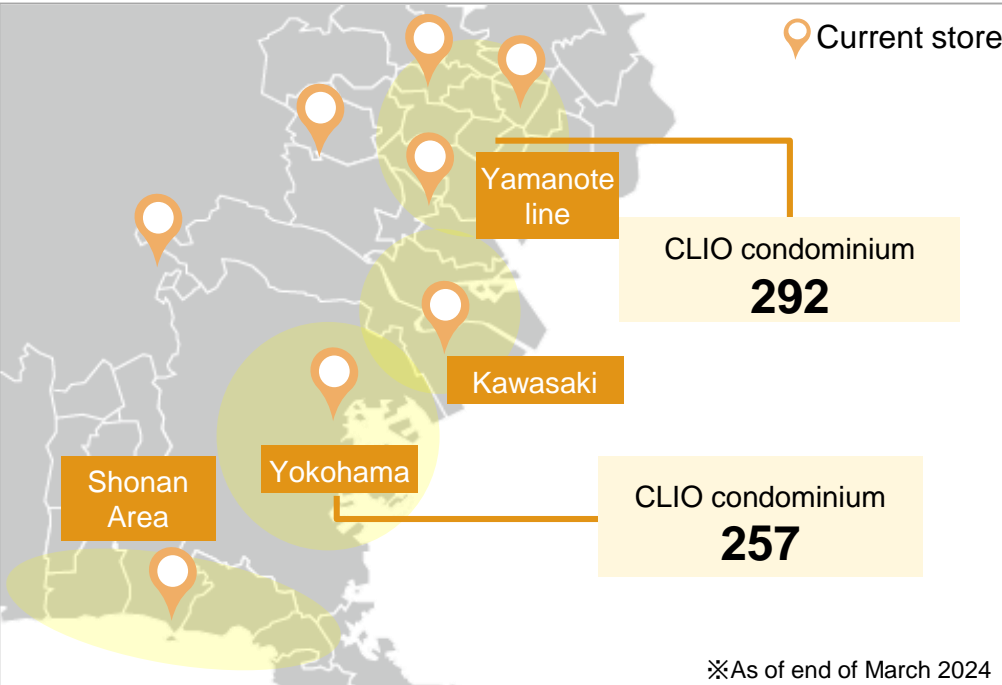
## Measures

### 1 : Strengthening profitability

- Increase the workforce and optimize the workforce per store
- Increase the amount of brokerage fee by expanding the range of assets handled from housing to land, offices, and commercial facilities, etc.

- By increasing the workforce per store, we aim to boost profitability

Current store locations\*



\*Number of stores: 11 in total (5 in Tokyo, 3 in Kanagawa, 1 each in Sapporo, Fukuoka and Nagoya)

Planned workforce per store

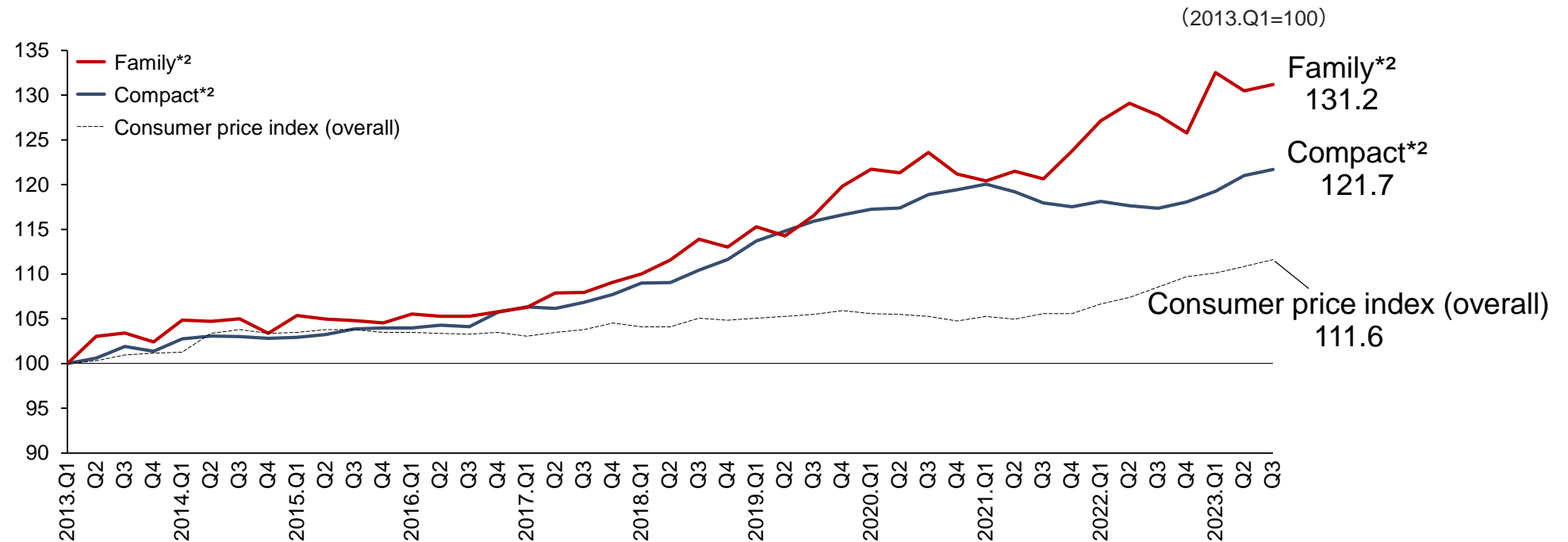
	FY03/24 Actual	FY03/27 Plan
No. of personnel	75	<b>114</b>
No. of store	11	11
No. of personnel per store	7	<b>10</b>



The store network is already in place. Strengthen store formats and increase store profitability during the period of the Strategy 2027.

- Increase in rents for rental houses in the 23 wards of Tokyo is higher than increase in consumer prices. In particular, there has been a marked increase in family-type and compact-type property rents.

Change in Tokyo 23 Wards Condominium Rent Index\*1

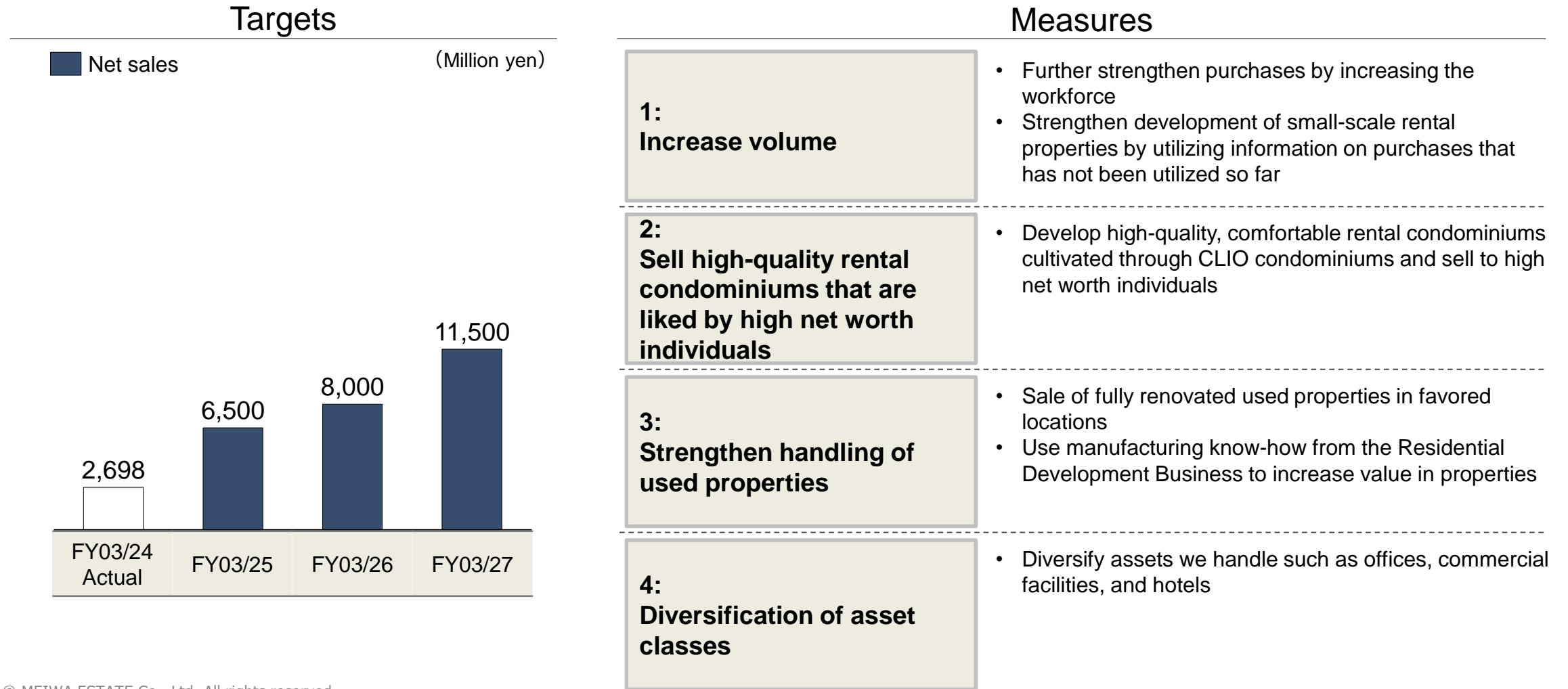


Rental demand for family and compact condominiums, which are our main products, is expected to remain strong.

\*1 Source: Compiled by the Company based on "At Home: Condominium Rental Index, December 2023" and "Ministry of Internal Affairs and Communications: 2020-Base Consumer Price Index Nationwide, 2024."

\*2 Family-type: 60 to 100m<sup>2</sup>, compact-type: 30 to 60m<sup>2</sup>

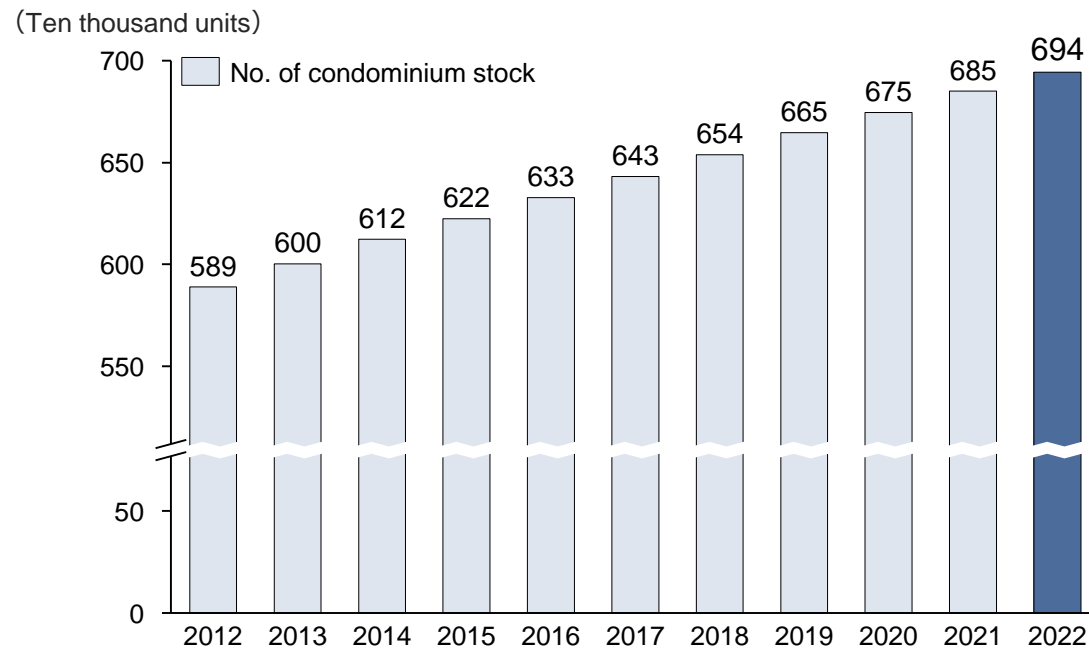
- Aim to achieve net sales of ¥11.5 billion in FY03/27.



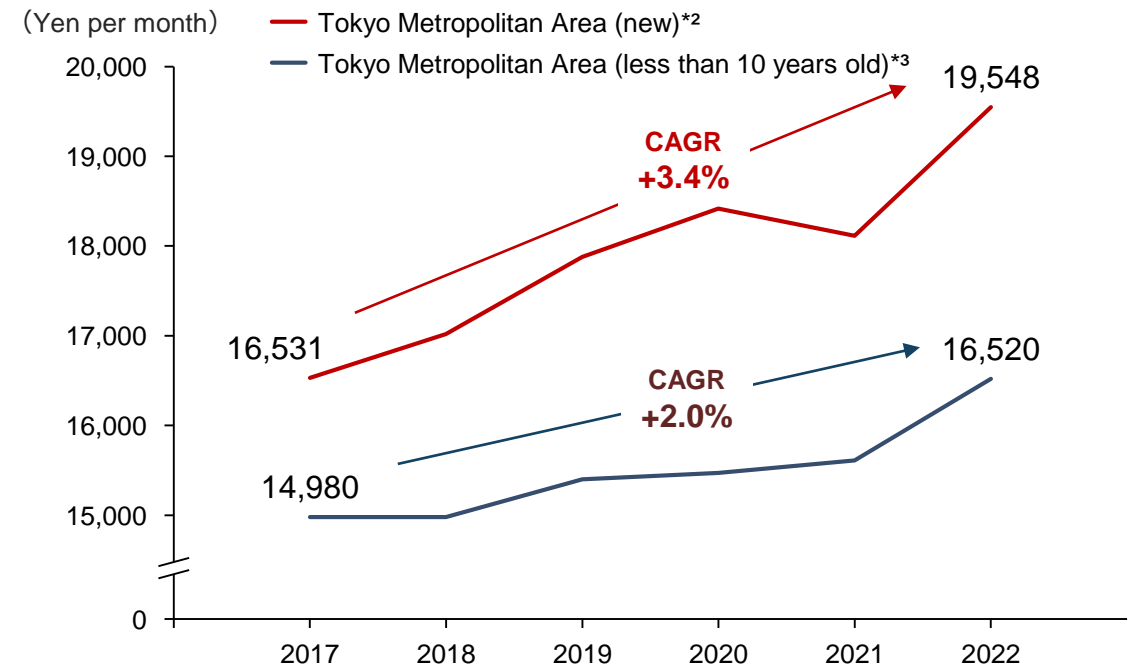
## Steady Expansion of Condominium Management Markets

- The stock of condominiums has steadily increased to about 7 million units.
- Condominium management fees in the Tokyo Metropolitan Area have also risen more than 2% annually over the past five years.

Change in number of condominium stock units\*1



Change in management fees for new and used condominiums in the Tokyo Metropolitan Area (70 square meters conversion basis)



We expect the condominium management market to remain stable and growing

\*1 Source: Compiled by the Company based on the Ministry of Land, Infrastructure, Transport and Tourism's "Condominium Life Extension and the Facilitation of Revitalization"

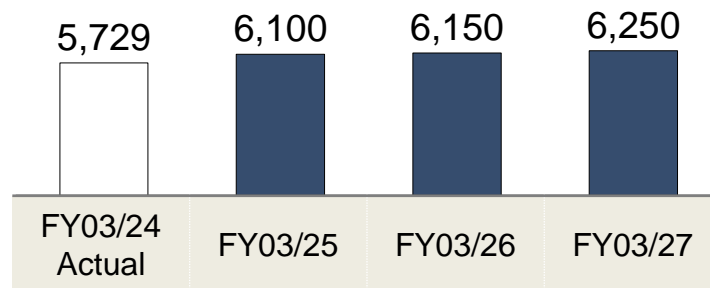
\*2 Compiled by the Company based on "Running Costs maintenance costs of New Condominiums in the Three Major Metropolitan Areas" by Tokyo Kantai Co., Ltd. published July 2023

\*3 Source: Compiled by the Company based on "Management Fees and Repair Reserve for Used Condominiums in the Tokyo Metropolitan Area, FY2017 to FY2022" by Real Estate Information Network for East Japan

- Aim to achieve net sales of ¥6.2 billion in FY03/27.

## Targets

■ Net sales (Million yen)



## Measures

**1:  
Strengthen switchover  
from other property  
management companies**

- Based on high customer satisfaction in the Condominium Management Business, promote acquisition of management contracts currently managed by other companies in compliance with margin standards

**2:  
ICT-driven condominium  
management efficiency**

- Improve operational efficiency by introducing “kanri.online\*”

\*Software-as-a-Service (SaaS) independently developed by the Company. For more information, see <https://www.kanri.online/>

- Maintain high customer satisfaction in the Condominium Management Business.

Oricon Customer Satisfaction Ranking 2023  
“Tokyo Metropolitan Area Condominium Management Company”<sup>\*1</sup>

**Management company staff satisfaction  
ranking**

1 Mitsui Fudosan Residential Service

**2 Meiwa Jisyo Community**

3 Nomura Real Estate Partners

**Small-scale<sup>\*2</sup> satisfaction ranking**

1 Mitsui Fudosan Residential Service

2 Tokyo Tatemono Amenity Support

**3 Meiwa Jisyo Community**



**Increase customer satisfaction  
and secure margins for managed properties**

<sup>\*1</sup> Source: Compiled by the Company based on Oricon Customer Satisfaction Ranking 2023 "Tokyo Metropolitan Area Condominium Management Company"

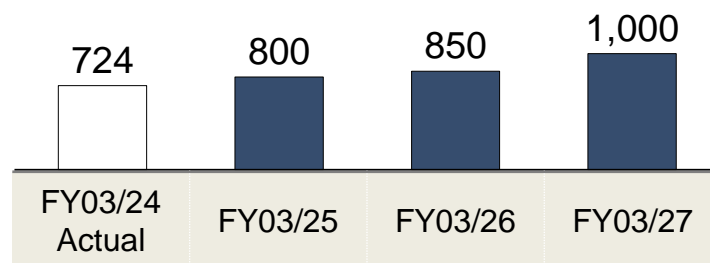
<sup>\*2</sup> "Small-scale" refers to apartments of less than 100 households in which the respondents live.

Respondents are those who live in or own such condominiums.

- Aim to achieve net sales of ¥1 billion in FY03/27.

## Targets

■ Net sales (Million yen)



## Measures

### 1: Incorporation of new properties in the Leasing and Related Business

- Incorporate some newly built rental properties developed in-house into the Leasing and Related Business
- Aim to quickly build an asset portfolio of ¥10 billion

### 2: Asset portfolio replacement

- Sell our rental properties that are more than 30 years old and replace the leasing asset portfolio



# Targets (consolidated) \*Repost

- Accelerating growth in the Real Estate Agency business, aim to achieve net sales of ¥88 billion, operating profit of ¥5.5 billion and ordinary profit of ¥4.1 billion in FY03/27

(Millions of yen)

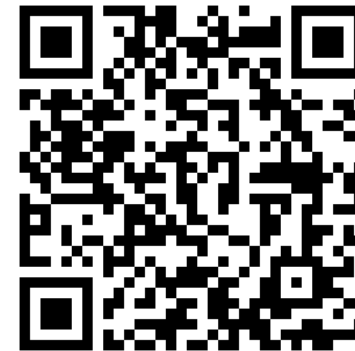
	FY03/24 Actual	FY03/25 Target	FY03/26 Target	FY03/27 Target
<b>Net sales</b>	<b>71,250</b>	<b>79,000</b>	<b>80,000</b>	<b>88,000</b>
Residential development	49,403	50,000	45,000	47,000
Real Estate Agency	15,217	22,100	28,000	33,750
Condominium Management	5,729	6,100	6,150	6,250
Leasing and Related	724	800	850	1,000
<b>Operating profit</b>	<b>4,973</b>	<b>4,700</b>	<b>5,100</b>	<b>5,500</b>
(Operating profit margin)	(7.0%)	(5.9%)	(6.4%)	(6.3%)
<b>Ordinary Profit</b>	<b>3,990</b>	<b>3,600</b>	<b>3,800</b>	<b>4,100</b>
(Ordinary profit margin)	(5.6%)	(4.6%)	(4.8%)	(4.7%)
<b>Profit</b>	<b>2,781</b>	<b>2,500</b>	<b>2,650</b>	<b>2,900</b>
(Profit margin)	(3.9%)	(3.2%)	(3.3%)	(3.3%)

- For details of the Strategy 2027, please refer to the explanatory materials.



▶ IR site: the Strategy 2027

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



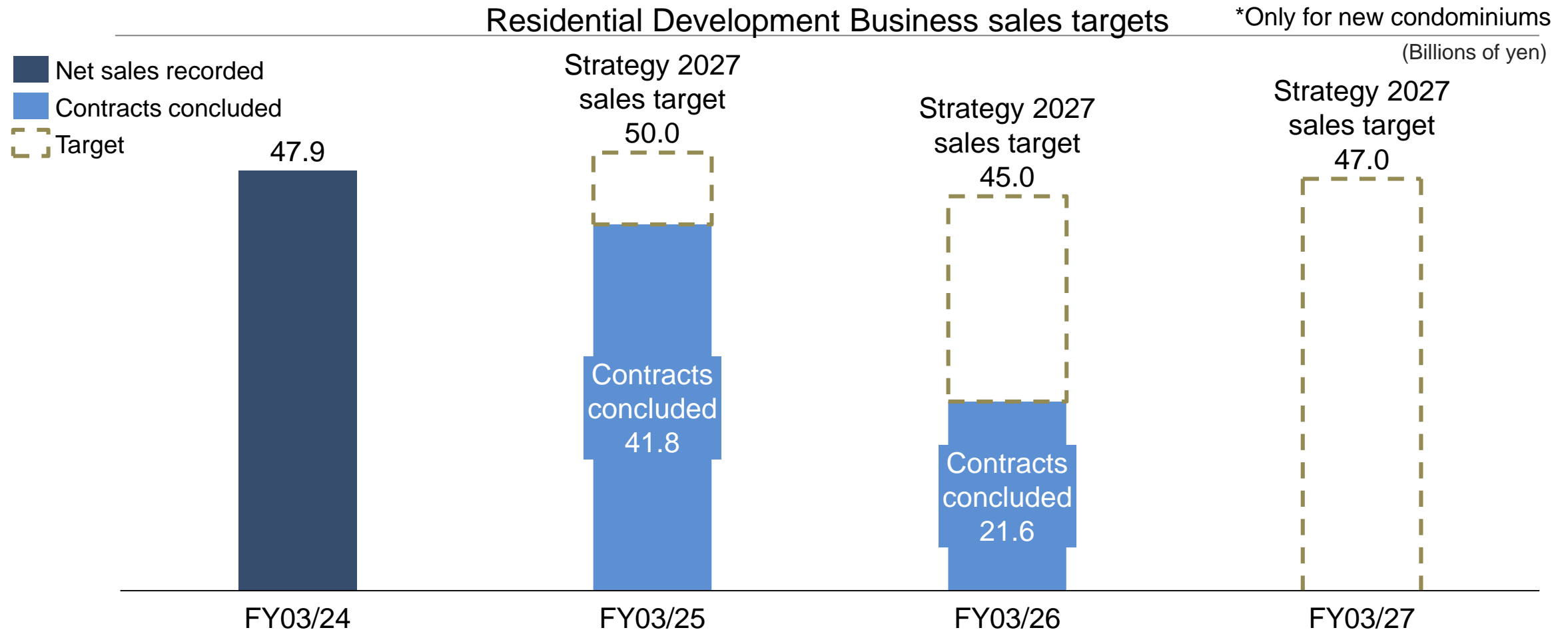
# Progress of the Strategy 2027

- Residential Development Business has **secured 83% contracts of the strategy 2027 sales targets for FY03/25**
- Sales materials for Residential Development Business have secured for the period of the Strategy 2027
- Purchase and Resale in the Real Estate Agency Business has **secured sales materials that currently exceed the sales target for FY03/25**
- In Condominium Management Business, switchovers of condominiums managed by other companies made good progress and number of units under management is steady growing

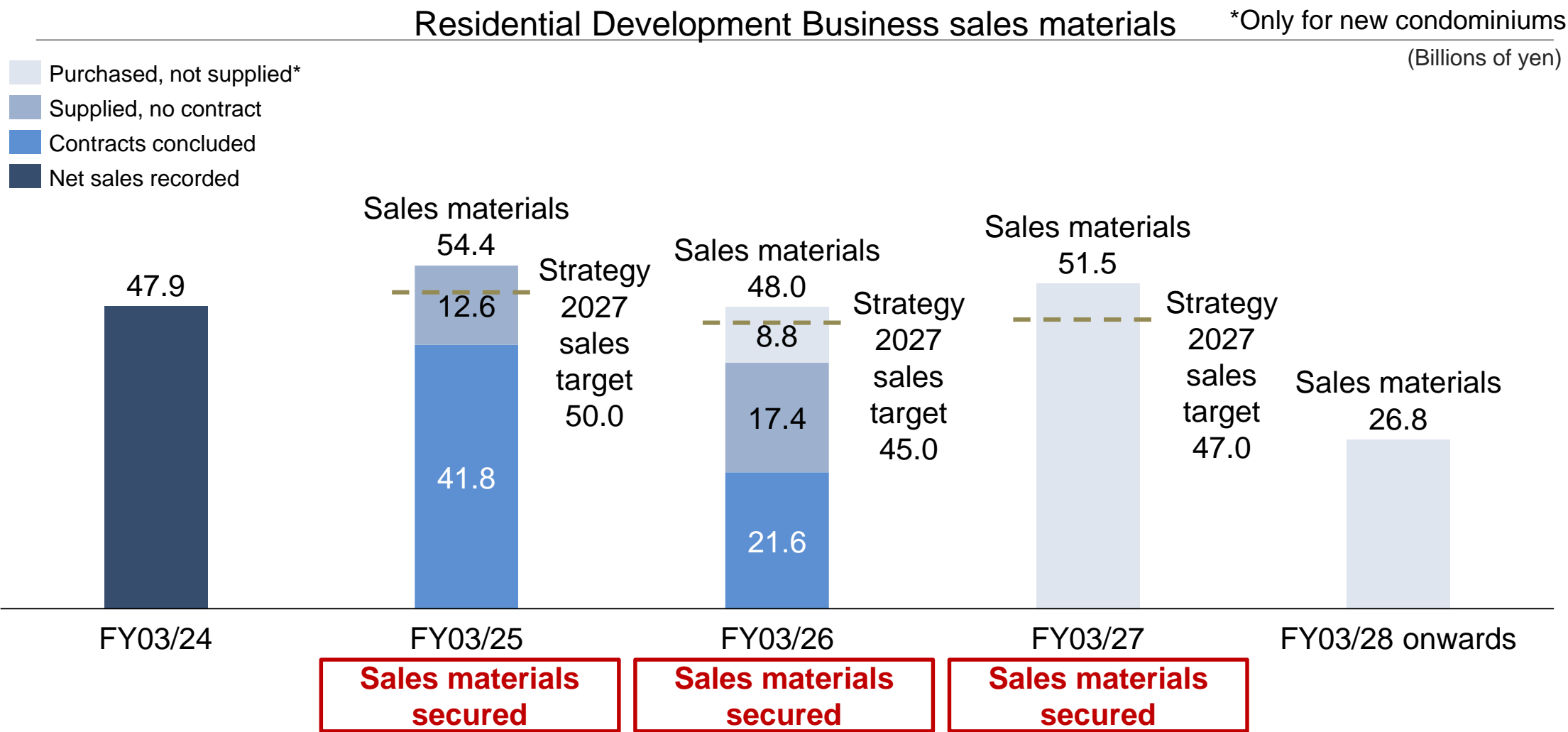
\*Figures for the progress of the Strategy 2027 are as of the end of March 2024

# Residential Development Business: Progress Against Sales Targets (1)

- For FY03/25, 83% of the strategy 2027 sales targets has been contracted
- For FY03/26, about 50% of the strategy 2027 sales targets has been contracted



- Sales materials have secured for the period of the Strategy 2027



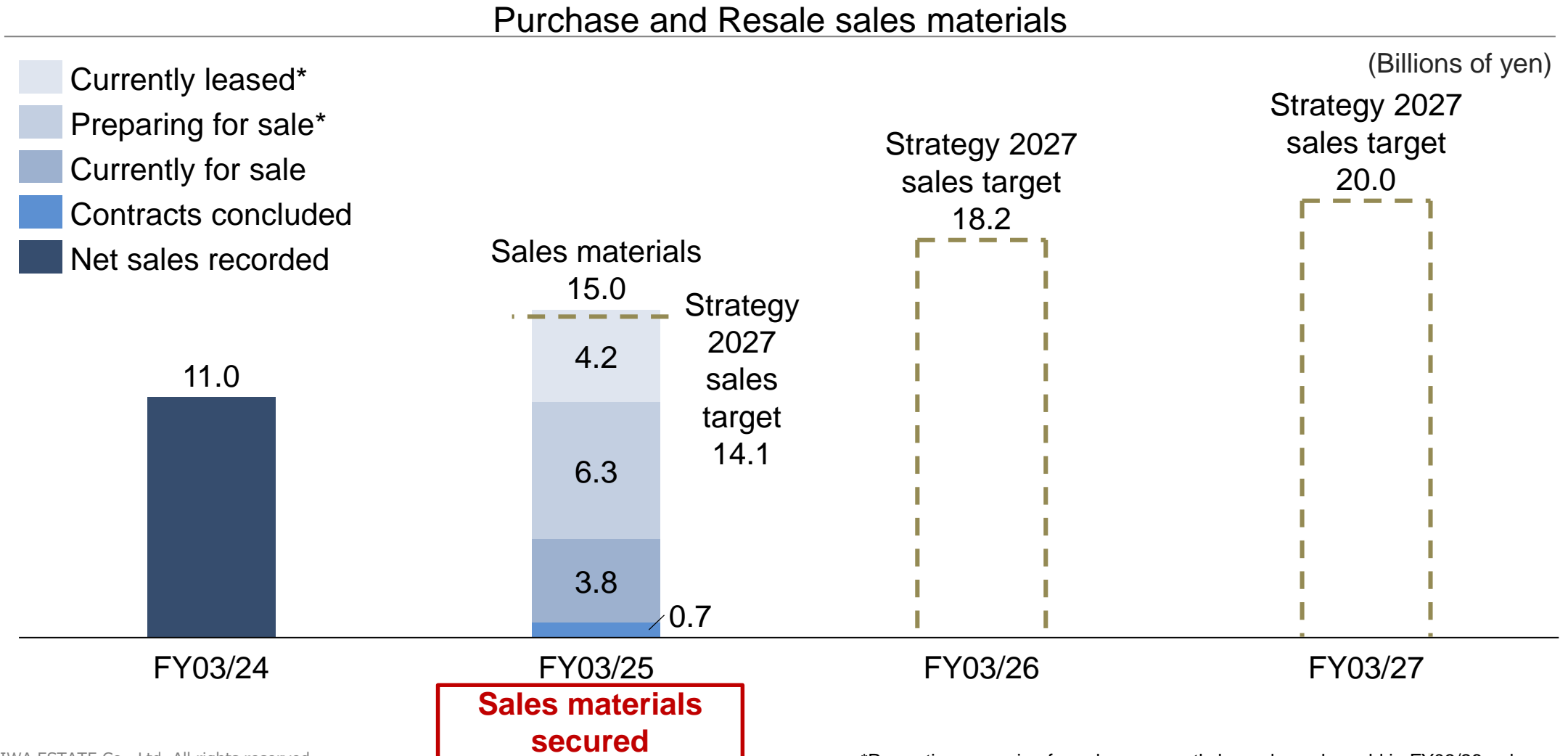
# Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets (1)

- Proceeding with sales contracts of the properties that recorded as net sales in FY03/25



# Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets (2)

- Secured sales materials for FY03/25





# Real Estate Agency Business, Wealth Solution: Progress Against Sales Targets

- Making progress of securing sales materials for the period of the Strategy 2027



# [Ref.] Residential Development Business: Progress Against Sales Targets(1)

- For FY03/25, 83% of the strategy 2027 sales targets has been contracted

(Billions of yen)				
		FY03/25	FY03/26	FY03/27
Plan	Net Sales (Residential Development)	50.0	45.0	47.0
Progress	Net sales recorded (①)	—	—	—
	Contracts concluded (②)	41.8	21.6	—
	Expected net sales (① + ②)	41.8	21.6	—
	Progress against full-year target	83%	48%	—

# [Ref.] Residential Development Business: Progress Against Sales Targets(2)

- Sales materials have secured for the period of the Strategy 2027

(Billions of yen)

		FY03/25	FY03/26	FY03/27
<b>Plan</b>	Net Sales (Residential Development)	50.0	45.0	47.0
<b>Progress</b>	Net sales recorded (①)	—	—	—
	Contracts concluded (②)	41.8	21.6	—
	Supplied, no contract (③)	12.6	17.4	—
	Purchased, not supplied (④)	—	8.8	51.5
	Sales & Sales materials (①+②+③+④)	54.4	48.0	51.5
	Progress against full-year target	108%	106%	109%
		Sales materials secured	Sales materials secured	Sales materials secured

# [Ref.] Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

- Proceeding with sales contracts of the properties that recorded as net sales in FY03/25

(Billions of yen)

		FY03/25	FY03/26	FY03/27
Plan	Net sales (Real Estate Agency )	22.1	28.0	33.7
	Purchase and Resale	14.1	18.2	20.0
Progress	Net sales recorded (①)	—	—	—
	Contracts concluded (②)	0.7	—	—
	Expected net sales (① + ②)	0.7	—	—
	Progress against full-year target	5%	—	—

# [Ref.] Real Estate Agency Business, Purchase and Resale: Progress Against Sales Targets

## ■ Secured sales materials for FY03/25

(Billions of yen)

		FY03/25	FY03/26	FY03/27
Plan	Net sales (Real Estate Agency )	22.1	28.0	33.7
	Purchase and Resale	14.1	18.2	20.0
Progress	Net sales recorded (①)	—	—	—
	Contracts concluded (②)	0.7	—	—
	Currently for sale (③)	3.8	—	—
	Preparing for sale (④)	6.3	—	—
	Currently leased (⑤)	4.2	—	—
	Sales & sales materials (sum of ① to ⑤)	15.0	—	—
	Progress against full-year target	106%	—	—

**Sales materials  
secured**

# **Consolidated Financial Results Forecast FY03/25**

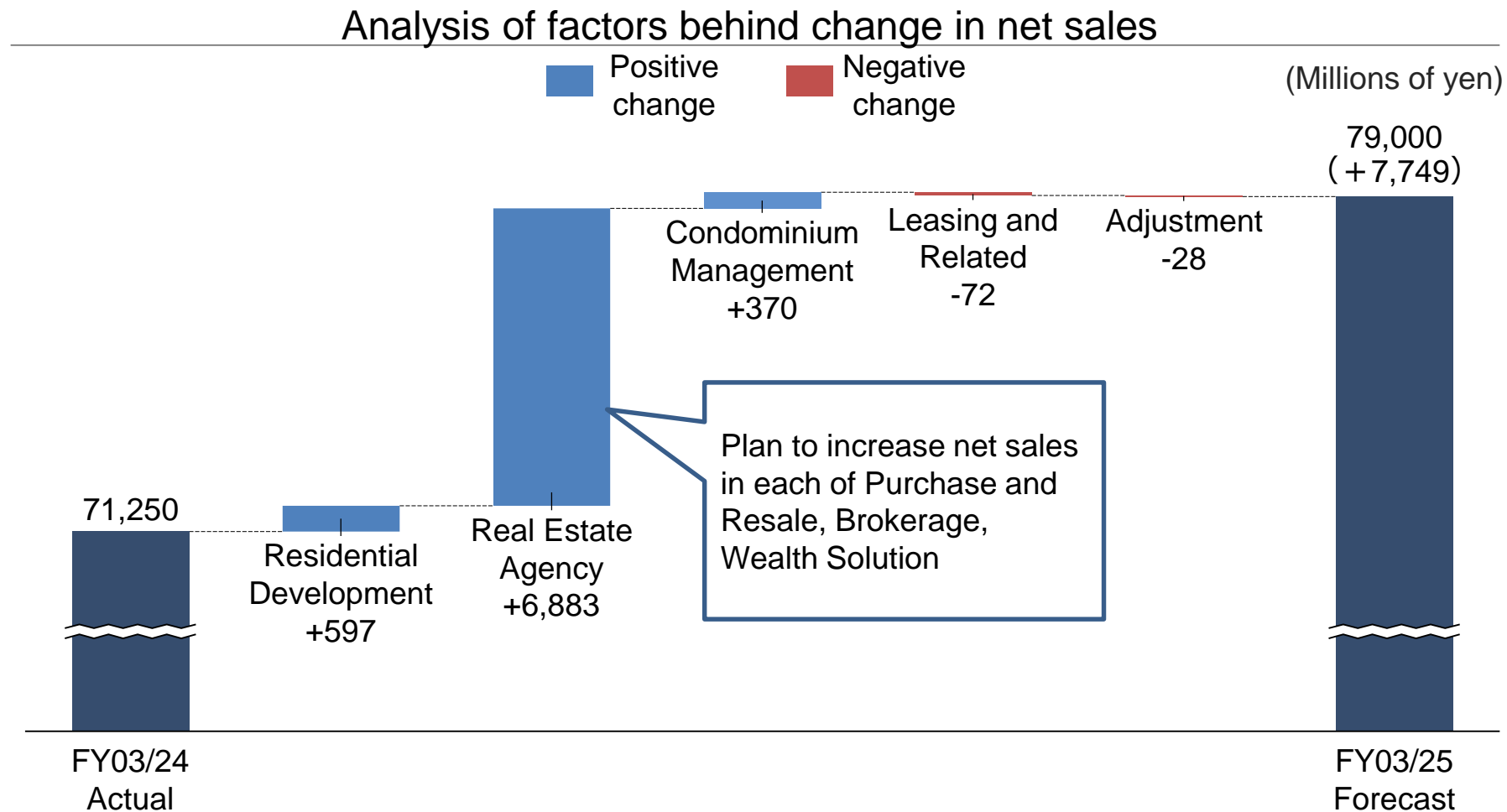
# FY03/25 Consolidated Financial Results Forecast

- Forecast net sales of ¥79.0 billion, operating profit of ¥4.7 billion, ordinary profit of ¥3.6 billion, and profit attributable to owners of parent of ¥2.5 billion

				(Millions of yen)
	FY03/24 Actual	FY03/25 Forecast (Announced in May 13, 2024)	Change	Change (%)
Net sales	71,250	79,000	7,749	10.9%
Gross profit	15,532	16,400	867	5.6%
(Gross profit margin)	(21.8%)	(20.8%)	(-1.0pp)	—
SG&A expenses	10,559	11,700	1,140	10.8%
Operating profit	4,973	4,700	-273	-5.5%
(Operating profit margin)	(7.0%)	(5.9%)	(-1.0pp)	—
Ordinary profit	3,990	3,600	-390	-9.8%
(Ordinary profit margin)	(5.6%)	(4.6%)	(-1.0pp)	—
Profit attributable to owners of parent	2,781	2,500	-281	-10.1%
(Profit margin)	(3.9%)	(3.2%)	(-0.7pp)	—

# Factors Behind Change in Net Sales by Segment

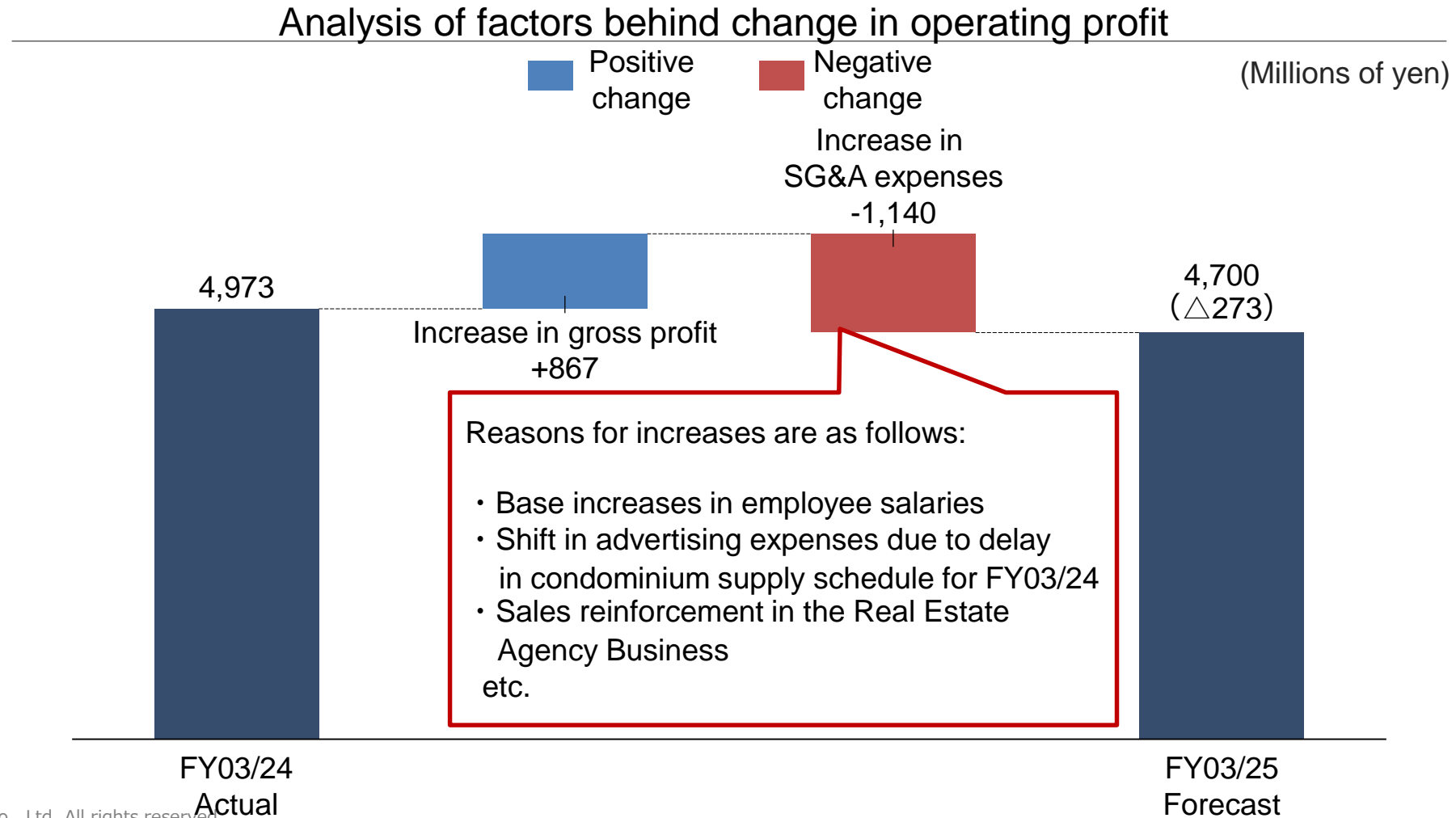
- Plan to increase in net sales mainly in Real Estate Agency Business





# Factors Behind Change in Operating Profit by Accounting item

- Although gross profit will increase due to an increase in net sales, operating profit is expected to decline to ¥4.7 billion due to an increase in SG&A expenses based on increases in employee salaries and advertising expenses.



# Residential Development Business: Properties Scheduled for Completion

- Below are some of properties scheduled for completion.

**CLIO** クリオ ラベルヴィ中央湊  
CLIO la belle vie CHUO MINATO



Chuo, Tokyo  
Total number of units: 28  
Scheduled to be completed in January 2025

**All units sold\***

**CLIO** クリオ横濱保土ヶ谷ブライトマークス  
CLIO YOKOHAMA HODOGAYA BRIGHT MARKS



Yokohama, Kanagawa  
Total number of units: 53  
Scheduled to be completed in January 2025

**All units sold\***

**CLIO** クリオ福岡博多ミッドグレイス  
CLIO FUKUOKA HAKATA MID GRACE



Fukuoka, Fukuoka  
Total number of units: 66  
Scheduled to be completed in August 2024

**All units sold\***



# Residential Development Business: Properties Scheduled for Completion

- Below are some of properties scheduled for completion.

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



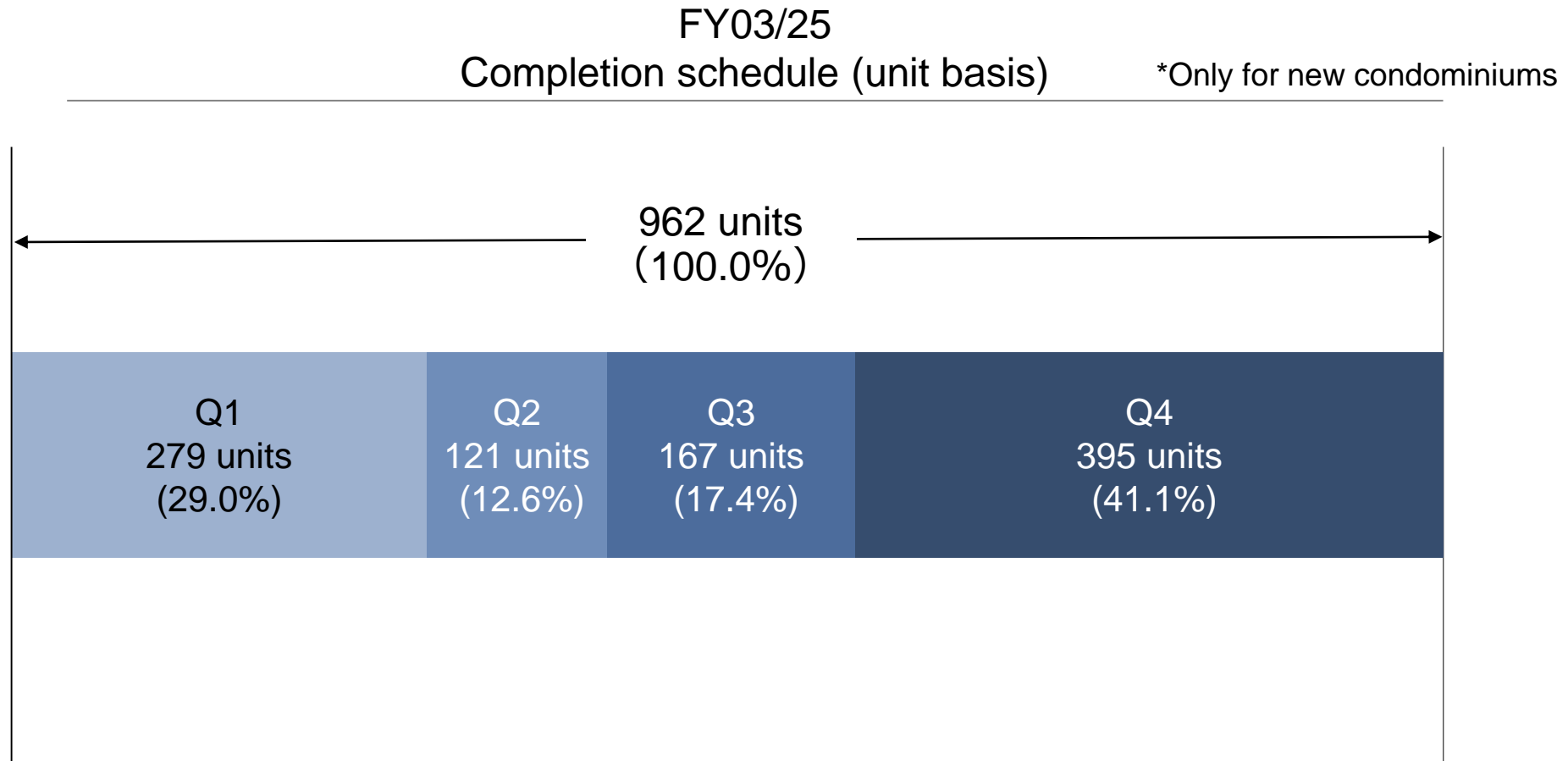
Nerima, Tokyo  
Total number of units: 55  
Scheduled to be completed in December 2024

**CLiO** クリオ横濱センター北グランシック  
CLIO YOKOHAMA CENTER KITA GRAND CHIC



Yokohama, Kanagawa  
Total number of units: 26  
Scheduled to be completed in February 2025

- Property completions concentrated in Q4 FY03/25 (sales recorded upon completion and delivery)  
→ Net sales forecast weighted toward Q4



# Shareholder Returns

- Dividends of ¥40 per share is planned for FY03/25

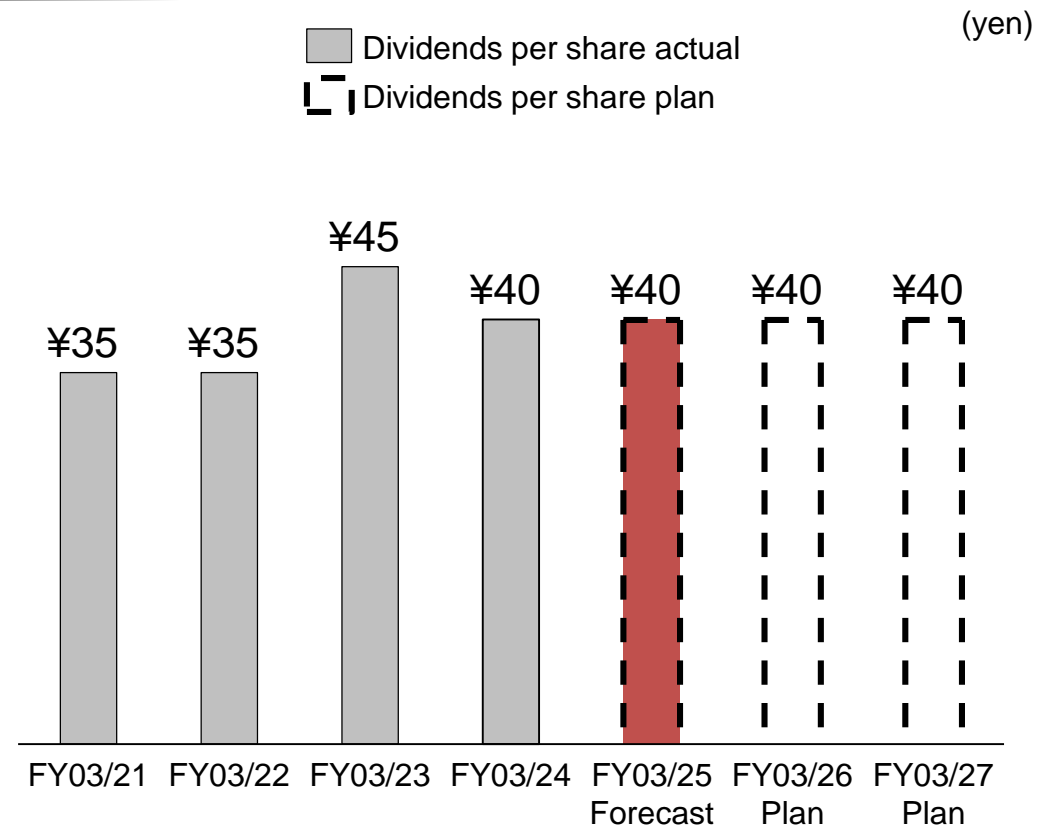
## Basic policy of dividends

The Company will continue to strive to increase shareholder value and enhance internal reserves to strengthen its financial position, while continuing to pay stable dividends.

During the period projected in the Strategy 2027, we aim for shareholder returns with a payout ratio of around 30%.



## Dividends



- A shareholder benefit program to improve share liquidity is ongoing.
- 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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## Contact

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**MEIWA ESTATE Co., Ltd.**

**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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[IR8869@meiwajisyo.co.jp](mailto:IR8869@meiwajisyo.co.jp)

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

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# Fact Sheet

# Consolidated Balance Sheet as of End of FY03/24

(Millions of yen)

	End of FY03/23	End of FY03/24	Change	Change (%)
Total assets	116,538	124,215	7,677	6.6%
Current assets	104,242	115,135	10,892	10.4%
Cash and deposits	34,147	34,902	754	2.2%
Real estate for sale	7,015	16,455	9,439	134.6%
Real estate for sale in process	61,371	62,257	886	1.4%
Non-current assets	12,295	9,079	-3,215	-26.2%
Property, plant and equipment	7,544	6,724	-819	-10.9%
Intangible assets	251	239	-12	-4.8%
Investments and other assets	4,499	2,115	-2,383	-53.0%
Total liabilities	86,539	92,242	5,702	6.6%
Interest-bearing liabilities	58,092	59,289	1,197	2.1%
Other liabilities	28,447	32,952	4,505	15.8%
Net assets	29,998	31,973	1,974	6.6%
Equity ratio	25.7%	25.7%	0.0pp	—

# Residential Development Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

	FY03/23 Actual	FY03/24 Actual	Change	Change (%)	FY03/25 Forecast	Change
<b>Net sales</b>	<b>46,327</b>	<b>49,403</b>	<b>3,075</b>	<b>6.6%</b>	<b>50,000</b>	<b>597</b>
Condominiums	45,591	47,992	2,401	5.3%	—	—
Units delivered	841 units	804 units	-37 units	-4.4%	—	—
Gross profit margin	22.8%	19.2%	-3.6pp	—	—	—
Land and buildings	647	1,346	698	107.9%	—	—
Others	95	63	-32	-33.5%	—	—
<b>Purchases</b>	<b>68,651</b>	<b>53,073</b>	<b>-15,577</b>	<b>-22.7%</b>	<b>—</b>	<b>—</b>
Condominiums	67,606	52,418	-15,187	-22.5%	—	—
Land and buildings	1,045	655	-390	-37.3%	—	—
<b>Supply</b>	<b>55,858</b>	<b>67,621</b>	<b>11,763</b>	<b>21.1%</b>	<b>—</b>	<b>—</b>
Condominiums	54,450	67,511	13,060	24.0%	—	—
No. of units	865 units	1,098 units	233 units	26.9%	—	—
Land and buildings	1,407	110	-1,297	-92.2%	—	—
<b>Sales Contracts</b>	<b>52,684</b>	<b>53,964</b>	<b>1,280</b>	<b>2.4%</b>	<b>—</b>	<b>—</b>
Condominiums	51,276	53,304	2,028	4.0%	—	—
No. of units	885 units	859 units	-26戸	-2.9%	—	—
Land and buildings	1,407	660	-747	-53.1%	—	—

# Real Estate Agency Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

		FY03/23 Actual	FY03/24 Actual	Change	Change (%)	FY03/25 Forecast	Change
<b>Net sales</b>		<b>9,511</b>	<b>15,217</b>	<b>5,705</b>	<b>60.0%</b>	<b>22,100</b>	<b>6,883</b>
Purchase and resale		6,436	11,071	4,635	72.0%	14,100	3,029
Units delivered		114 units	173 units	59 units	51.8%	—	—
Gross profit margin		13.8%	11.2%	-2.7P	—	—	—
Brokerage fees		823	974	151	18.4%	1,200	226
No. of transactions		599	633	34	5.7%	—	—
Wealth solution		2,062	2,698	635	30.8%	6,500	3,802
Others		190	472	281	147.9%	—	—
Purchase and resale	Units purchased	182 units	174 units	-8 units	-4.4%	—	—
	Sales contracts	7,251	10,495	3,243	44.7%	—	—
	No. of units	127 units	161 units	34 units	26.8%	—	—
Brokerage	Brokerage fees	823	974	151	18.4%	—	—
	No. of transactions	599	633	34	5.7%	—	—
WS	Purchases	1,102	16,243	15,140	1,373.6%	—	—
	Sales contracts	4,061	2,798	-1,263	-31.1%	—	—

# Condominium Management Business: Sales Breakdown and Leading Sales Indicators

(Millions of yen)

	FY03/23 Actual	FY03/24 Actual	Change	Change (%)	FY03/25 Forecast	Change
Net sales	5,512	5,729	216	3.9%	6,100	370
Management fees	4,314	4,614	300	7.0%	—	—
Construction-related	940	897	-42	-4.5%	—	—
Others	258	216	-41	-16.2%	—	—
No. of new management contracts	2,464 units	3,303 units	839 units	34.1%	—	—
No. of units under management	45,759 units	48,940 units	3,181 units	7.0%	—	—

$$\text{ROIC} = \frac{\text{Consolidated operating profit} \times (1 - \text{effective tax rate})}{\text{Invested Capital}^*}$$

\* Invested Capital is calculated as interest-bearing liabilities + equity.  
Calculated using the average value during the period.

(Image) Consolidated Balance Sheets

Assets	Liabilities
Current assets	Current liabilities
Non-current assets	Long-term liabilities
	Equity
Total assets	Total liabilities and equity

**Invested Capital**

The diagram illustrates the calculation of Invested Capital by highlighting the 'Long-term liabilities' and 'Equity' rows in the Liabilities column of the Consolidated Balance Sheet. A red bracket on the right side of these two rows points to the text 'Invested Capital'.

$$\text{WACC} = (\text{Cost of Debt} \times \text{Debt ratio}) + (\text{Cost of Equity} \times \text{Equity ratio})$$

Cost of Debt	Interest-bearing liabilities interest rate x (1 - effective tax rate)
Debt ratio	Value of interest-bearing liabilities / (market cap + value of interest-bearing liabilities)
Cost of Equity	Calculated by us using CAPM*
Equity ratio	Market cap / (market cap + value of interest-bearing liabilities)

\* Risk-free rate is based on 10-year JGB yield, beta value is based on 5-year weekly, and risk premium is based on TOPIX change