

FY2025/5 3Q

Results Presentation

Securities code : 205A



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April 14, 2025

PHILOSOPHY

Shaping the Future of Japanese Home Building

New connections and values throughout the country.

Since the establishment of LOGOS HOME INC. in 2003, we have sought to deliver high quality homes that can withstand the rigors of nature at reasonable prices. We take pride in the fact that we have increased the number of happy families in Hokkaido.

And as the way we live, work, and think about homes is changing across the country, we need to create a vision for home building with a new set of values. We also need to think about the inheritance of brands that are rooted in the local community and excellent techniques.

In order to realize the creation of houses that make not only the residents happy, but also the builders happy, we believe it is important to establish connections with builders throughout Japan who share our vision. If we work hand in hand, we can create a new standard for house building in Japan. There will always be happiness in a house. We believe so.

In the cumulative third quarter period, results were almost in line with the adjusted forecast announced in January. However, in view of the current sales activities, the forecast has again been revised downwards. Net sales will grow year on year, while operating income is expected to plunge significantly due to expenses ahead of the schedule for upfront investments in M&A activities and the opening of new sales offices.

Financial Results for the First half of the Fiscal Year Ending 2025/5

Net sales

20,517 million yen

Year on Year

+260 million yen
(+1.3 %)

Operating income

△511 million yen

Year on Year

△891 million yen
(-)

Forecast for the Fiscal Year Ending 2025/5

Net sales

35,472 million yen

Year on Year

+3,757 million yen
(+11.8%)

Operating income

250 million yen

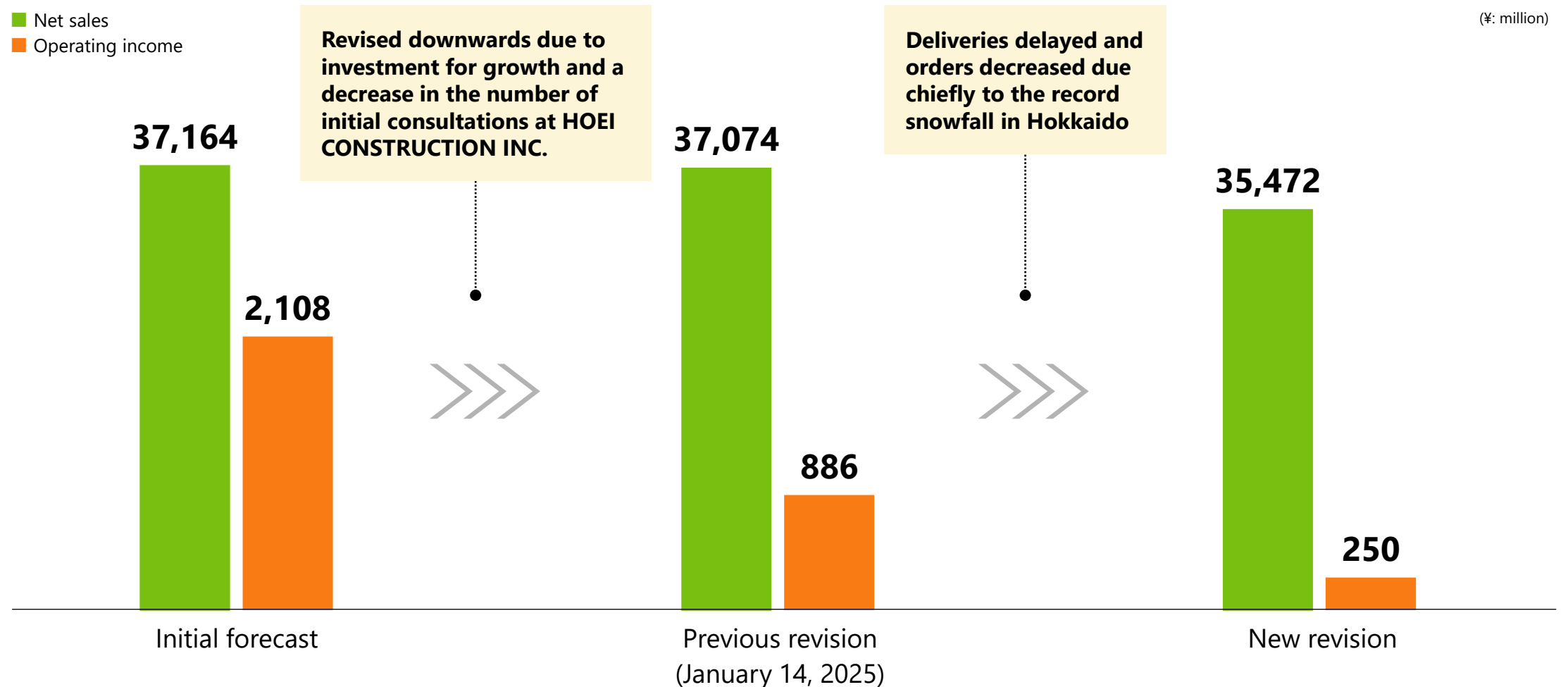
Year on Year

△1,140 million yen
(△82.0%)

- ▶ Early in February 2025, the largest 12-hour snowfall ever recorded in the history of meteorological observation in Japan, 120 cm, occurred in Obihiro, a city in eastern Hokkaido. The record snowfall in different parts of Hokkaido delayed different processes from primary meetings and housing starts to completion and prolonged the lead time from receipt of order to delivery.
- ▶ In addition, heavy snowfall decreased the number of visitors. New orders received in and after February are poorer than expected.

Background behind the Revision of the Forecast

Because of the record snowfall in Hokkaido in early February 2025, the full year forecast of the total number of units delivered has again been revised downwards from 1,195 houses in the previous revision to 1,125. The financial results forecast has also been revised downward again, following the previous downward revision in January 2025.



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**Financial Results for the Third quarter
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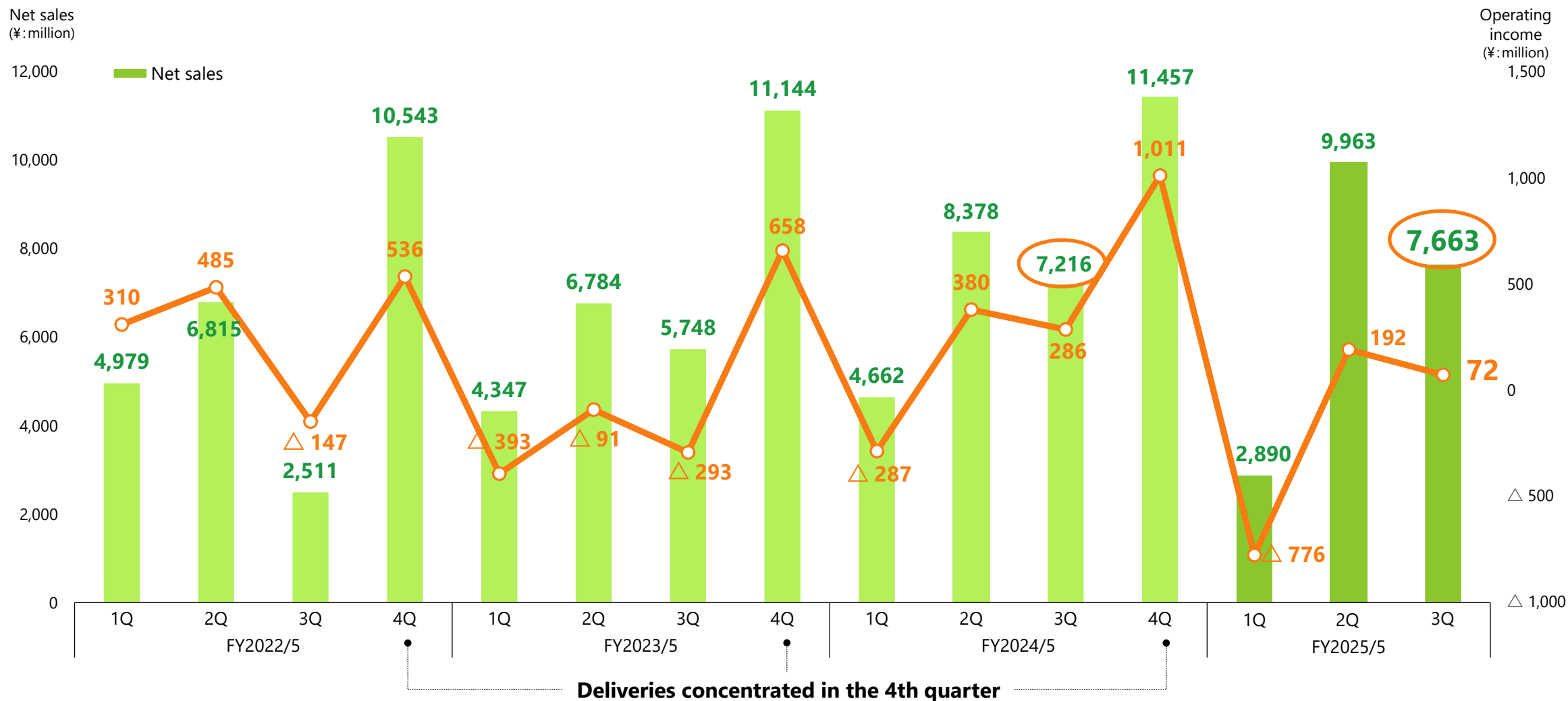
Appendix

In the cumulative third quarter period, net sales were roughly flat year on year. Operating income dropped, mainly reflecting the impact of the first quarter and M&A expenses. The results were in line with the forecast after the revision announced in January.

(¥:million)	FY2024/5 Q3	Net sales (%)	FY2025/5 Q3	Net sales (%)	Year on Year (%)
Net sales	20,257	100.0	20,517	100.0	1.3
Gross Profit	3,718	18.4	3,563	17.4	△4.2
Operating income	380	1.9	△511	—	—
Ordinary Income	357	1.8	△571	—	—
Net Income Attributable to Owners of Parent	181	0.9	△461	—	—

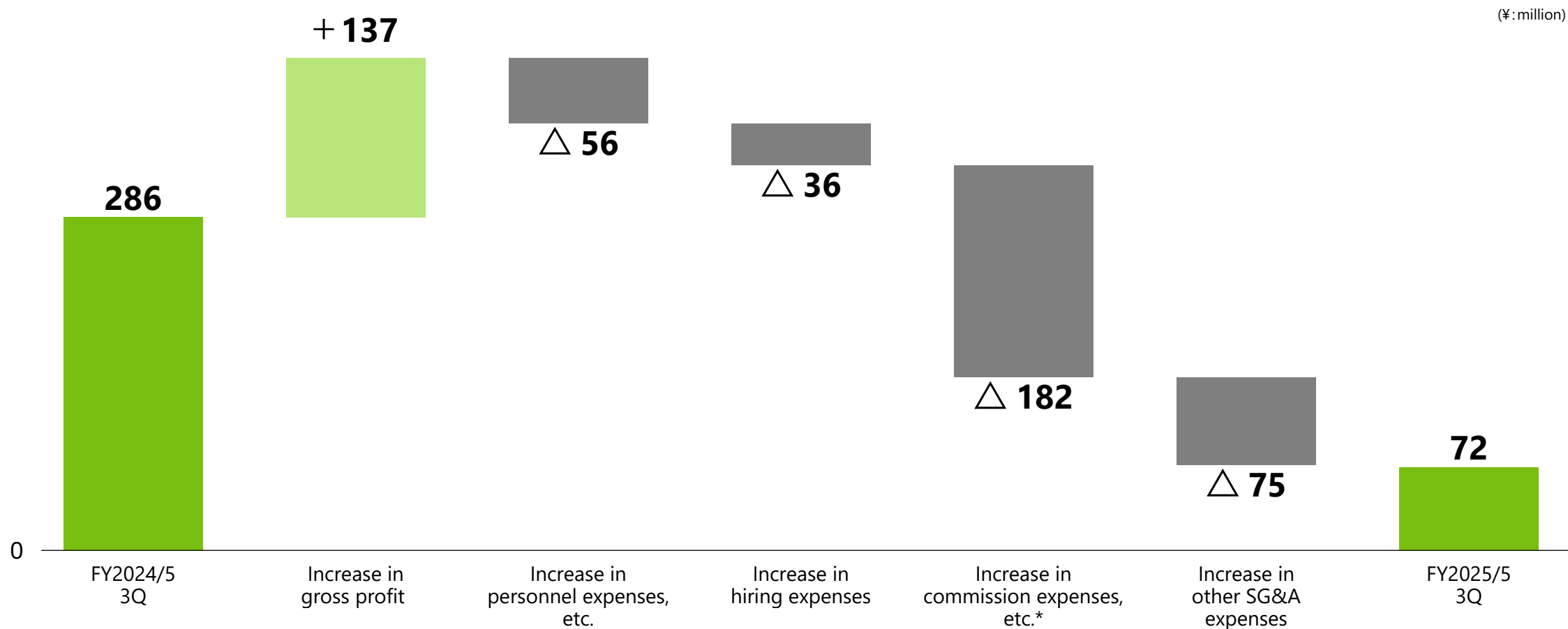
Changes in Net Sales and Operating Income

In the third quarter, the figures were unchanged from the revised forecast, but there was a sharper quarter-on-quarter drop than in the last two fiscal years due to orders received being poorer than initial plan and delays in deliveries.>



Operating Income Change Factors

While gross profit increased, operating income in the third quarter declined year on year mainly reflecting an increase in merger and acquisition costs, recruitment costs and other expenses for growth.



* Including expenses for M&A activities

Balance Sheet

SAKAI CONSTRUCTION is now included in the scope of consolidation. Current assets grew following the increase of costs related to uncompleted construction contracts due to the increase in housing starts. Current liabilities also increased, reflecting an increase in advances received on uncompleted construction contracts. The current increase in housing starts will appear as revenue in and after the fourth quarter.

(¥:million)	As of May 31, 2024	As of February 28, 2025	Increase / Decrease	Main factors
Current assets	9,517	15,072	+ 5,555	
Cash and deposits	4,484	5,385	+ 900	
Real estate for sale (including work in process)	4,156	5,454	+ 1,297	Increase due to construction of model houses and acquisition of real estate for sale
Costs on uncompleted construction contracts	563	3,088	+ 2,524	Increase in new housing starts
Noncurrent assets	3,872	6,422	+ 2,549	
Property, plant and equipment	2,375	2,676	+ 300	
Intangible assets	1,171	3,030	+ 1,859	Increase in goodwill following an M&A transaction
Investments and other assets	325	715	+ 389	Increase in deferred tax assets
Total assets	13,390	21,495	+ 8,105	
Current liabilities	8,014	13,755	+ 5,740	
Accounts payable for construction contracts	2,297	3,012	+ 715	
Short-term loans payable	2,163	2,309	+ 146	Increase in borrowings due to acquisition of real estate for sale
Advances received on uncompleted construction contracts	1,453	6,002	+ 4,548	Increase in new housing starts
Noncurrent liabilities	2,283	4,996	+ 2,712	
Long – term loans payable	2,122	4,820	+ 2,698	Increase in borrowings associated with the raising of M&A
Net assets	3,092	2,744	△348	
Total liabilities and net assets	13,390	21,495	+ 8,105	

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FY2025/5 Earnings Forecast

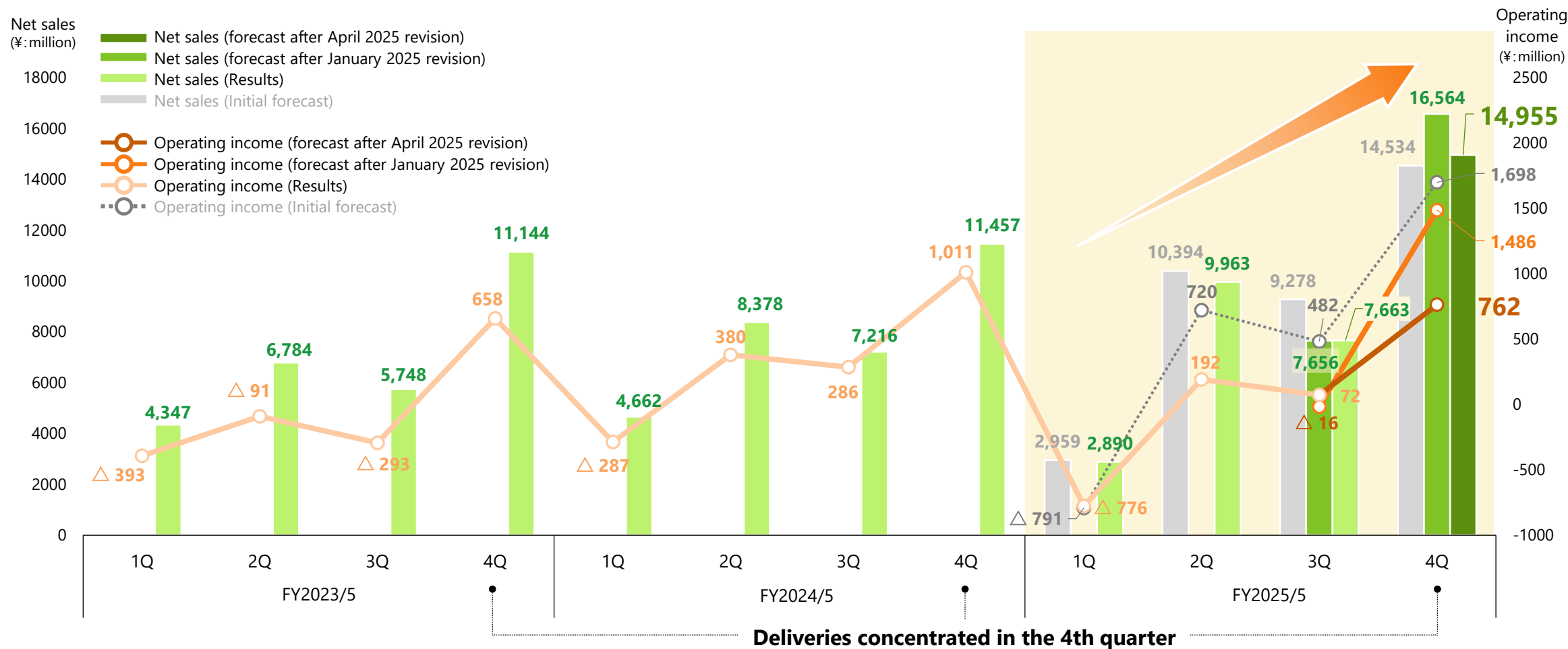
The revised forecast which was announced in January 2025 has been revised downwards again in light of delays in delivery and a decline in orders received following the record snowfall across Hokkaido, including the record-high 120 cm of snow that fell in a 12-hour period in the eastern Hokkaido city of Obihiro.

(¥:million)	FY2024/5	Net sales (%)	FY2025/5	Net sales (%)	Year on Year (%)
Net sales	31,714	100.0	35,472	100.0	+11.8
Gross Profit	5,898	18.6	6,206	17.5	+5.2
Operating income	1,391	4.4	250	0.7	△82.0
Ordinary Income	1,358	4.3	165	0.5	△87.8
Net Income Attributable to Owners of Parent	890	2.8	6	0.0	△99.3

FY2025/5 Quarterly Results Forecast

Although the forecast has been revised downward, net sales for the fourth quarter will climb significantly year on year following SAKAI CONSTRUCTION joining the Group.

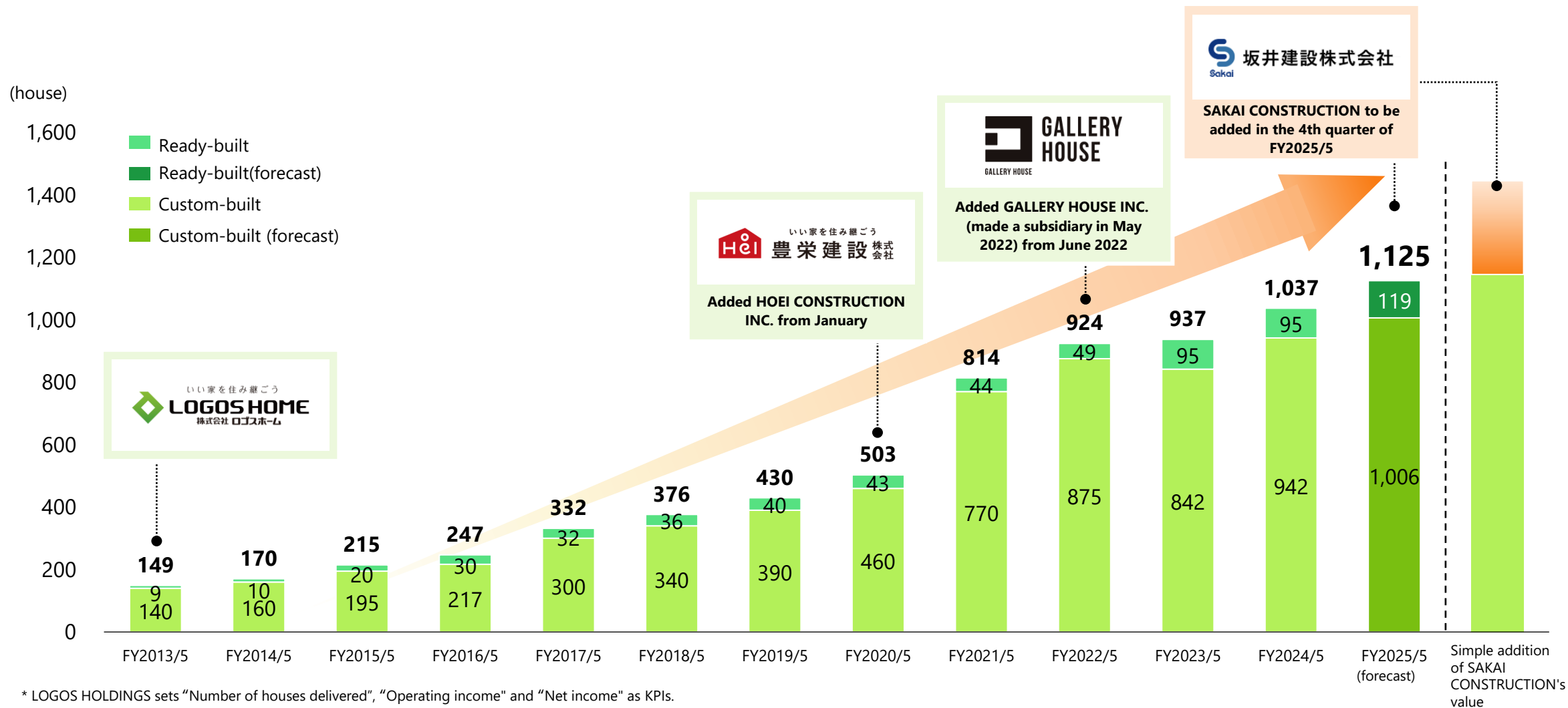
Operating income will drop sharply, reflecting the decrease in the number of houses, the impact of purchase price allocation (PPA), both of which resulted in the previous and new revision respectively, and the costs for new store opening in Nagoya.



Number of Units Delivered

The Company aims to deliver 1,125 detached houses in FY2025/5.

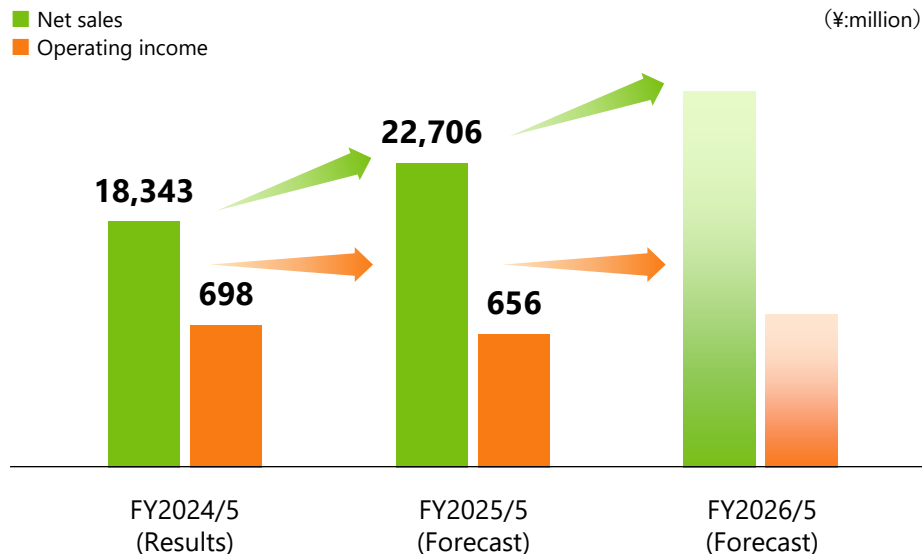
The plan is that the full-year FY2026/5 results will reflect the number of houses to be delivered by new Group company SAKAI CONSTRUCTION.



FY2026/5 Earnings Forecast by Subsidiary

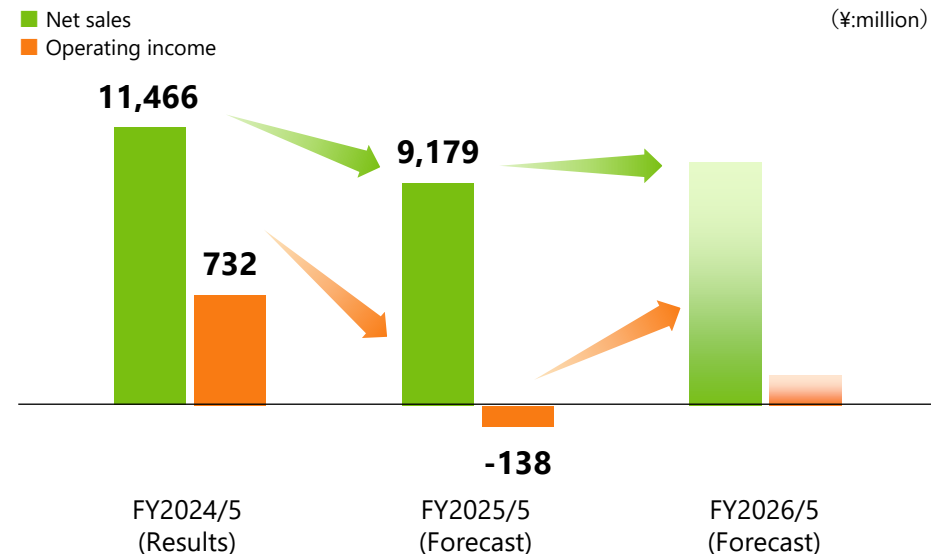
LOGOS HOME INC.

Net sales and gross profit will grow by a large margin, following the expansion into new areas through the opening of new stores and the increase of market share in existing areas. Operating income is expected to stay flat due to upfront investment after the Nagoya project was pushed forward. Net sales and gross profit are expected to rise steadily in the coming fiscal years, but operating income will increase slightly in the foreseeable future due to the upfront investment associated with area expansion.



HOEI CONSTRUCTION INC.

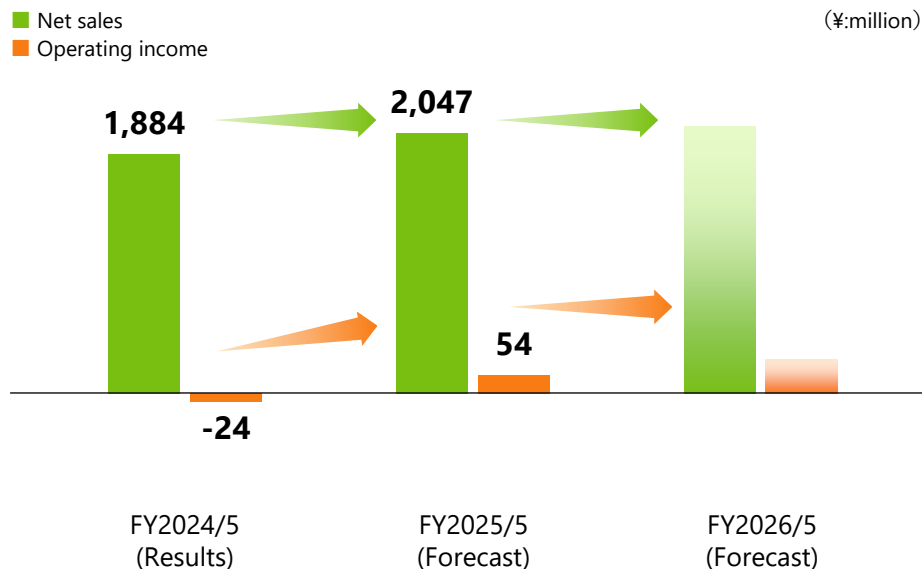
Operating income will be negative, reflecting decreases in orders and units delivered attributable mainly to a sharp slide in the number of initial consultations at the beginning of fiscal year. In the next fiscal year, HOEI will reassess its operations from building 400 units per year to an appropriate scale to increase productivity and regain profitability.



FY2026/5 Earnings Forecast by Subsidiary

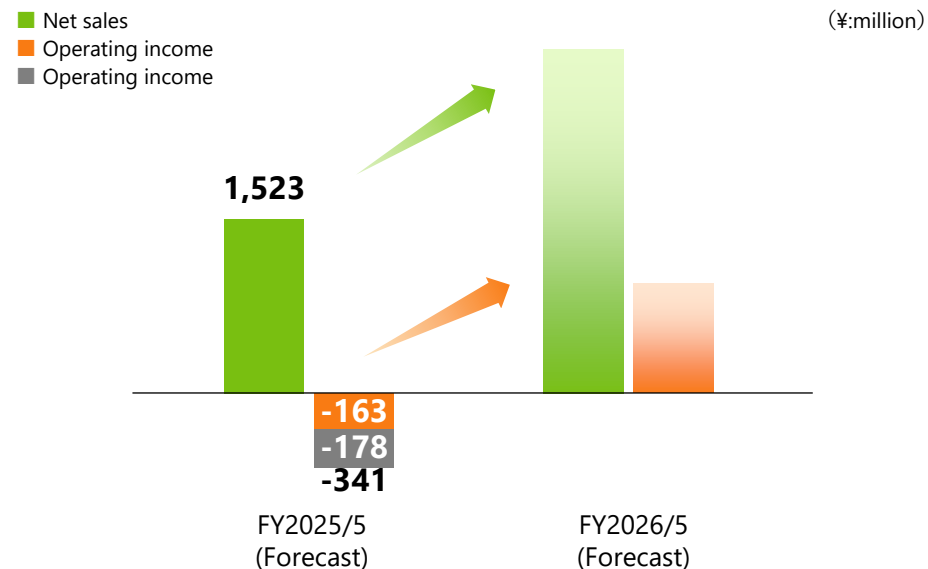
GALLERY HOUSE INC.

Net sales and operating income will increase year on year. Among other matter, the improvement of productivity will reduce selling, general and administrative expenses significantly and result in a return to profitability. GALLERY HOUSE expects to post stable income next and in the following fiscal years.



SAKAI CONSTRUCTION INC.

Because this is the first year of its consolidation, the consolidated statement of income will reflect its performance for a limited period of time. Next fiscal year, the consolidated financial results will include its full-year results, and there will no longer be any impact from the M&A advisory fees or purchase price allocation (PPA). In addition, the increase in orders in FY2024 resulted in an increase in the order backlog. Net sales and operating income are expected to grow substantially in the next fiscal year.



Store Opening Plans

The Group's target areas are expected to expand significantly, as can be seen in the Group's first store-opening in the Tokai Region in the second half of the fiscal year.

Expansion of sales area

FY2025/5

- **Saitama** — Opening in Fujimino
- **Fukushima** — Opening in Fukushima, Iwaki
- **Aichi** — Plan to open in Nagoya

FY2026/5
and later

- **Kanto region**
 - **Tokai region**
 - **Hokuriku region**
- Plans to open four to five new stores per year

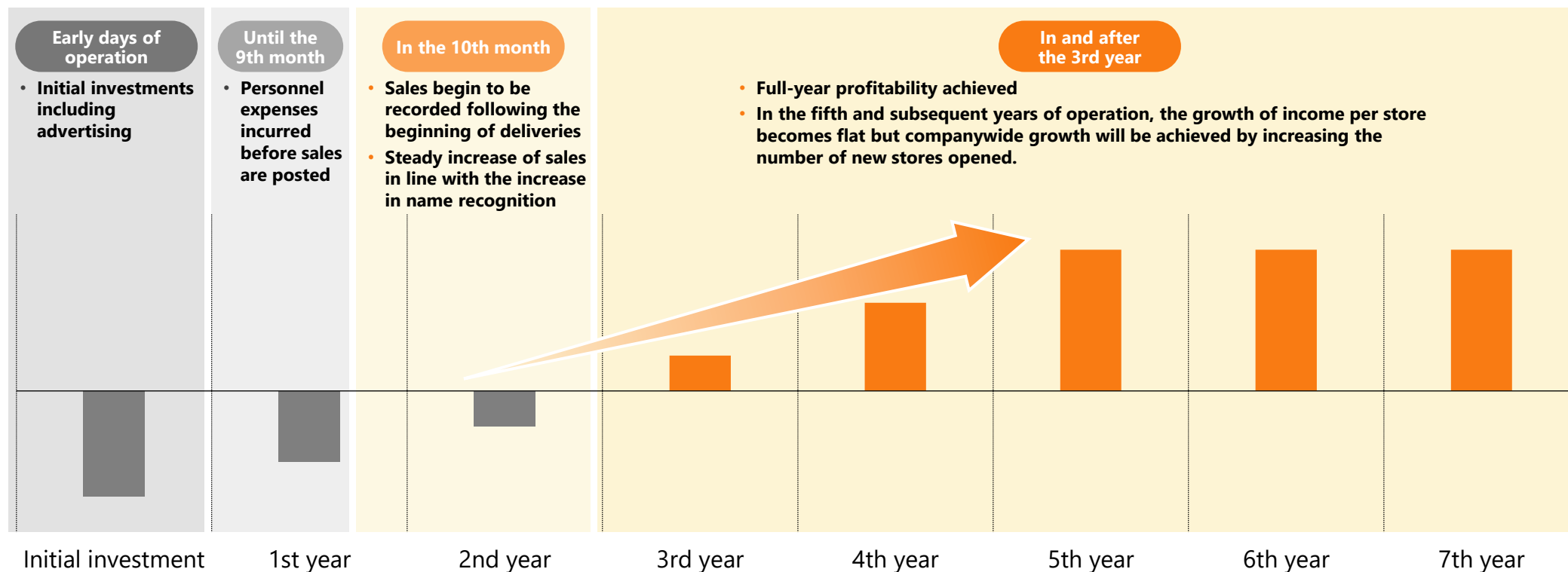
Aiming for **50** Offices



Recovery of the Investment in the Opening of New Stores

Due to the characteristics of its business, the Group's business plan is to achieve profitability three years after it opens a store. It takes some time for income to grow. The Group will continue to increase the number of new stores it opens in the coming fiscal years. Income is expected to grow slowly until the new stores get on track.

Change in the operating income of a newly opened store (general trend)



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The dividend forecast for the fiscal year ending May 31, 2025 has NOT been changed because of the downward revision of the financial results forecast. The Company is considering the introduction of indicators such as dividend on equity (DOE) to ensure that it secures internal reserves to pursue its growth strategy involving M&A activities and the opening of new stores and also pays of stable dividends. The Company thus expects to revise its dividend policy and payout ratio.
The Company is considering paying dividends of at least 45.33 yen per share (minimum dividend).

(Yen)	Year ending May 31, 2025 (Forecast)
Profit per share	1.63 yen
Dividend per share	45.33 yen
Payout ratio	2,775%

Dividend policy

ensuring a payout ratio of
30% to 50%.

**The Company will be
changing its dividend policy
and payout ratio in or after
the next fiscal year.**

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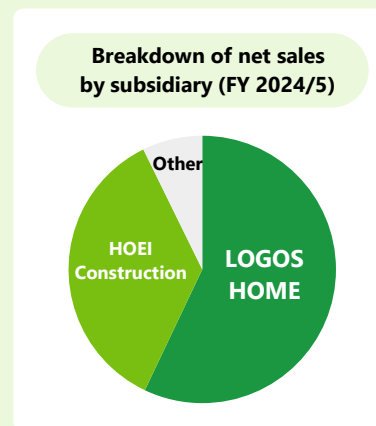
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Company Profile and Group Structure

Company Name	LOGOS HOLDINGS INC.
Representative	Yuichi Ikeda President and Representative Director
Head Office Address	2-2-1, Higashi Sanjo Minami 13-chome, Obihiro, Hokkaido
Establishment	July 9, 2020
Business	custom-built housing sales business, using digital marketing to attract customers and efficient operations with DX
Number of Employees	85 *Total group: 494 (as of May 31, 2024)
Capital Stock	Approx. 99 million yen (as of February 28, 2025)



*All are consolidated subsidiaries, Figures in () is the percentage of voting rights held.
The Figure in 《 》 are percentages of indirect voting rights held in parentheses.

LOGOS HOME INC. (100.0)	Hokkaido, Tohoku, North Kanto
 いい家を住み継ごう 株式会社 ロゴスホーム	Custom-built house Ready-built house Residential land sales
HOEI CONSTRUCTION INC. (100.0)	Sapporo/Tomakomai
 いい家を住み継ごう 株式会社 豊栄建設	Custom-built house Ready-built house Residential land sales
GALLERY HOUSE INC. (100.0)	Tochigi
 GALLERY HOUSE	Custom-built house Ready-built house Residential land sales Renovation
ROOT LINK INC. (100.0)	
 ROOTLINK	Builder support consulting*1 (DX consulting, etc.)
Logos Creative Office Philippines. Inc. 《99.9》	
 LOGOS CREATIVE OFFICE PHILS INC.	CAD Operation*2
SAKAI CONSTRUCTION INC. (100.0)	Niigata
 坂井建設株式会社 From December 26, 2024	Custom-built house Renovation Civil engineering

*1 Builder support consulting mainly provides support for the introduction and operation of sales support software and CAD (drawing and perspective creation) services.

*2 Providing CAD drawing and perspective creation services (CAD operations) in Philippines

History -Holdings and History of Major Operating Companies-



- **2003** .06 • LOGOS HOME INC. was established in Obihiro, Hokkaido, for selling houses
- **2006** .09 • Anesis INC. was established in Obihiro, Hokkaido, for operating a showroom to exhibit houses
- **2008** .09 • Manshitsu Keikaku HA-I-RU INC. was established in Kato-gun, Hokkaido for the purpose of remodeling houses business
- **2009** .04 • Manshitsu Keikaku HA-I-RU INC. changed its name to LOGOS FACTORY INC.
- **2013** .04 • Anesis INC. changed its name to Housing Cafe INC.
- **2014** .05 • Housing Cafe INC. merged with LOGOS FACTORY INC.
- **2015** .02 • Logos Creative Office Philippines. Inc. was established in Philippine, for providing architectural design drawing agency services
- **2016** .09 • PLAPRO INC. (current ROOT LINK INC.) was established in Kato-gun, Hokkaido for the purpose of offshore business
- **2019** .06 • Endeavor United II Investment Business Limited Partnership established (former) LOGOS HOLDINGS INC., and acquired 100% of the shares of LOGOS HOME INC.



- **1989** .05 • Established HOEI CONSTRUCTION INC. in Sapporo, Hokkaido, for the purpose of selling houses
- **2011** .05 • Alivio INC. was established in Sapporo, Hokkaido, for the purpose of franchise development business with Eyeful Home Inc.
- **2012** .01 • Acquired 100% shares of Remix INC. for starting remodeling houses business
- Acquired 100% shares of Qulios INC. for exclusive selling LIXIL super shell construction method buildings
- Acquired 100% shares of HOEI CHEMICAL INC. for performing preservative treatment work
- .08 • Acquired 100% shares of Scentic Inc. for the purpose of managing beauty salons
- .10 • Merged with Qulios Inc., HOEI CHEMICAL INC. and Scentic Inc.
- .12 • Acquired 100% shares of Land Vision Inc. for building lease management and real estate transactions
- **2015** .01 • Merged with Remix Inc.
- **2016** .01 • Merged with Alivio Inc. and Land Vision Inc.
- **2017** .01 • WORLD HOLDINGS CO., LTD. acquired 100% shares of HOEI CONSTRUCTION INC.
- **2018** .05 • HOEI HOME INC. (Eyeful Home Housing franchise business) was established
- **2020** .03 • Endeavor United II Investment Business Limited Partnership acquired 100% shares of to HOEI CONSTRUCTION INC. from World Holdings Co., Ltd.
- .12 • HOEI HOLDINGS INC. merged with HOEI HOME INC.



- **2020** .07 • HOEI CONSTRUCTION INC. established **HOEI HOLDINGS INC.** (current LOGOS HOLDINGS INC.)
- **2021** .01 • HOEI HOLDINGS INC. merged with **the former LOGOS HOLDINGS INC.** Company name changed to new **"LOGOS HOLDINGS INC."**
- **2022** .05 • Acquired 100% shares of GALLERY HOUSE INC. a custom-built housing company in Tochigi Prefecture
- Acquired 100% shares of ROOT LINK INC. from LOGOS HOME INC.
- **2024** .06 • Listed on the Tokyo Stock Exchange Growth Market
- .12 • Acquired a 100% stake in SAKAI CONSTRUCTION INC., a custom-home builder in Niigata

The Company operates housing and real estate-related businesses in the Hokkaido, Tohoku, and North Kanto areas.
In December 2024, the Company acquired new Group Company SAKAI CONSTRUCTION INC. based in Niigata to expand into the Hokuriku area.



*1 Builder support consulting mainly provides support for the introduction and operation of sales support software and CAD (drawing and perspective creation) services.

*2 Providing CAD drawing and perspective creation services (CAD operations) in the Philippines

Major subsidiaries

Each subsidiary has **its own distinctive product** and **develops business in various regions**



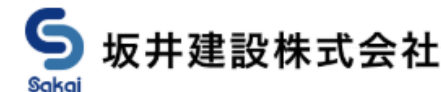
Head Office	Obihiro, Hokkaido
Sales areas	Hokkaido, Tohoku, and Northern Kanto
Sales areas*1	LOGOS HOME: 19 offices Housing Cafe: 5 offices
Main products	FORTAGE, GUUUS, e-Hikaria
Characteristics	Logos Home, which has stores in Hokkaido, Tohoku and North Kanto, and Housing Cafe, which has stores only in Hokkaido. Focusing on high energy-saving performance and reasonable prices, we offer a house with Hokkaido quality*2 that allows you to stay comfortably in any area.



Head Office	Sapporo, Hokkaido
Sales areas	Hokkaido (Sapporo, Tomakomai)
Sales areas*1	2 stores
Main products	Challenge 999
Characteristics	The company has its head office in Sapporo, and is developing businesses such as building houses and housing land sales in Sapporo and Tomakomai, focusing on custom-built houses. We offer a house that focuses on price, quality and support.



Head Office	Utsunomiya, Tochigi
Sales areas	Tochigi Prefecture
Sales areas*1	2 stores
Main products	Tochigi Kenchikusha, VINJOY, Nomaris
Characteristics	The company operates under the brand of Tochigi Kenchikusha, which sells custom-built and ready-built houses in Tochigi Prefecture, VINJOY, which is engaged in renovating existing houses, and Nomaris, which is engaged in the construction of group homes for people with disabilities.



From December 26, 2024



Head Office	Nagaoka, Niigata
Sales areas	Niigata
Sales areas*1	8 stores + office
Main products	Detail HOME, Detail Base, Hiraya Seikatsu
Characteristics	This company operates businesses with its core products being cattleya, custom homes guided by the Designing life in Niigata concept. In addition to selling custom-built homes with special emphasis on design aesthetics, the company builds one-story houses, engages in planning and renovates homes.

*1 In addition to the sales offices, there is one "HOKKAIDO CLASSIUM" operated by LOGOS HOME INC. and HOEI CONSTRUCTION INC.

*2 "Hokkaido Quality" housing is defined as housing that is resistant to severe temperature differences in Hokkaido, earthquakes, strong winds, etc.

Custom-built houses, Ready-built house, Residential land sales



フォルテージ デュオ・トレス・テセラ

Completely free design based on proposal and technical capabilities
DUO: the standard model
TRES: the cost-effective model
TESSERA: the more comfortable and environmental friendly model



イーヒカリア

Solar panel x design housing
More than 300 plans available



SAKAI CONSTRUCTION INC.
(from December 26, 2024)



It is a brand of homes that designs life in Niigata. Houses with timeless designs are built by looking 100 years into the future, unaffected by momentary fads.



Custom-built housing with emphasis on price, quality, and support
Custom-built housing with a clear pricing structure composed of the building cost, additional construction, and options



GUUUS

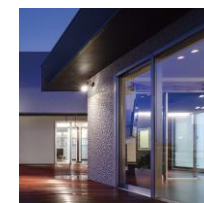
A low-cost and appealingly stylish net-zero energy house (ZEH) Equipped with solar panels standard, it can be improved in terms of design according to the customer's budget.



SAKAI CONSTRUCTION INC.
(from December 26, 2024)

DETAIL BASE

Compact houses that can be built with customized floor plans for as little as 10 million yen



Completely free-design custom-built housing with an emphasis on design
Housing performance suitable for Tochigi Prefecture
Design buildings and "enjoyable living"



VINJOY

Design renovation based on the concept of "existing house, design, and quality assurance"



SAKAI CONSTRUCTION INC.
(from December 26, 2024)



It is a proposal for living in a simple single-story house composed of the really important and necessary things that have been selected.

Other (group home, builder support, offshore)



もっともっと明るい暮らしを

Construction of a group home for the disabled

Group homes for people with disabilities are a form of communal living for people with disabilities in a house or apartment with a maximum capacity of 10 people or less. Staff called "caretakers" or "support staff" provide assistance in daily living, such as preparing meals, bathing, and using the toilet.



Builder Support Consulting
(DX consulting, etc.)



CAD Operation
(Philippines)

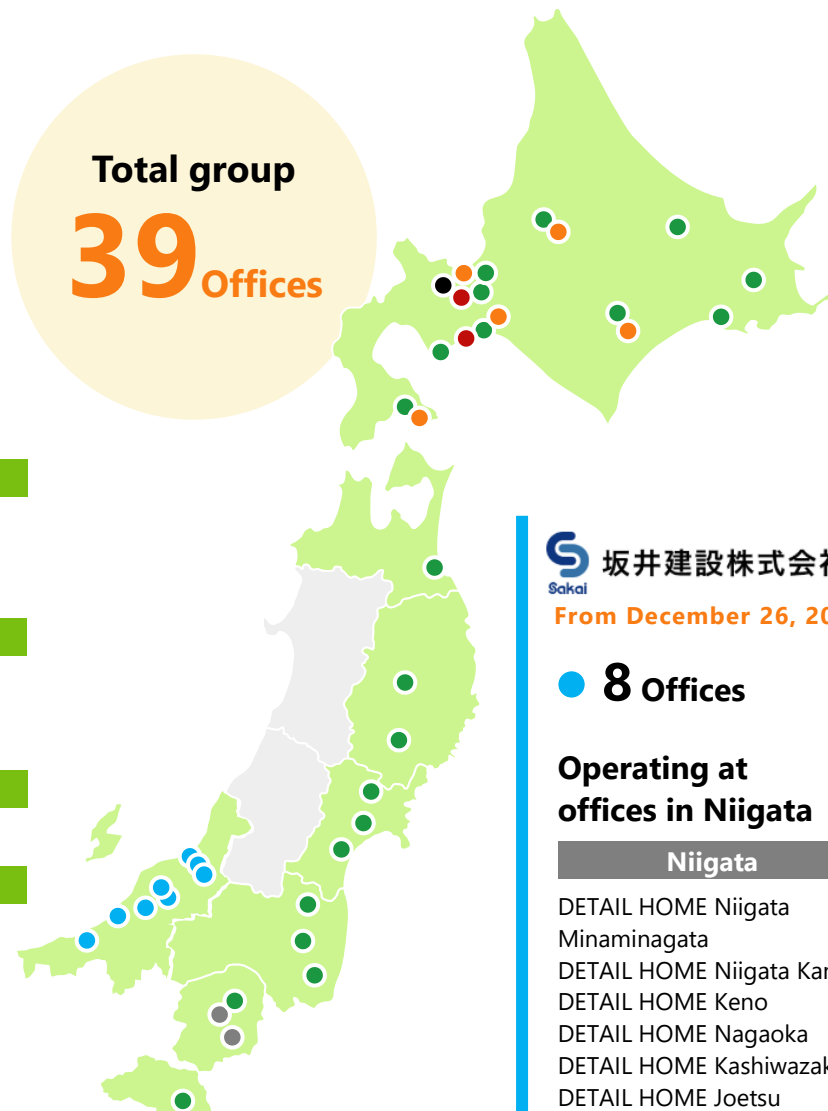
*ZEH, net zero energy houses, are houses that balances the energy used in the home with the energy generated by solar power generation, reducing the amount of energy consumed in one year to practically zero or less.



● 21 offices

Expanding offices from Hokkaido to Tohoku and North Kanto

Hokkaido	Miyagi
LOGOS HOME(LH) Obihiro	LH Sendai Izumi
LH North Sapporo	LH Osaki
LH South Sapporo	LH Natori
LH Hakodate	
LH Asahikawa	
LH Kushiro	
LH Tomakomai	
LH Kitami	
LH Noboribetsu, Muroran	
LH Nakashibetsu	
Aomori	Fukushima
LH Hachinohe	LH Koriyama
	LH Fukushima
	LH Iwaki
Iwate	Tochigi
LH North Morioka	LH Utsunomiya
LH Oshu	
	Saitama
	LH Fujimino



坂井建設株式会社
From December 26, 2024

● 8 Offices

Operating at offices in Niigata

Niigata
DETAIL HOME Niigata
Minaminagata
DETAIL HOME Niigata Kandoji
DETAIL HOME Keno
DETAIL HOME Nagaoka
DETAIL HOME Kashiwazaki
DETAIL HOME Joetsu
Hiraya Seikatsu Ken-ou
DETAIL BASE Niigata



● 2 Offices

Laying the groundwork at two locations in Tochigi Prefecture

Tochigi
Tochigi Kenchikusha
Utsunomiya Head Office
Tochigi Kenchikusha
Moka



● 1 Offices



● 5 Offices

Expanding solar-powered homes exclusively in Hokkaido

Hokkaido
Housing Café(HC) Obihiro
HC Sapporo
HC Hakodate
HC Asahikawa
HC Chitose



● 2 Offices

Maximize sales at one location, mainly in Sapporo

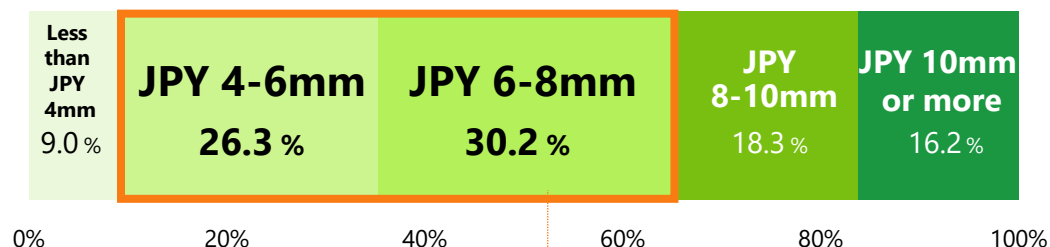
Hokkaido
Housing Lab Sapporo
Tomakomai Sales Office

* As of January 14, 2025

* LOGOS HOLDINGS INC, ROOTLINK Corporation, and Logos Creative Office Philippines. Inc. do not have sales offices

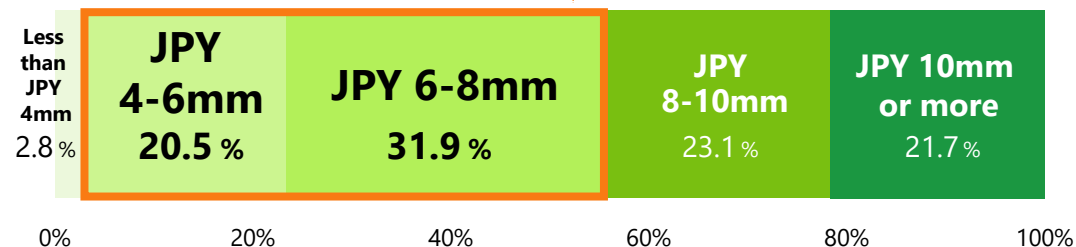
Providing housing that **can withstand Hokkaido's harsh environment at an affordable price**

Household income of custom-built house buyers



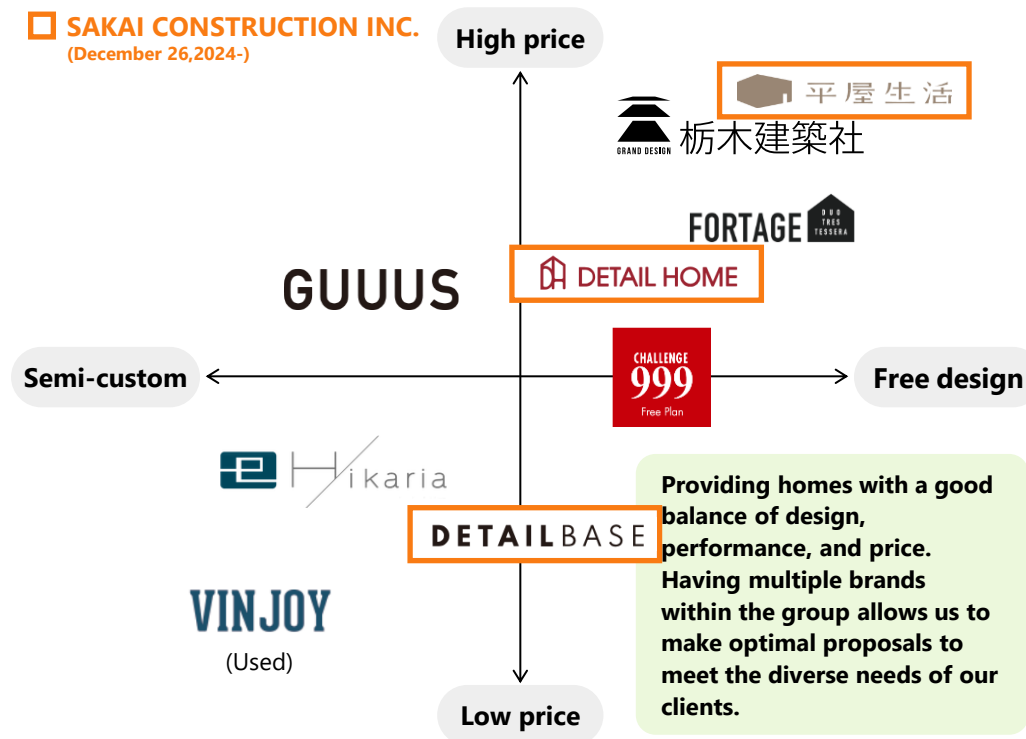
Volume zone = Our target

Household income of ready-built house buyers



Brand Development responding to diverse requests

SAKAI CONSTRUCTION INC.
(December 26, 2024-)



*In the diagram above, "Semi-custom" refers to products that are cost-effective because the client chooses from a predetermined floor plan, specifications, etc. "Free design" refers to products that have a highly flexible design based on the client's requests.

Three Strengths for Continued Growth

1



**Product
Development
Capability**

2



**Digital
Marketing**

3



**Efficient
Operation
with DX**

1. Product Development Capability

Our group is working to cut costs and address the shortage of skilled workers by reviewing our procurement and subcontracting partners, and utilizing modular factories.
At the same time, we are establishing a system to support the development of new products by each subsidiary.

Energy saving, Reduction of CO₂



We continued development of homes that contribute to reduction of electric consumption and CO₂ emissions. In the award system "House of the Year in Energy", LOGOS HOME's housing was again selected for the "Award of Excellence" in FY2023. In addition, LOGOS HOME received the "Award for Excellence Energy-Saving Housing builder" for three or more consecutive years.



*The "House of the Year in Energy" award system is a system by the Japan Center for Regional Development to recognize outstanding homes that contribute to reduction of electric consumption and CO₂ emissions.

compatible with solar panels



In the Hokkaido Iburi East Earthquake in 2018, it took "about 64 hours" for the Hokkaido Electric Power Company to declare restoration, but power was available while the solar panels were generating electricity. As a disaster preparedness measure, we support the installation of household storage batteries along with solar power generation systems. We can also accommodate installation after the delivery of the house.

Highest grade earthquake resistance



All buildings are rated as equivalent to the highest earthquake resistance grade 3 in preparation for the frequent earthquake disasters that occur throughout the country.

Earthquake resistance grade 1	Levels that meet Building Standards Act	Earthquake resistance grade 2	1.25 times more earthquake resistant than Earthquake resistance grade 1	Earthquake resistance grade 3	1.5times more earthquake Resistant than Earthquake resistance grade 1
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*Source: "Outline of the Housing Performance Indication System (revised December 2023)," Ministry of Land, Infrastructure, Transport and Tourism.

Development of homes with high performance in terms of energy efficiency, CO₂ reduction, and earthquake resistance, while meeting the diverse needs of the local community

2. Digital Marketing

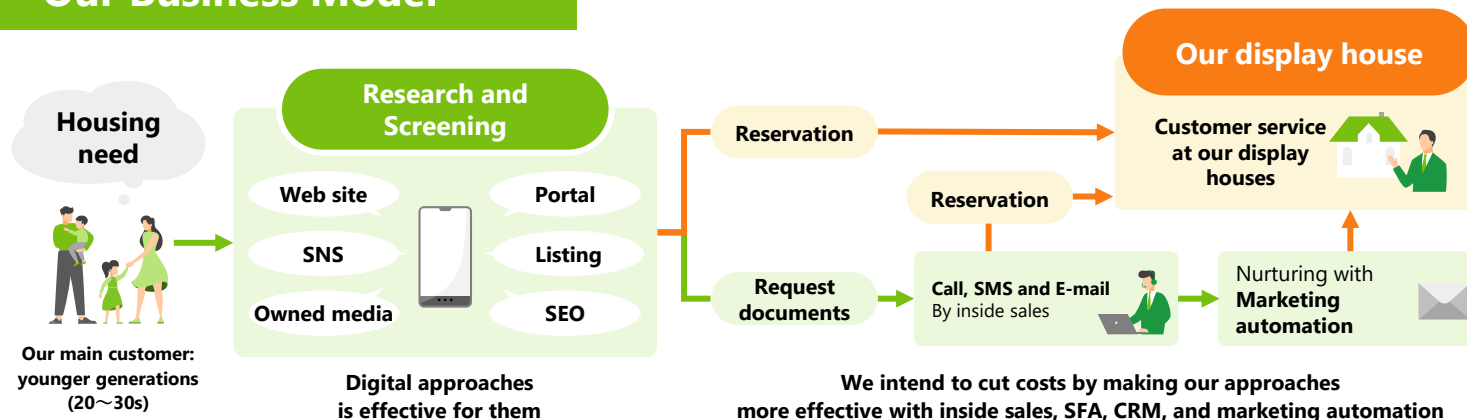
Strengthening **digital marketing**, which is effectively approachable to the younger generation,
to keep the cost of attracting customers at a low level

Business model of a typical "comprehensive housing exhibition hall"



A common sales method for housing companies is to "exhibit at comprehensive housing exhibition halls. In order to exhibit, housing companies must pay for the construction of luxurious model houses that are not inferior to those of other companies, land lease fees, and expenses for operating and advertising them. The exhibition halls attract visitors through character shows and gift distribution events, and each company competes for visitors. The costs of the exhibition halls are passed on to prices.

Our Business Model



One of our greatest advantages is our ability to efficiently attract customers to our showrooms and model homes through digital marketing and our official SNS ambassador system. Since no competition enters the market, we have a higher closing rate than a typical type of "General housing exhibition hall" attraction, and we are able to set our prices lower because we are able to keep the cost of attracting customers low.

3. Efficient Operation with DX

Since our headquarter locates in the vast island of Hokkaido, reducing travel costs is an important management issue for the company. We have long been promoting digital transformation (DX) and online operations under the theme of "building houses that require zero travel time," thereby reducing costs and improving productivity.

Typical operation

1. Sending leaflets and DMs



2. Calling and sending documents by sales



3. Visiting potential customers



4. On-site construction management everyday



5. On-site inspection



Our operation

► Building a house to minimize travel time

1. Digital marketing



Efficient approaches with the web site, SNS, SEO, portals, and listing advertisement

2. Calling by inside sales



Sensible replies by specialist staffs

3. Online meeting if requested



Cutting travel time leads to more appointments and less overtime working

4. Construction management with application



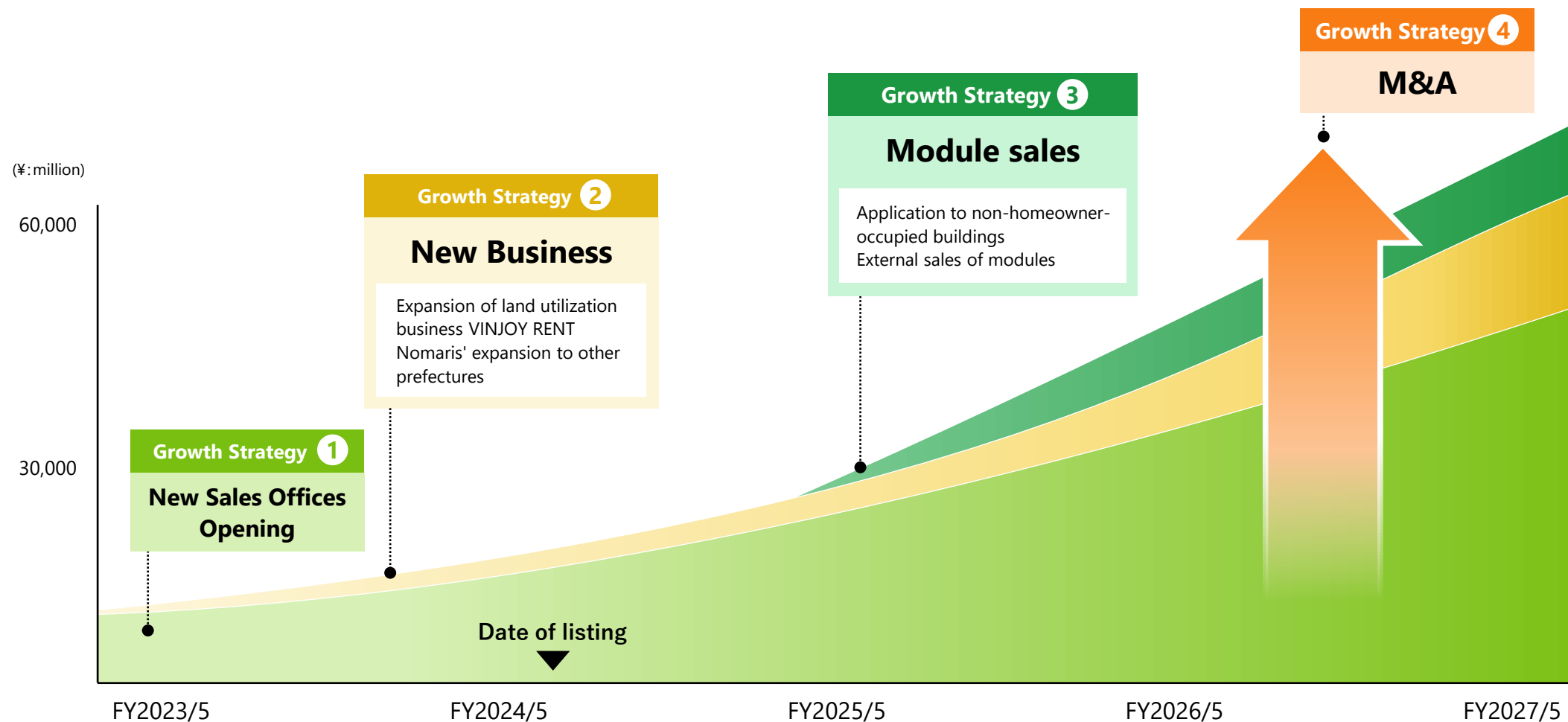
Cutting travel time leads to more appointments and less overtime working

5. Online inspection if requested



Dealing with social changes caused by the infections or thoughts on privacy

Growth Strategy(Image)



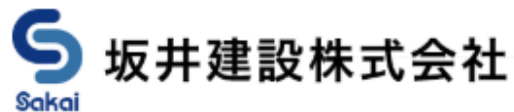
① New Sales Offices Opening, ② New Business, ③ Module sales, and ④ M&A

*The above figures are intended to illustrate an image of the contribution of each strategy. There is no guarantee that actual sales growth will match the above image.

M&A: Acquisition of Group Company SAKAI CONSTRUCTION INC. (1/2)

The Company made SAKAI CONSTRUCTION INC. a Group company.
It is a highly visible leading company among house builders in Niigata in terms of its construction track record.
SAKAI CONSTRUCTION also boasts a high growth rate. Its most recent net sales and operating income figures were approx.
6.7 billion yen and approx. 0.3 billion yen, respectively.

Company Profile



Name SAKAI CONSTRUCTION INC.

WEB <https://sakaikensetsu.jp/>

Head Office Address 1400-3, Kamishio, Nagaoka, Niigata

Establishment August 29, 1964 (founded in April 1948)

Representative Yoshiei Sakai, Representative Director and President

Business

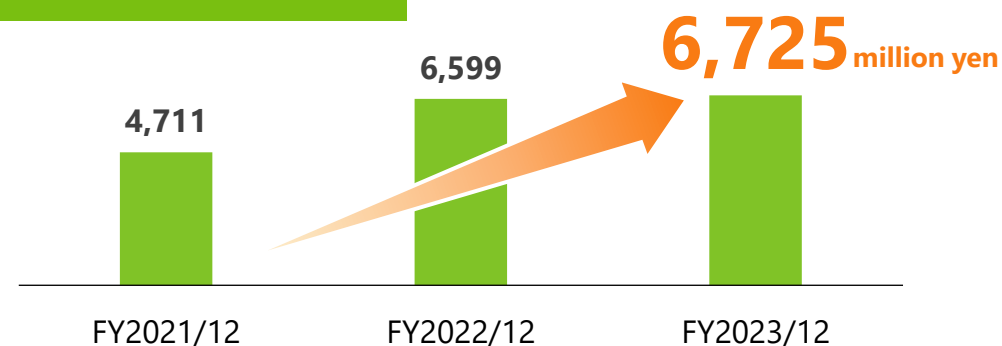
- Design and construction of custom-built homes
- Housing renovation and condominium renovation
- Real estate brokerage and sales
- Civil engineering
- Marketing support

Net assets 1,046 million yen (FY2023/12)

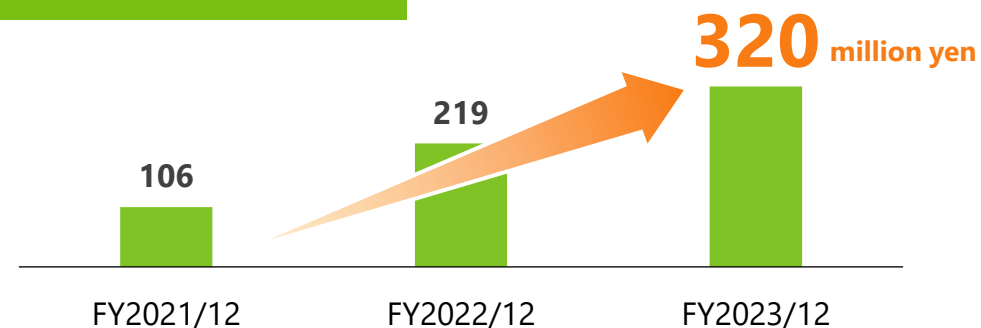
Interest-bearing debt - million yen (FY2023/12)

Cash and deposits 1,230 million yen (FY2023/12)

Net sales (¥: million)

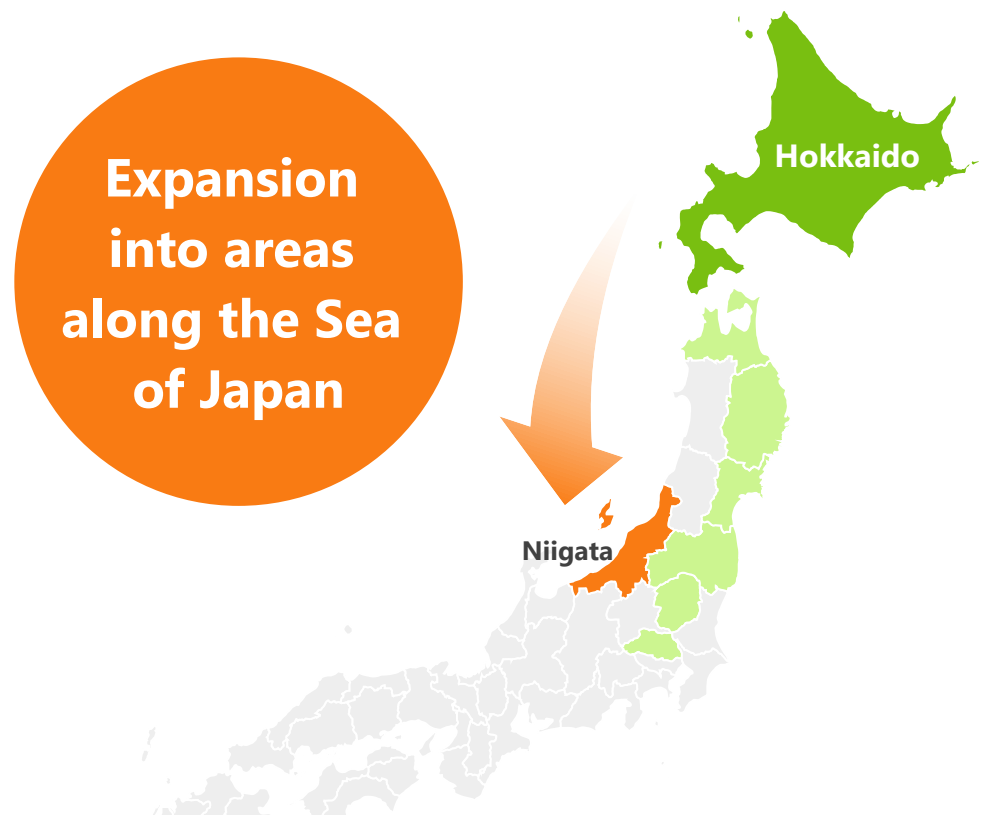


Operating income (¥: million)



M&A: Acquisition of Group Company SAKAI CONSTRUCTION INC. (2/2)

With the acquisition of new Group company SAKAI CONSTRUCTION, the Company plans to enter Hokuriku area from its new base in Niigata. It has become possible to take advantage of residential design know-how in the areas along the Sea of Japan and in the areas on the Pacific side, which differ from each other, in the creation of proposals to acquire new customers.



Planning to enter Hokuriku area from Niigata as a hub

Synergy created by acquiring Group company SAKAI CONSTRUCTION

1 Expansion of know-how

Housing construction know-how in the areas along the Sea of Japan is different from in areas on the Pacific side. This means that the acquisition of Group company SAKAI CONSTRUCTION expands the Company's know-how, with the addition of know-how in the areas along the Sea of Japan.

2 Expansion of area

Strengthening operations in areas along the Sea of Japan, with Niigata as the starting point

3 Cost reduction

Reducing costs through centralized procurement, leveraging economies of scale

With the market expected to shrink over the medium to long term, the Company will not only open new sales offices, but also expand the scale of its business through M&A of local construction companies nationwide. The Company will absorb the features of its subsidiaries, including SAKAI CONSTRUCTION which has newly joined the Group, and convert these features into know-how. Additionally, through ROOTLINK's builder support platform, the Company will promote alliances with housing companies nationwide, and develop future M&A candidates.



*Builder support consulting mainly provides support for the introduction and operation of sales support software and CAD (drawing and perspective creation) services. Providing CAD drawing and perspective creation services (CAD operations) in Philippines

Handling of this document

The information contained in this material is based on currently available information, but we make no representations or warranties as to its accuracy or completeness. Although this report may contain projections based on assumptions, forecasts, and plans related to the future as of the date of publication, these forward-looking statements are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not promise that it will achieve such results. There may be significant differences between such forecasts and actual results due to various factors in the future, including changes in economic conditions, customer needs and preferences, and changes in laws and regulations.

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