

FJ Next Holdings

# Supplementary Materials to the Financial Results Briefing

for the Fiscal Year Ended March 31, 2024

May 13, 2024 (Monday)



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# **Consolidated Financial Results**

## **for the Fiscal Year Ended March 31, 2024**

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# Highlights of Consolidated Financial Results

## Net Sales

**100,405**  
million yen

Comparison with the previous period **+18.6%**

## Operating Income

**9,431**  
million yen

Comparison with the previous period **+14.3%**

## Ordinary Income

**9,434**  
million yen

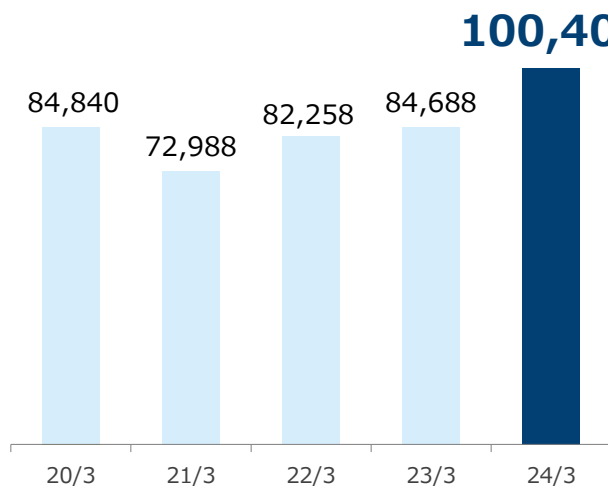
Comparison with the previous period **+14.8%**

## Net Income Attributable to Shareholders of Parental Company

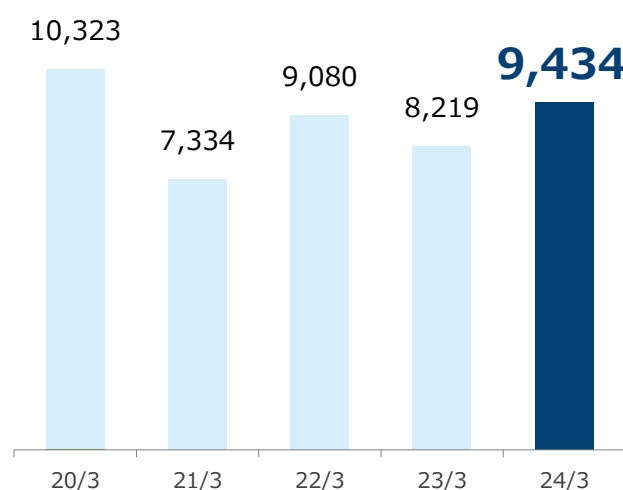
**6,453**  
million yen

Comparison with the previous period **+14.8%**

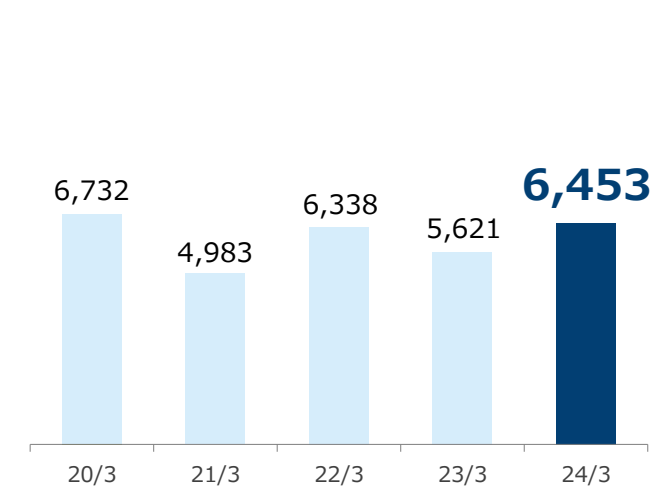
Net Sales (¥ million)



Ordinary Income (¥ million)



Net Income Attributable to Shareholders of Parental Company (¥ million)



Sales and income increased due to higher sales of condominiums and more completed construction contracts in the construction business.  
The Company recorded its highest net sales ever.

(¥ million)

	FY2023	FY2024		
	Financial results (A)	Financial results (B)	Increase/ Decrease (B)-(A)	Rate of change
<b>Net Sales</b>	<b>84,688</b>	<b>100,405</b>	<b>+15,717</b>	<b>+18.6%</b>
Cost of sales	65,840	80,231	+14,390	+21.9%
Gross profit	18,848	20,174	+ 1,326	+ 7.0%
Selling, general and administrative expenses	10,597	10,742	+ 145	+ 1.4%
Operating income	8,250	9,431	+ 1,181	+ 14.3%
<b>Ordinary income</b>	<b>8,219</b>	<b>9,434</b>	<b>+ 1,215</b>	<b>+ 14.8%</b>
Ordinary income ratio	(9.7%)	(9.4%)	—	(△0.3P)
Net income attributable to shareholders of parental company	5,621	6,453	+ 832	+ 14.8%



# Consolidated Balance Sheet for the Year-End (March 31, 2024)

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

(¥ million)

	FY2023 (as of Mar. 31, 2023) (A)	FY2024 (as of Mar. 31, 2024) (B)	Increase/ Decrease (B)-(A)
Current assets	76,595	82,732	+6,137
Cash and deposits	32,254	34,600	+2,346
Real estate for sale	11,130	12,491	+1,361
Real estate for sale in process	26,489	28,159	+1,669
Non-current assets	<b>12,343</b>	<b>12,548</b>	<b>+205</b>
<b>Total assets</b>	88,938	95,281	+6,343
Current liabilities	13,210	15,210	+2,000
Non-current liabilities	12,705	12,039	△666
<b>Total liabilities</b>	25,915	27,249	+1,334
<b>Total net assets</b>	63,022	68,031	+5,009
Interest-bearing liabilities	13,473	12,753	△720

## Key points

- Dependency on interest-bearing liabilities continued to be relatively low. This figure was roughly unchanged from the end of the previous fiscal year, at **13.4%**.
- The Company continued to maintain good financial health, with equity ratio of **71.4%**.

# Situation of Each Segment

## of the Fiscal Year Ending March 31, 2024

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# Financial Results by Segment

(¥ million)

		FY2023	FY2024	YOY	
<b>Real estate development business</b> FJ Next Holdings Co., Ltd. FJ Next Co., Ltd. FJ Next Residential Co., Ltd. Real estate planning and development, sales, and brokerage, and leasing	Net sales	74,925	<b>86,206</b>	+ 11,281	+ 15.1%
	Segment income	7,064	<b>7,930</b>	+ 865	+ 12.3%
<b>Real estate management business</b> FJ Community Co., Ltd. Ito Ippeki Management Services Co., Ltd. Lease management of real estate, total building management, cottage-area management business	Net sales	3,652	<b>3,982</b>	+330	+9.0%
	Segment income	948	<b>1,087</b>	+139	+14.7%
<b>Construction business</b> Resitec Corporation Design, construction and contracting of buildings and civil engineering	Net sales	4,777	<b>8,907</b>	+4,130	+ 86.5%
	Segment income	148	<b>380</b>	+ 232	+ 156.7%
<b>Japanese inn business</b> FJ resort Management Co., Ltd. Japanese inn business, restaurant business	Net sales	1,279	<b>1,260</b>	△ 18	△ 1.5%
	Segment Income (loss)	47	<b>3</b>	△ 43	△ 93.0%
<b>Consolidated results</b> *Other businesses included	Net sales	84,688	<b>100,405</b>	+ 15,717	+ 18.6%
	Operating income	8,250	<b>9,431</b>	+ 1,181	+ 14.3%

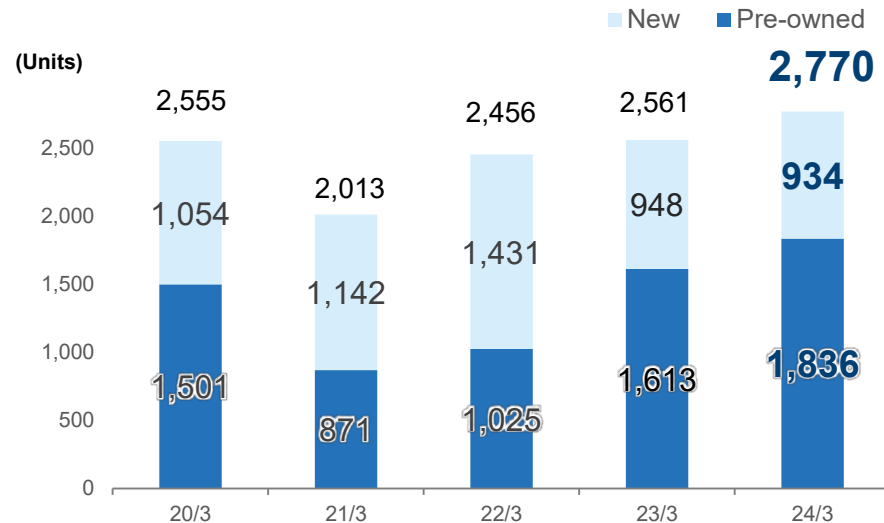


## 2,770 condominiums sold, the highest number ever, paced by asset management-type condominiums

Home Units Sold			FY2023		FY2024		YOY
			Results for Apr.-Sept.	Results for the full fiscal year	Results for Apr.-Sept.	Results for the full fiscal year	Full fiscal year
Aggregation category	New	Gala Condominium series	(198)	(721)	(416)	(603)	(△118)
		Gala Residence series	(149)	(227)	(108)	(331)	(+104)
	Pre-owned condominiums	(927)	(1,613)	(876)	(1,836)	(+233)	

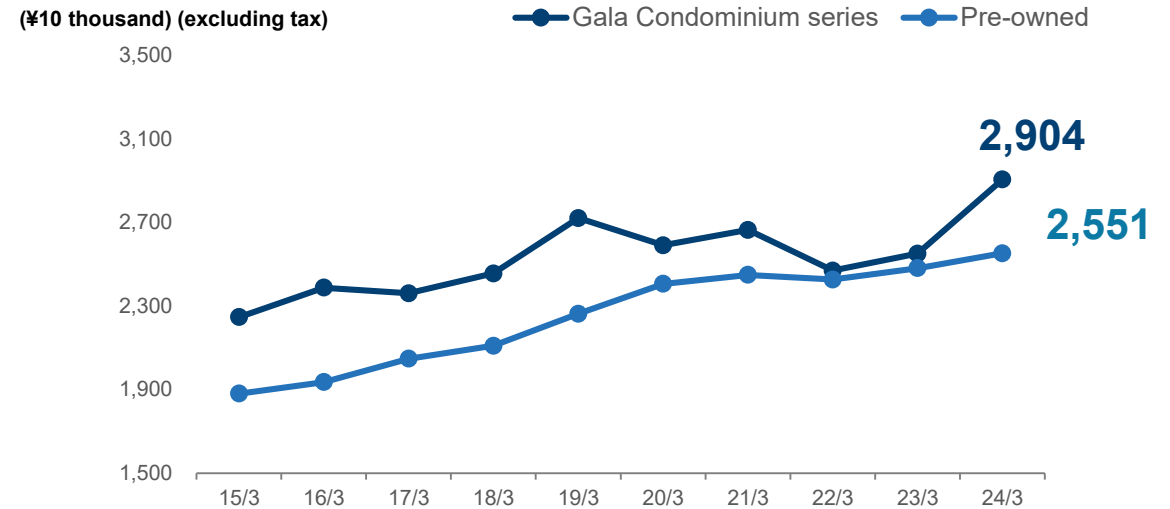
\* The "Gala Residence series" includes the units that are equivalent to the Company's equity among the projects based on joint ventures.

### Transition in condominium units sold



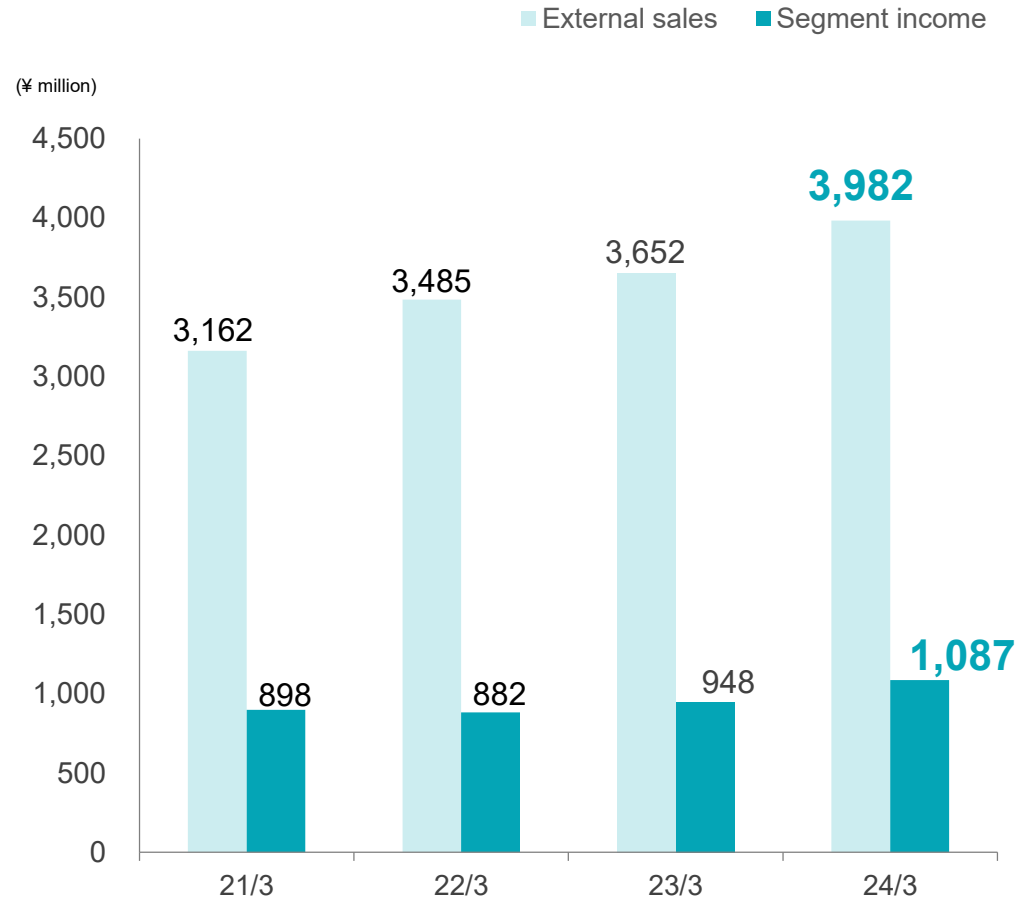
Note: "New" includes the Gala Condominium series and the Gala Residence series.

### Transition in average sales price (studio-type condominium\*) \*Less than 40 m<sup>2</sup>

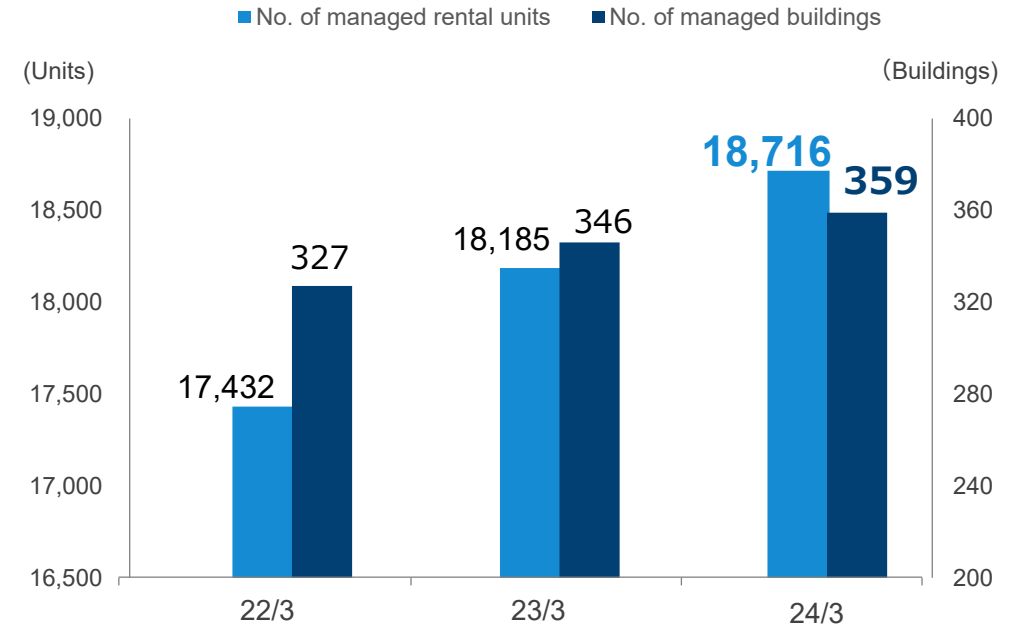


## Providing stable property management

Trend in segment performance



Trend in managed rental units and managed buildings



### Outline of rental unit management business

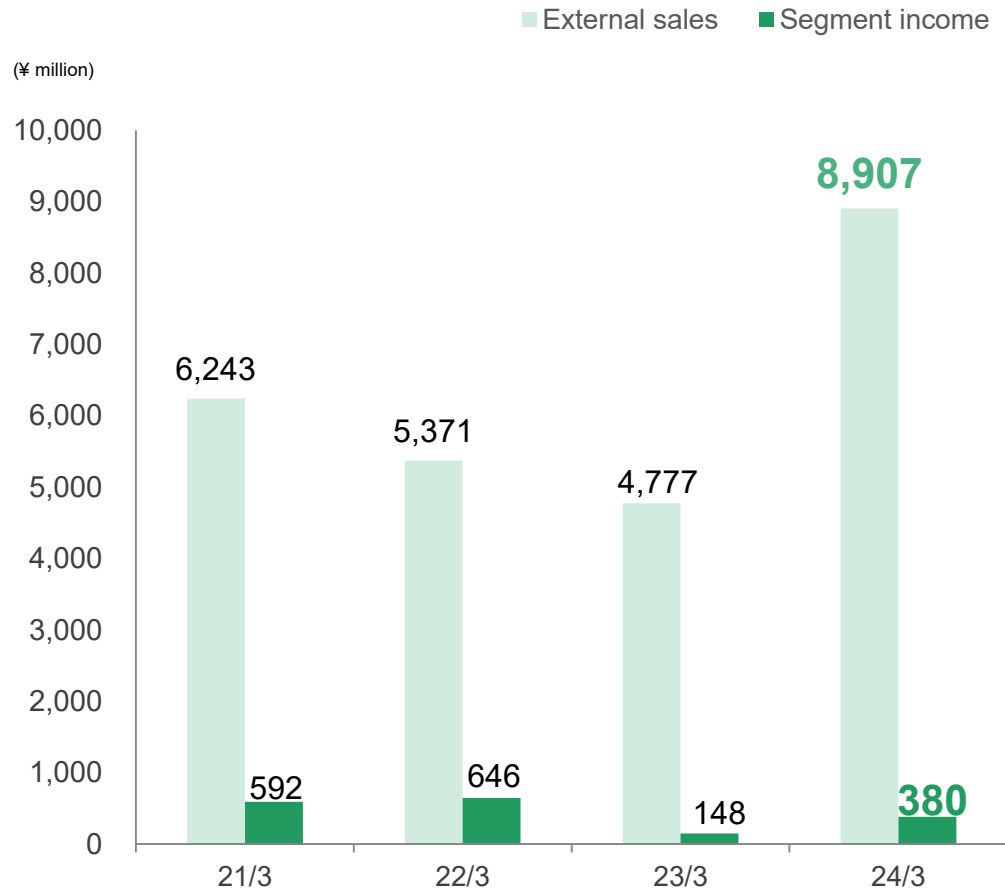
Combination of the landlord representation system and subleasing allows landlords to hold their asset management-type condominiums over medium to long term and to conduct assets formation for the future in an easy and safe manner.

### Outline of building management business

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

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

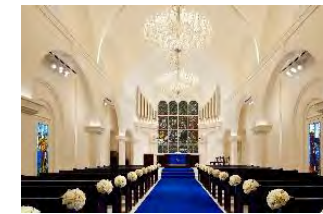
### Trend in segment performance



### Example of construction



Example of condominium construction



Example of wedding hall renovation



### Construction inspection of buildings developed by the Company



Gala Condominium series

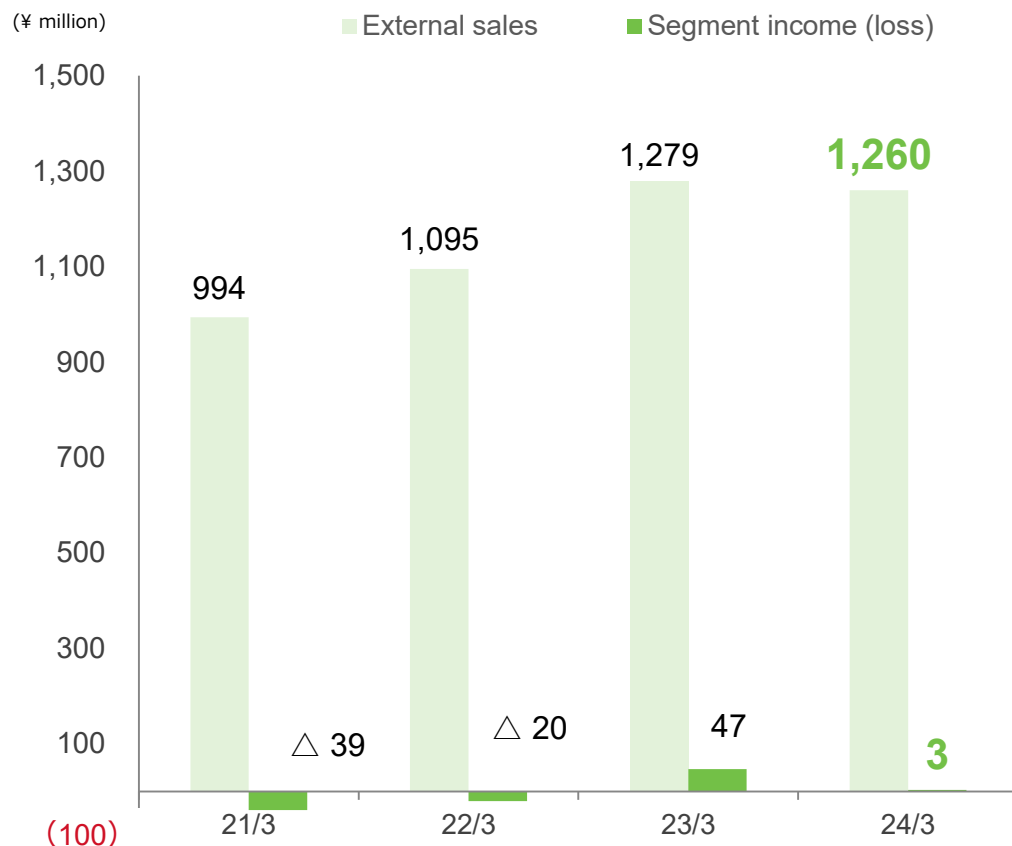


Gala Residence series

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

Room occupancy rates declined slightly in reaction to the end of special demand from programs such as National Travel Support, a national-government measure to stimulate tourist demand, implemented in the previous consolidated fiscal year

Trend in segment performance



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

**伊東遊季亭**  
Ito Yuki Tei

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

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

**伊東遊季亭 川奈別邸**  
Ito Yuki Tei Kawana Bettei

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

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

**大正十五年創業 源泉かけ流しの宿 玉峰館**  
Gyokuhokan

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

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

**清流荘**  
Gyokuhokan

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

# Business Situation and Strategy

## of the Group

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## FJ Next Group's strengths = stocking and selling ability

### Top-class supply and sales achievements in the industry

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

#### 2022 -Tokyo metropolitan area new condominium supply ranking

(Target period: January to December 2022)

Rank	Owned by	No. of units supplied
1	Nomura Real Estate Development	2,916
2	Mitsui Fudosan Residential	2,424
3	Sumitomo Realty & Development	2,267
4	Mitsubishi Estate Residence	1,672
5	Shinnihon Corporation	1,435
6	Nippon Steel Kowa Real Estate	1,276
<b>7</b>	<b>FJ NEXT</b>	<b>1,110</b>
8	Open House Development	1,090
9	Tokyo Tatemono	872
10	Tokyu Land Corporation	849

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

Source: Real Estate Economic Institute Co., Ltd. in February and August 2023

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

3. Fixed-term lease condominiums are not included.

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

Fiscal year	No. of units supplied	Rank	Market share
2023 (First half)	522	1	18.5%
2022	844	1	14.2%
2021	1,067	1	17.7%
2020	900	1	14.4%
2019	868	1	14.5%
2018	635	4	8.1%
2017	664	2	10.9%
2016	1,072	1	15.3%
2015	849	1	14.0%
2014	725	2	11.6%
2013	898	1	15.7%

Source: Real Estate Economic Institute Co., Ltd. in August every year



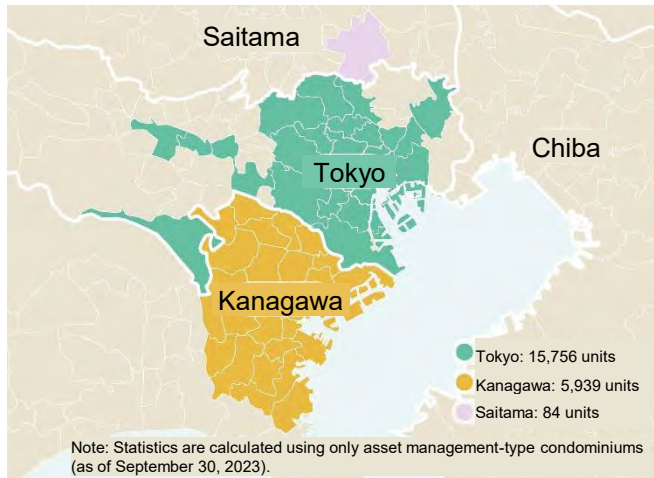
Careful selection of areas with the highest demand for rental property through a strategy thoroughly concentrating on specific areas

## Decision to include in our business target areas

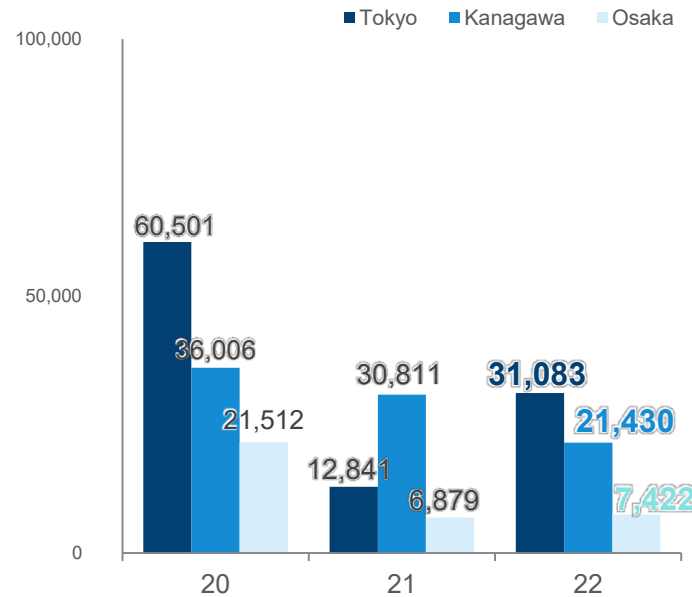
- We decide our business target area by selecting from many potential condominium sites proposed by financial institutions and brokers based on the future prospect and values as the assets.
- We carefully analyze **rental demand** based on location (train station in walking distance, value of train station as a commuting link, train and subway access, access to shopping, schools, etc.).
- Development plans of roads and others are also considered.

### Our supply main area

- Tokyo
- Kanagawa [Yokohama City, Kawasaki City]



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



### Top 10 in social increase

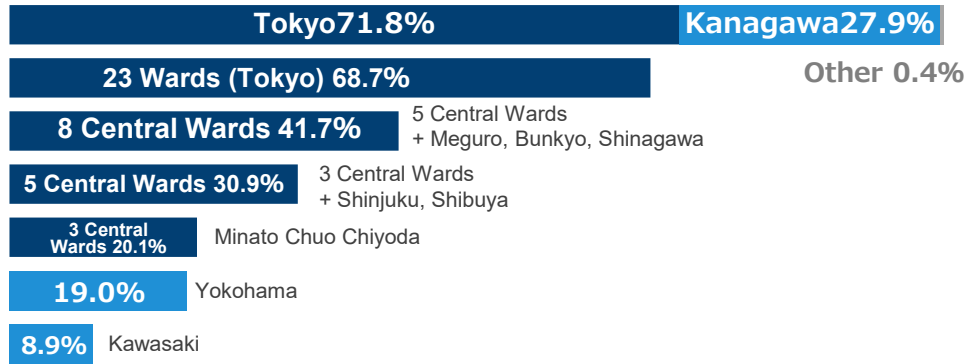
Rank (last year rank)	Prefecture	Social increase/decrease (people)	Population (people)
1 (4)	Tokyo	31,083	13,841,665
2 (1)	Kanagawa	21,430	9,212,003
3 (2)	Saitama	19,347	7,381,035
4 (3)	Chiba	18,686	6,310,075
5 (5)	Fukuoka	8,832	5,104,921
6 (6)	Osaka	7,422	8,784,421
7 (7)	Ibaraki	1,031	2,879,808
8 (11)	Miyagi	884	2,257,472
9 (9)	Shiga	502	1,413,989
10 (10)	Yamanashi	△75	812,615

Source: Population, Demographic Movement and Households Numbers According to the Basic Resident Register (published by Ministry of Internal Affairs and Communications in July 2023)  
 Note: Social increase and decrease = (Number of people entering – number of people exiting); excludes foreign workers

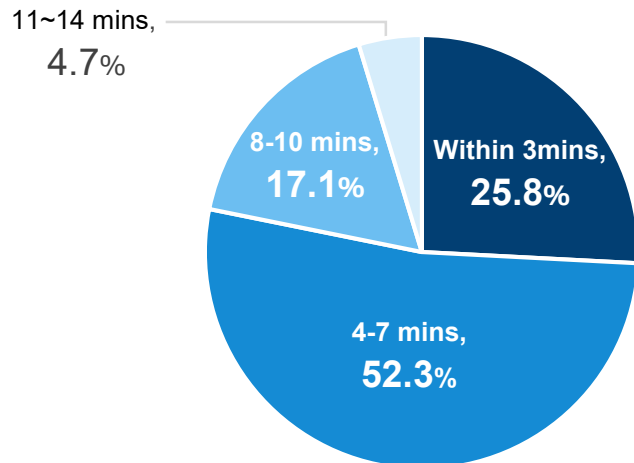
# Supply Area of Condominiums

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

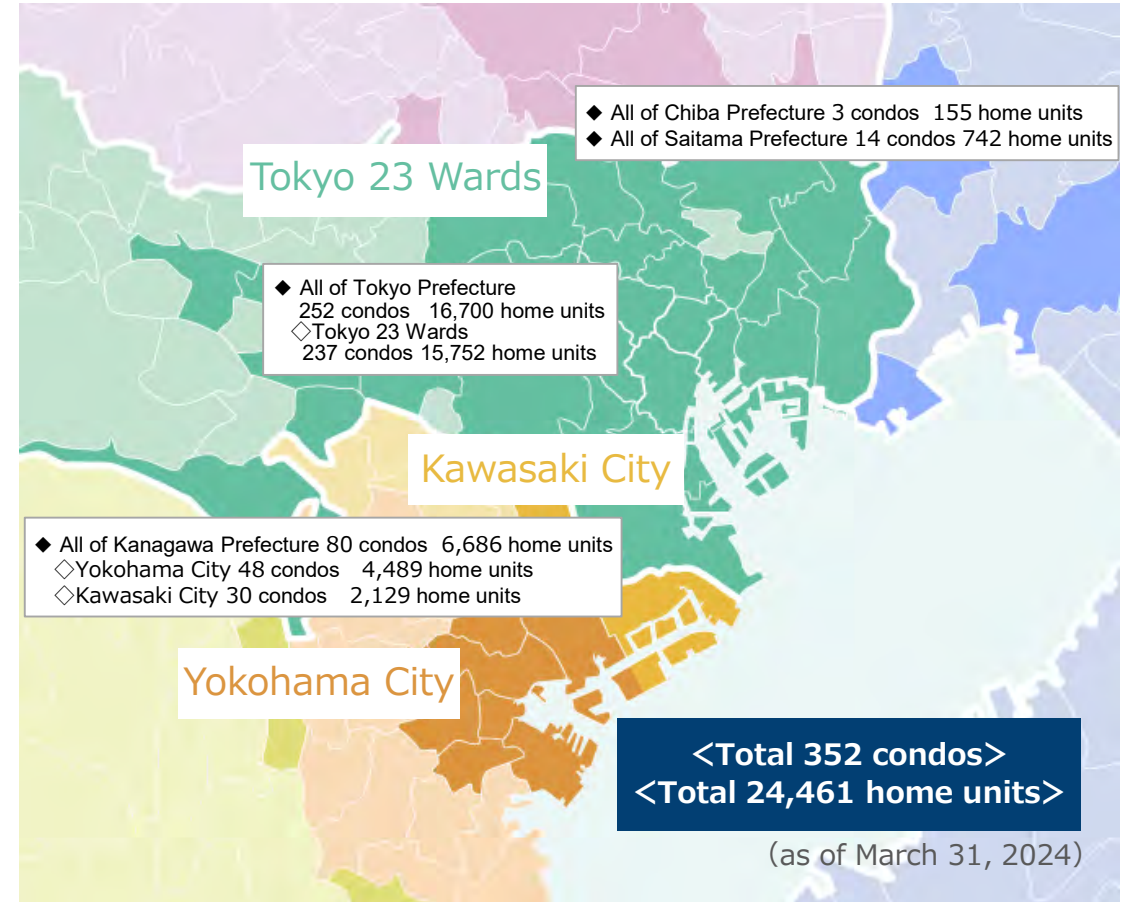
## Supply by area



## Walking distance from closest station



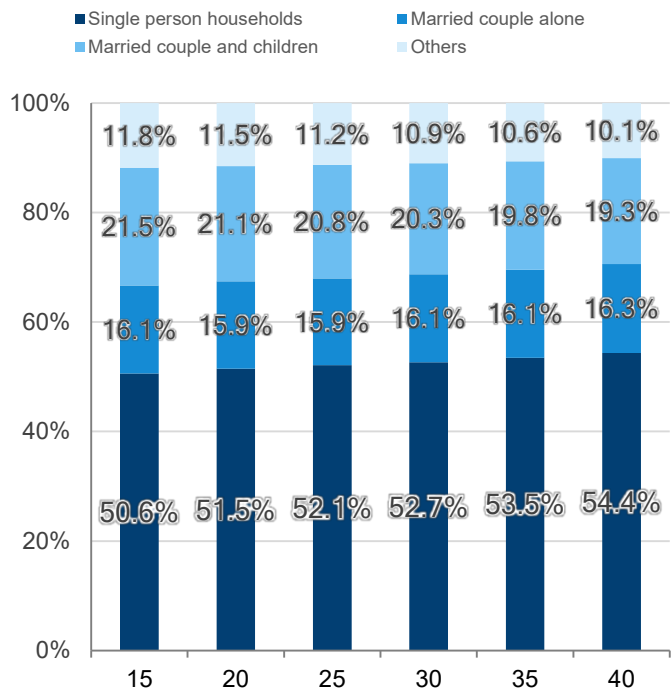
## Supply map



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

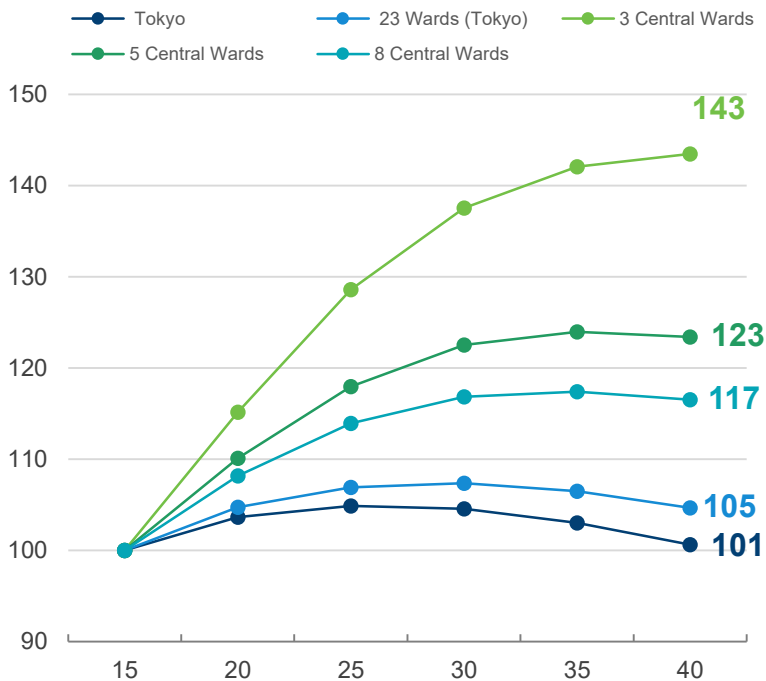
The number of single-person households will continue to increase.  
Hence, the potential tenants are expected to increase in the medium to long term.

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



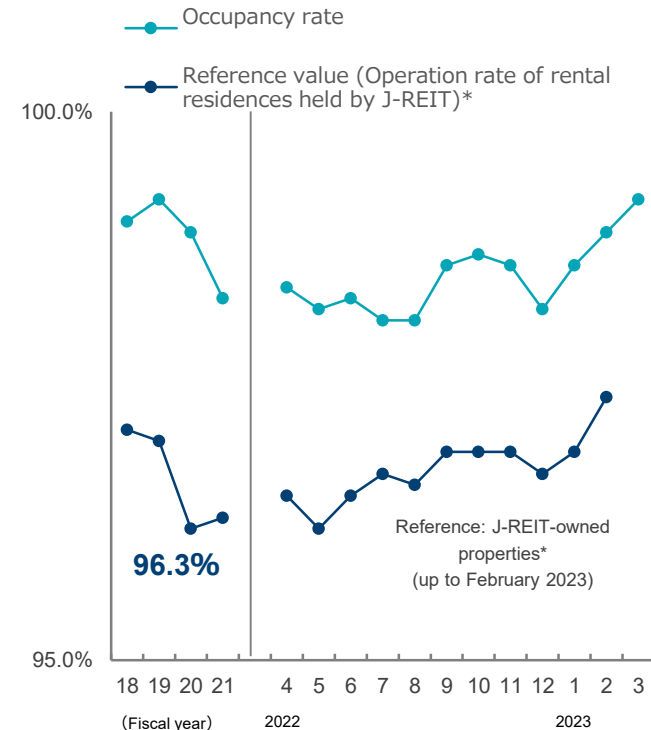
Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government in March 2024

Estimate for future vital index of Tokyo



Source: Statistical Department, Bureau of General Affairs, Tokyo Metropolitan Government in March 2024

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



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

**Future: Demand is expected to be stable.**

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

Procurement continued to be stable for both real estate for sale and real estate for sale in process.

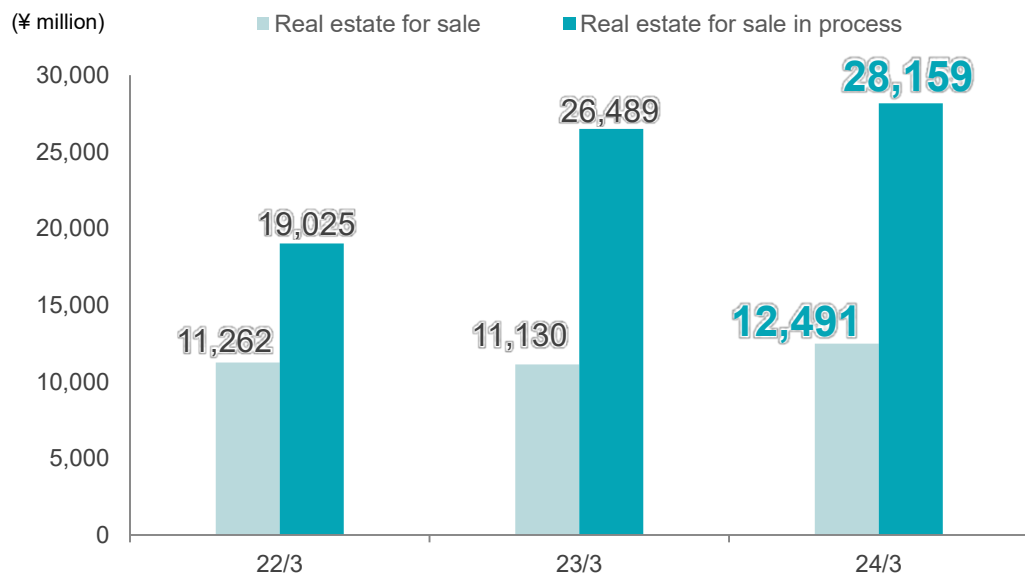
## Real estate for sale

- Increasing need for asset management-type condominiums drove favorable sales.
- Active purchasing of pre-owned condominiums continued.
- In addition to non-current assets, secure stable rental income from real estate for sale  
\*Continuous profit can be expected as a stock business, not just inventory

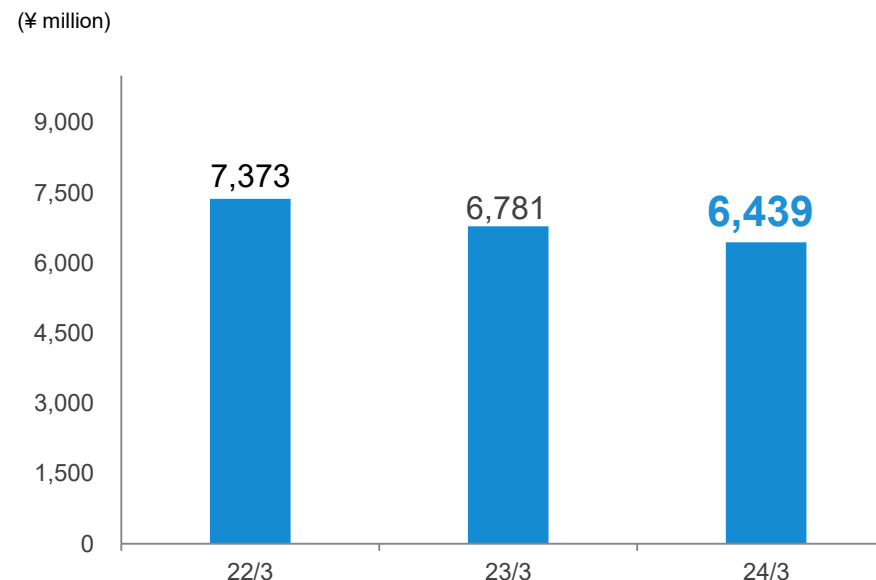
## Real estate for sale in process

- Continued **procurement emphasizing profitability** based on the capitalization method

Transition in balance of real estate for sale and real estate for sale in process

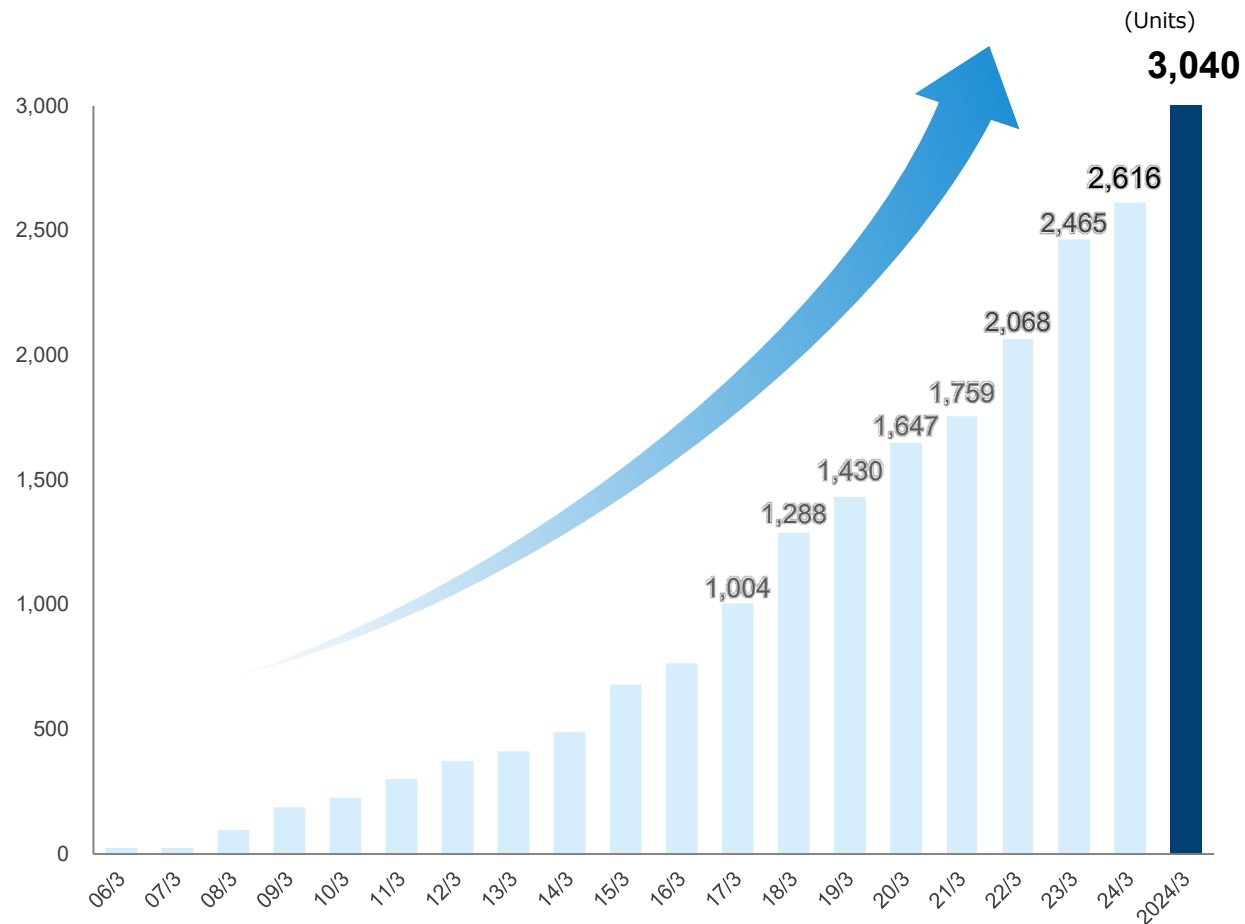


Consolidated net sales incurred from rental income



Supply expanded briskly, with new projects coming continuously on-stream.

## Supply achievement for the Gala Residence series



## Major new projects in progress

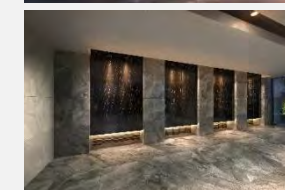
### "Brand New Yashio" Gala Residence Yashio

To be completed in March 2025 Total units: 61



### "Peace×Piece" Gala Residence Musashi Urawa

To be completed in March 2025 Total units: 54



Notes: 1. In the forecast for the fiscal year ending March 2024, the projects under progress are included as the ones that are expected to be supplied within the term.  
2. Includes projects based on joint ventures.

# Consolidated Performance Perspective

## of the Fiscal Year Ending March 31, 2025

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# Forecast for Consolidated Financial Results and Dividends for the Fiscal Year Ending March 31, 2025[Full Year]

Plans net sales of 103,000 million yen and ordinary income of 7,500 million yen. Dividend payout ratio of 31.4% is planned.

## Consolidated Performance Perspective

	FY2025 forecast	FY2024 results	YOY		FY2025	FY2024 (Previous period)	FY2023 (Period before previous)
Net sales	103,000	100,405	+2,594 +2.6%	Interim dividend	¥24	¥24	¥24
Operating income	7,500	9,431	△1,931 △20.5%	Year-end dividend	¥24	¥26*	¥24
Ordinary income	7,500	9,434	△1,934 △20.5%	Annual dividend	¥48	¥50	¥48
Net income attributable to shareholders of parental company	5,000	6,453	△1,453 △22.5%	Dividend payout ratio	31.4%	25.3%	27.9%

\* The breakdown is an ordinary dividend of ¥24 and a special dividend of ¥2.

### Key points

- Plan to sell **2,900** condominium units annually (including 193 units in the Gala Residence series)
- Ordinary income ratio is **7.3%** (expecting to rise in raw material prices)
- Dividend payout ratio is **31.4%** and the Company has maintained a stable dividend since its IPO.

# APPENDIX

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## Gala Grandy Chofu



### Property information

Address: 3-33-2 Chofugaoka, Chofu-shi, Tokyo  
 Closest station: 8-min walk from Chofu Station on Keio Line  
 Total units: 88  
 Floor plans: 2BD (with kitchen only) and 1BD (with dining/kitchen only)  
 Completion: September 2023

## Gala Cresta Yokohama-Kannai



### Property information

Address: 8-126 Chojamachi, Naka-ku, Yokohama City, Kanagawa  
 Closest station: 4-min walk from Hinodecho Station on Keikyū Main Line  
 6-min walk from Isezaki-Chojamachi station on Yokohama Municipal Subway Blue Line, etc.  
 Total units: 100  
 Floor plans: 1BD (with kitchen only) and 1BD  
 Completion: September 2023

## Gala Musashi Kosugi Grand Stage

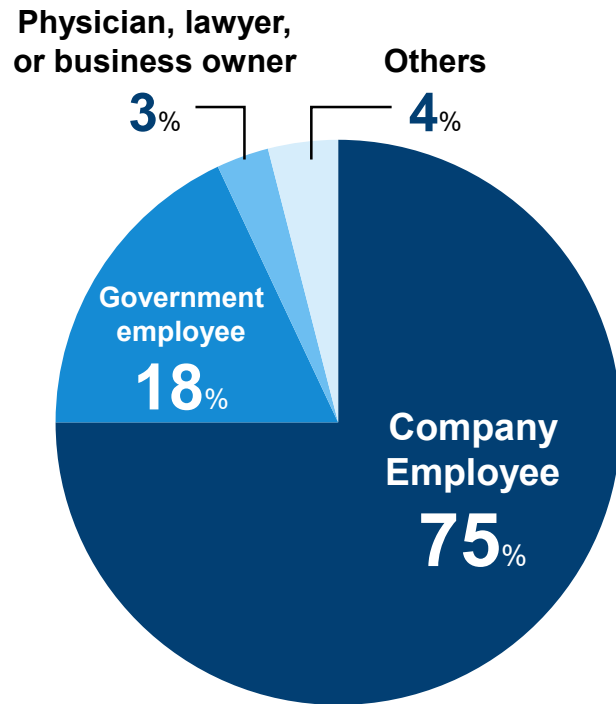


### Property information

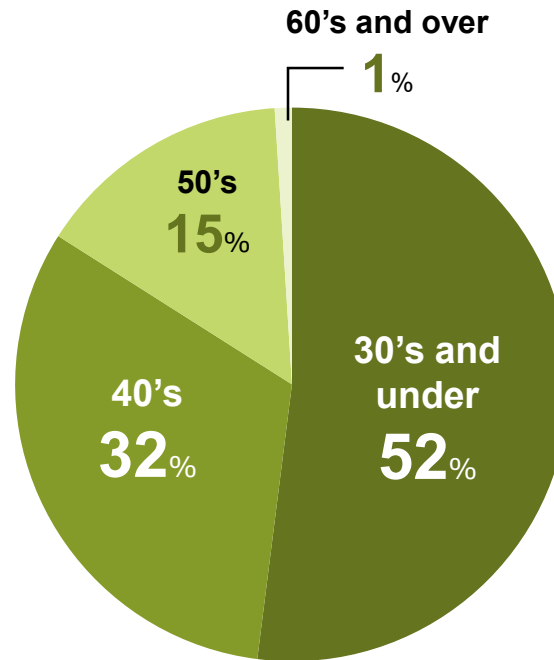
Address: 1-161-2 Kosugi Goten-cho, Nakahara-ku, Kawasaki-shi, Kanagawa  
 Closest station: 11-min walk from Shin-maruko Station on Tokyū Toyoko Line / Meguro line  
 12-min walk from Musashi Kosugi station (North Exit) on JR Yokosuka Line, Shonan Shinjuku Line, Sotetsu Direct Line and Nambu Line, etc.  
 Total units: 113  
 Floor plans: 1BD (with kitchen only) and 1BD  
 Completion: February 2024

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

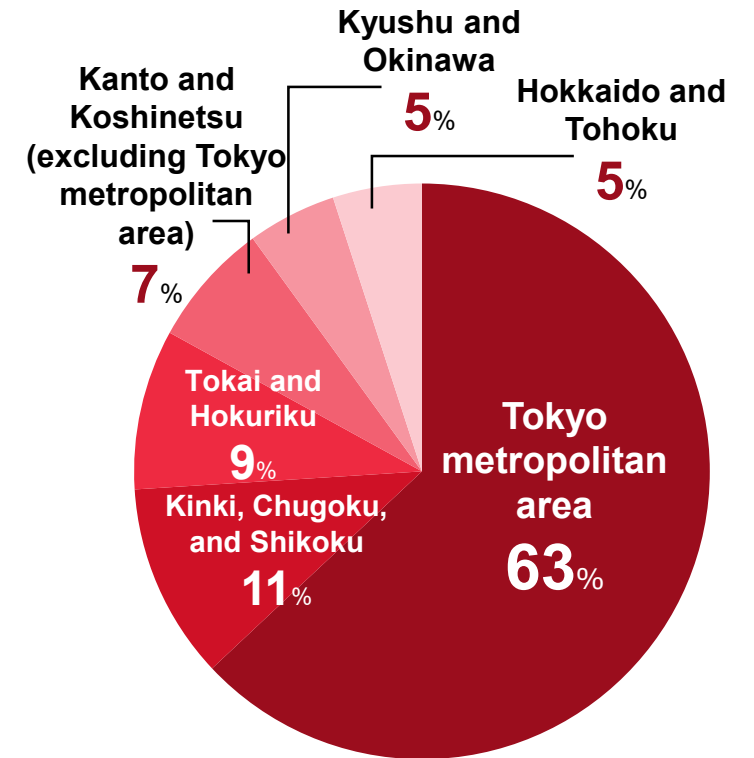
By occupation



By age



By residential area



Note: Statistics are calculated using only asset management-type condominiums (Apr. 2023 through Mar. 2024).



## Actively develop marketing initiatives

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

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

### Results

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



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

Strengthening new member acquisition policies through the use of content marketing



### GALA NAVI Providing members-only content

### Results

More than **280,000** total members



# New Investment Opportunities for Asset Management-Type Condominiums

Based on a track record and expertise accumulated over more than 40 years since its foundation, the FJ Next Group carefully selects projects best suited to real-estate crowd-funding.



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

Subscriptions to Fund No. 1 began on May 10, 2022. The Group has created sixteen funds to date, including funds scheduled for operation.

## Fund Information

GALA FUNDING #12 (Suidobashi)	GALA FUNDING #13 (Suidobashi)	GALA FUNDING #14 (Higashi-Azabu)	GALA FUNDING #15 (Shirokane-Takanawa)	GALA FUNDING #16 (Shirokane-Takanawa)
<small>Location: Sarugaku-cho, Chiyoda-ku, Tokyo</small>	<small>Location: Sarugaku-cho, Chiyoda-ku, Tokyo</small>	<small>Location: Higashi-Azabu, Minato-ku, Tokyo</small>	<small>Location: Shirokane-Takanawa, Minato-ku, Tokyo</small>	<small>Location: Shirokane-Takanawa, Minato-ku, Tokyo</small>

Amount raised:  
**¥22,120,000**

Amount raised:  
**¥22,610,000**

Amount raised:  
**¥58,590,000**

Amount raised:  
**¥56,420,000**

Amount raised:  
**¥52,290,000**

Estimated distribution rate	Operation period	Minimum investment	Selection method	Investment structure
<b>3%</b>	<b>6 months</b>	<b>¥10,000</b>	<b>Lottery format</b>	<b>Priority and subordinate structure</b> (Priority 70%, Subordinate 30%)

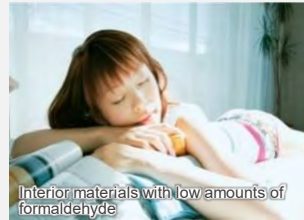
Note: The above are the terms and conditions at the time of offer for the fund currently under management (before operation), and are not necessarily applied to the funds scheduled to be formed in the future.



We will continue our efforts to contribute to society and environment.

## Adoption of environmentally-friendly materials and fixtures

Proactively adopting environmentally-friendly materials and fixtures.



## Environment conservation activity support

Supporting various environmental conservation activities.



## Greening efforts

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



## Other CSR activities



**LIMEX**  
石灰石から生まれた  
枯渇資源を守る新素材

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

### About LIMEX

The main raw material is limestone, which is said to weigh an estimated 24 billion tons, even in Japan, where resources are scarce. Limestone is said to have a very low risk of depletion compared to oil, water and forest resources.

By replacing it with a new material, we can save about 10 liters of water that was previously used to print 100 paper business cards. The Group will consider using environmentally friendly materials with the aim of increasing the corporate value of the Group.

**BRING**  
UNIFORM

### Participation in **BRING UNIFORM™**

To reduce CO<sub>2</sub> emissions, we promote the recycling of uniforms worn and used by our staff engaged in management work of our condominiums.



Participation in “**Fun to Share**” - a climate change campaign, support to tree planting activities, etc.

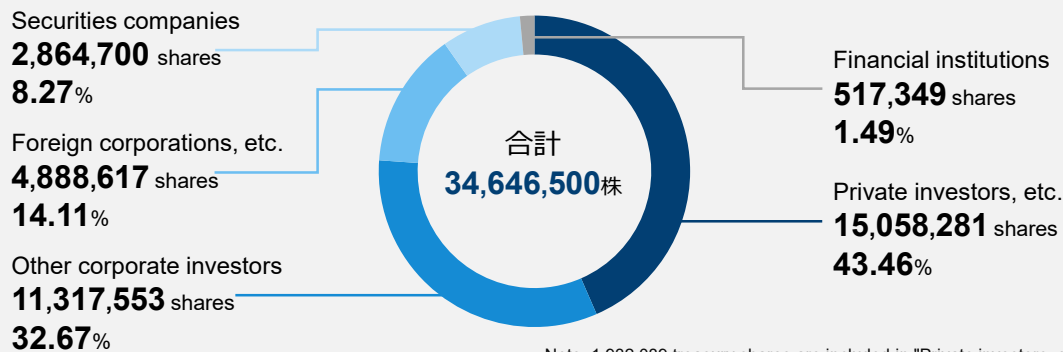
## Company outline

Company name	<b>FJ Next Holdings Co., Ltd.</b>
Established	July 1980
Capital	¥2,774,400,000
Number of employees	38 (557 on a consolidated basis)
Head office	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1310
URL	<a href="https://www.fjnext-hd.co.jp">https://www.fjnext-hd.co.jp</a>

## Share information

Total number of authorized shares	36,861,000 shares
Total number of issued shares	34,646,500 shares
Number of shareholders	14,776

## Breakdown of shareholders



## Supplementary share information

Fiscal year	From April 1 of each year through March 31 of the following year
Annual shareholders meeting	Late June of each year
Record date	Year-end dividend: March 31 Interim dividend: September 30
Share unit number	100
Public notice	Public notice of the Company shall be given by electronic public notice. If the Company is unable to give public notice by electronic public notice due to an accident or any other unavoidable circumstances, such notices shall be published on Nihon Keizai Shimbun Newspaper. Company's website ( <a href="https://www.fjnext-hd.co.jp">https://www.fjnext-hd.co.jp</a> )
Shareholder registry administrator	<b>Mizuho Trust &amp; Banking Co., Ltd.</b> <small>(Account management institution regarding special accounts)</small> 1-3-3 Marunouchi, Chiyoda-ku, Tokyo
Place of business	Transfer Agent Department, Head Office, Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo  <Address for mail and inquiries (including inquiry for receipt of unpaid dividends)> Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507 TEL: 0120-288-324 (toll-free number)
Stock exchange listing	Prime Market, Tokyo Stock Exchange
Securities code	8935

## ■ Contact Details

### Management Strategy Department

 **03-6733-7711**

 **galair@fjg.co.jp**

 **03-6733-7712**

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

#### Cautionary Note:

These materials were created for the purpose of providing information related to the explanation of company business and are not meant to solicit investment in marketable securities issued by the Company. Furthermore, these materials were prepared based on data available as of May 13, 2024. Opinions and projections noted in these materials are determinations made by the Company as of the time these materials were created. We do not guarantee or promise the accuracy or completeness of this information and, further, reserve the right to make changes without notice.