

# Intellex, Co., Ltd.

September, 2005

Transforming the Old into the New;  
New Possibilities for Used Condominiums

**Intellex, Co., Ltd.**  
**JASDAQ 8940**

**1. OUTLINE**

**2. MARKET**

**3. WHY**

**“Renovex” Condominium ?**

**4. FOR THE FUTURE GROWTH**

**5. CORPORATE DATA**

## 1. OUTLINE

- 1-1. Intellex Mission
- 2. What is "Renovex" Condominium?
- 3. "Renovex" Condominium - photos



# 1-1. Intellex Mission



## Activate used condominium market

In the **expanding** used condominium market, Intellex **purchases** properties, and **renovates** with high- quality decor and sell them.

**BEFORE**



**AFTER**



# 1-2. What is "Renovex" Condominium?



## A completely **renovated** used condominium

with high quality decor, and **comprehensive after-sales service**.

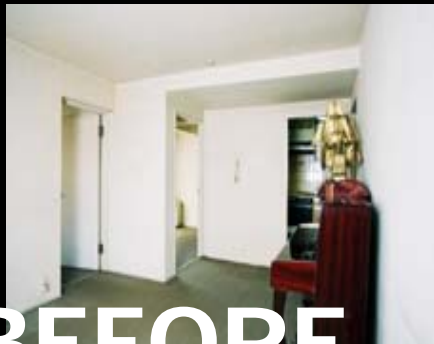
("Renovex" is a **registered trademark**.)

### Renovex Data

		05/2005	05/2004
Regional Breakdown	Tokyo 23 Wards	56.45%	61.51%
	Yokohama City	24.76%	19.30%
	Other Areas	18.78%	19.20%
Average sales price (thous. of yen)		26,295	25,521
Average age of property (years)		19.01	20.32
Number of Renovex Condominiums sold		974	922
Total numbers of properties sold		1,004	969



# 1-3. "Renovex" Condominium - photos



**BEFORE**

**AFTER**

## 2. MARKET

- 2-1. **Changes in the Numbers of New Condominiums Supplied**
- 2. **The Stock of Used Condominiums**
- 3. **Outlook for Used Condominium Market in Japan**

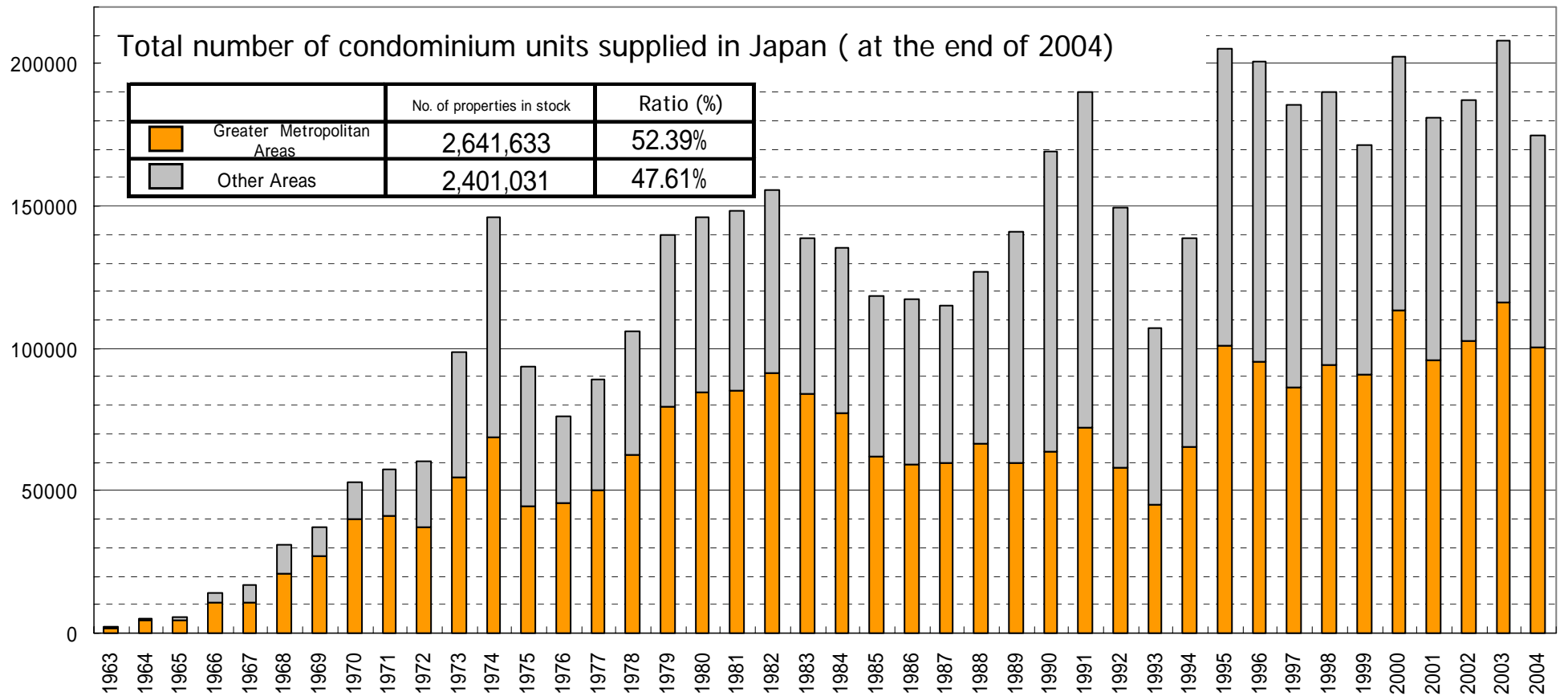
# 2-1. Changes in the Number of New Condominiums Supplied



**More than half of condominium units are in Greater Metropolitan area.**

Chart 1: Numbers of condominiums supplied in Japan

Created by Intellex Co., Ltd., based on data provided by Tokyo Kantei, Co., Ltd.



Metropolitan areas refer to Tokyo, Kanagawa, Saitama and Chiba



# 2-2. The Stock of Used Condominiums



## The stock of used condominiums in Greater Metropolitan area has been increasing.

Chart 2: Categories condominiums into 4 types in terms of year of construction

Created by Intellex Co., Ltd., based on data provided by Tokyo Kantei Co., Ltd.

Dawn of Condominium Market (1954-1973)	Growth Stage (1974-1983)	Bubble Era (1984-1993)	Back to Urban Area (1994-2004)
Approx. <b>260,000</b> units	Approx. <b>700,000</b> units	Approx. <b>620,000</b> units	Approx. <b>1,060,000</b> units

More than 21 years old:  
**Renovations needed**  
(Existing needs)

11~20 years old:  
**Renovations needed**  
or necessary depending  
on their conditions

0~10 years old:  
No renovation  
needed(**Source of  
future demand**)

## 2-3. Outlook for Used Condominium Market in Japan



Current:

Continuous **abundant supply** of new condominiums  
Many **aged** condominiums -  
-- especially in Greater Metropolitan area  
On the other hand, **very few rebuilding** projects ongoing

Changing Recognition:

From "**scrap and build**" into "**renovate**"  
--- **Changing** recognition of **administrative offices**

Future:

As in Europe and in USA, transactions of used  
condominiums will become the **main stream**

## 3. Why "Renovex" Condominium ?

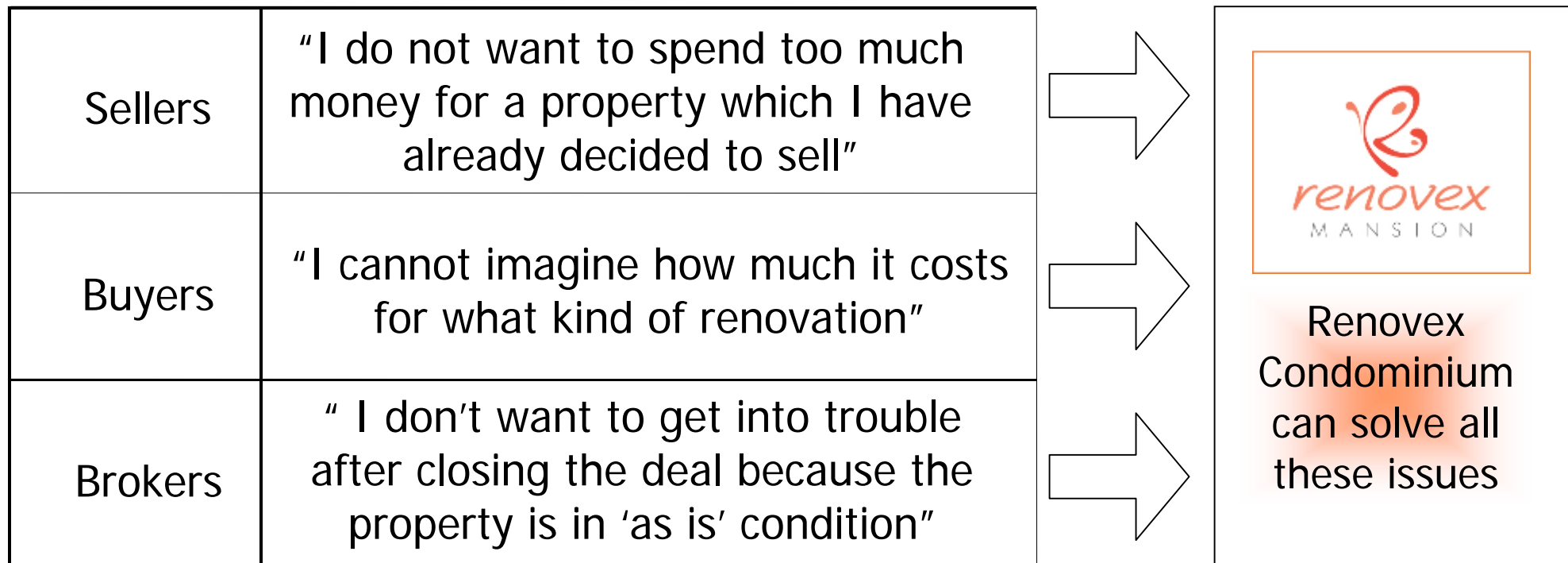
- 3-1. Why "Renovex" Condominium Now ?
- 2. Business Flow
- 3. Advantages of Intellex
- 4. Highlights of Consolidated Results for the Year Ended May 2005
- 5. Earnings Charts

# 3-1. Why “Renovex” Condominium Now?



## It is the meet the needs of all of three players : sellers, buyers and agents

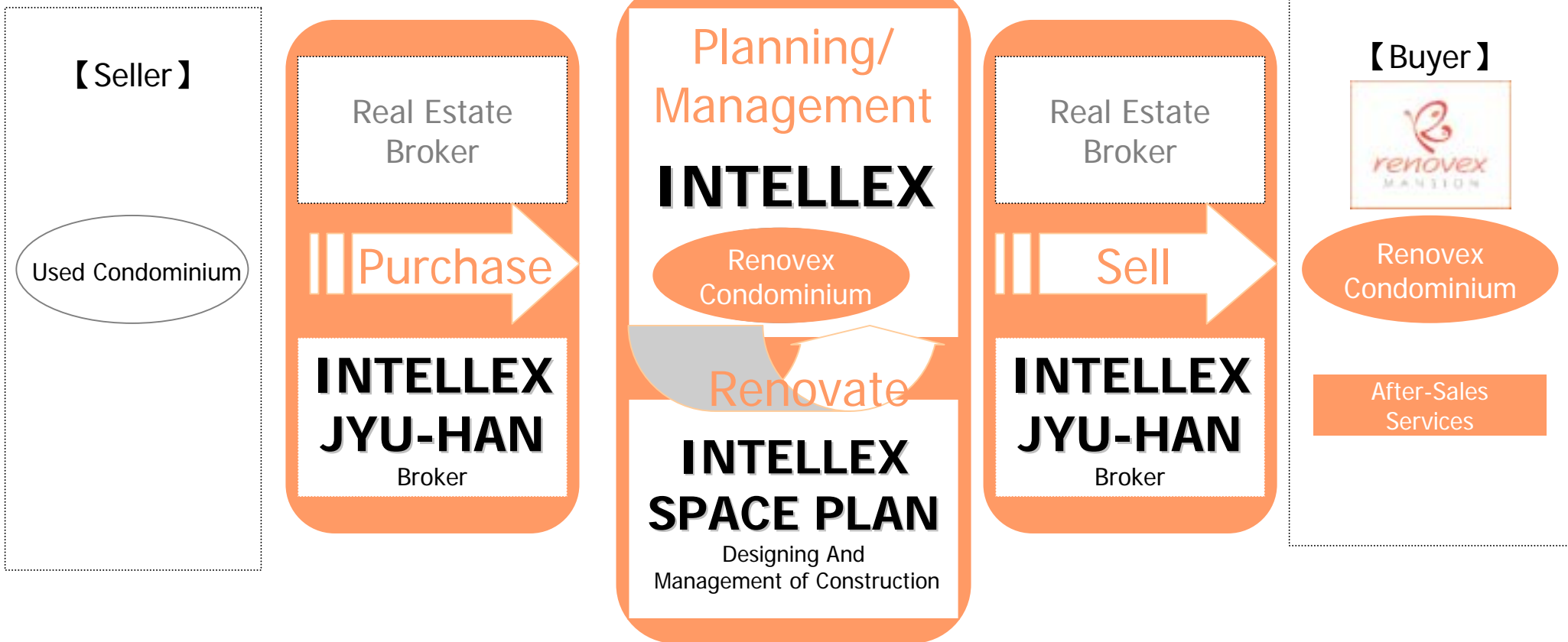
### Several Issues Among Participants When Selling/Purchasing Aged Condominiums



# 3-2. Business Flow



## Intellex Group handles all stage of "Renovex" Condominium



## 3-3. Advantages of Intellex



### **Revive the entire property using superior renovation techniques**

- **Uniform management among group** enables Intellex to maintain high quality decors.

### **After-Sales Services**

- Offering complementary **after-sales service** to all "Renovex" Condominiums.

### **Property Management System**

- Originally-developed Property Management System allows Intellex to deal with **more than 1,000 properties per year**.

### **Project Period : 128 days in Average (05/2005)**

- Risk hedge by **shorter business period**.

# 3-4. Highlights of Consolidated Results for the Year Ended May 2005



**Revenues increased by 7.8% YoY, while  
Ordinary Income increased by 35.12% YoY.**

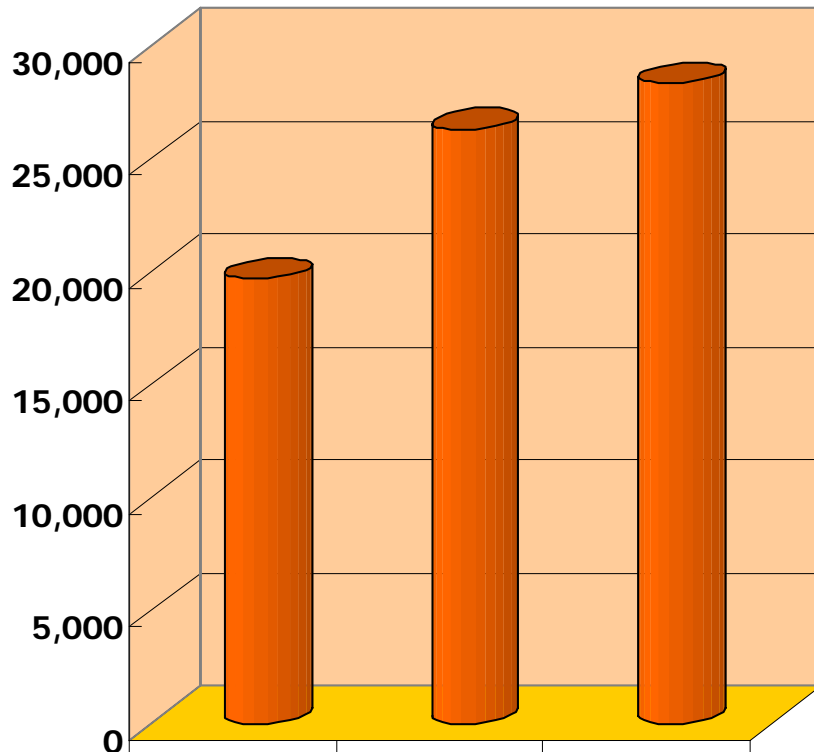
	Millions of Yen						
	2003		2004		2005		
							change
Revenue from Operations	19,705	100.00%	26,314	100.00%	28,367	100.00%	107.80%
Operating Income	776	3.94%	982	3.74%	1,254	4.42%	127.63%
Ordinary Income	486	2.47%	575	2.19%	778	2.74%	135.12%
Net Income	275	1.40%	355	1.35%	397	1.40%	108.83%

# 3-5. Earnings Graphs



## Revenues (Consolidated)

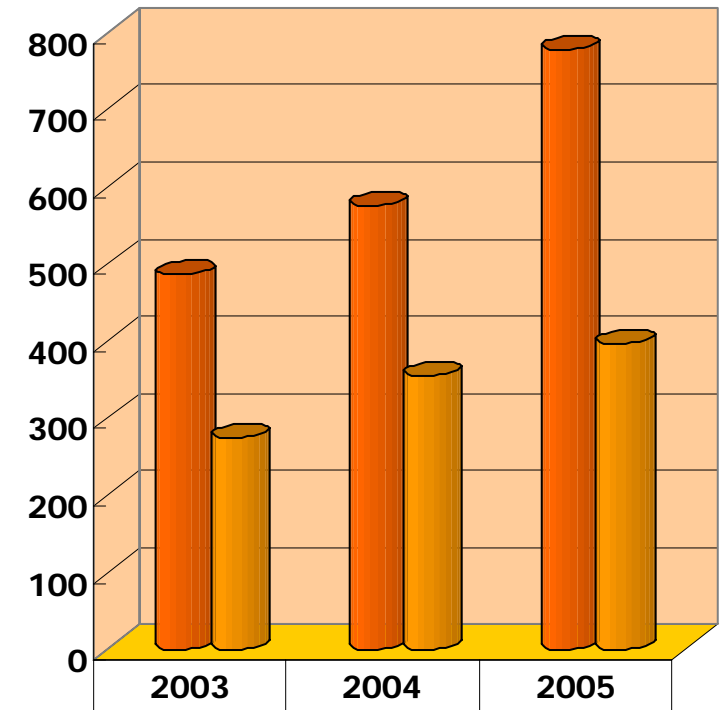
Millions of Yen



Revenues	19,705	26,314	28,367
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## Ordinary Income/Net Income (Consolidated)

Millions of Yen



Ordinary Income	486	575	778
Net Income	275	355	397



# 4. FOR THE FUTURE GROWTH

- 4-1. **Consolidated Earnings Forecast**
- 2. **Management Policies for the Term**
- 3. **New Business – “Owner Changed Condominium”**
- 4. **Cost reduction in Borrowings**
- 5. **Shorter “Renovex” Project Period**
- 6. **Intellex Space Plan : Rebuilding Execution Management System**
- 7. **Expanding Business Area**
- 8. **Return Profits to Shareholders**

# 4-1. Consolidated Earnings Forecast



**Rebuilding execution management system and improving profit margins.**

**Both Revenues and ordinary income are expected to grow by 10.24% and 44.85%, respectively.**

Millions of Yen

	2004 (actual)		2005 (actual)		2006 (forecast)		
						change	
<b>Revenues</b>	<b>26,314</b>	100.00%	<b>28,367</b>	100.00%	<b>31,274</b>	100.00%	110.24%
<b>Ordinary Income</b>	<b>575</b>	2.19%	<b>778</b>	2.74%	<b>1,127</b>	3.60%	144.85%
<b>Net Income</b>	<b>355</b>	1.35%	<b>397</b>	1.40%	<b>531</b>	1.70%	133.66%
<b>Common Stocks Issued</b>	<b>9,720</b>	-	<b>11,220</b>	-	<b>56,100</b>	-	-
<b>Net Income per share</b>	<b>195,122.65yen</b>	-	<b>39,607.59yen</b>	-	<b>9,470.77yen</b>	-	-

# 4-2. Management Policies for the Term



New  
Business

“Owner-Changed Condominium”

Borrowing cost reduction  
Shorter business period

More  
Income

Revenues  
Increasing

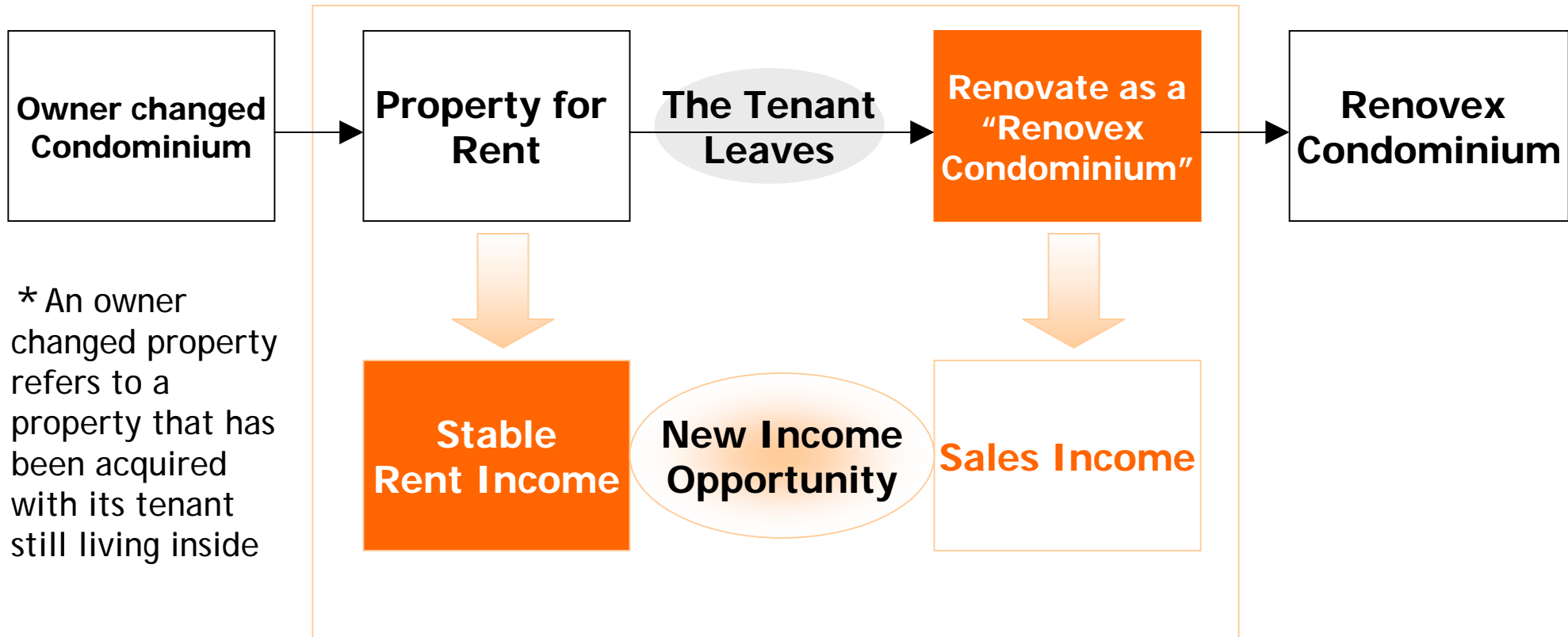
Rebuilding execution management system at a subsidiary Intellex Space Plan  
Expanded business area

Return profits to shareholder

Stock

# 4-3. New Business -

## "Owner-Changed Condominium"



\* An owner changed property refers to a property that has been acquired with its tenant still living inside

# 4-4. Cost Reduction in Borrowings



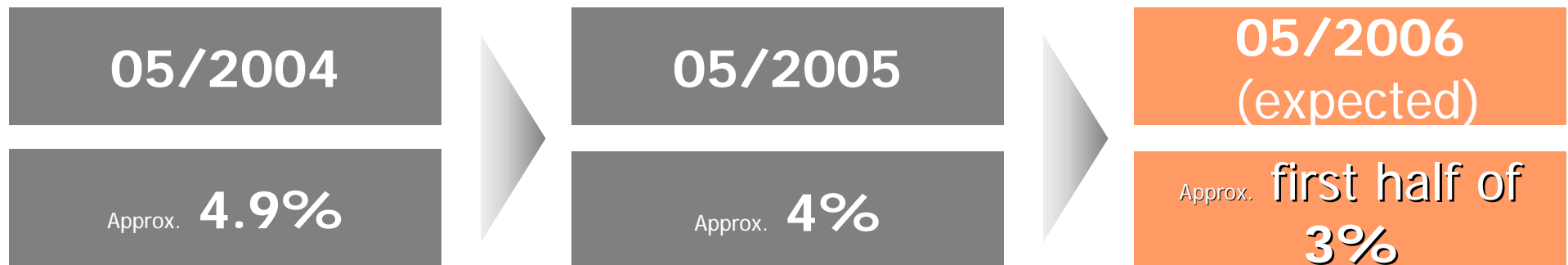
## Shifting From Project Financing Into Corporate Financing

- Creates syndicated loans
- Long-term loans for acquisition properties for “Owner Changed Condominium” of OC properties

### IPO effect

- Elimination of borrowing fees

【Trend of real interest rate】\*

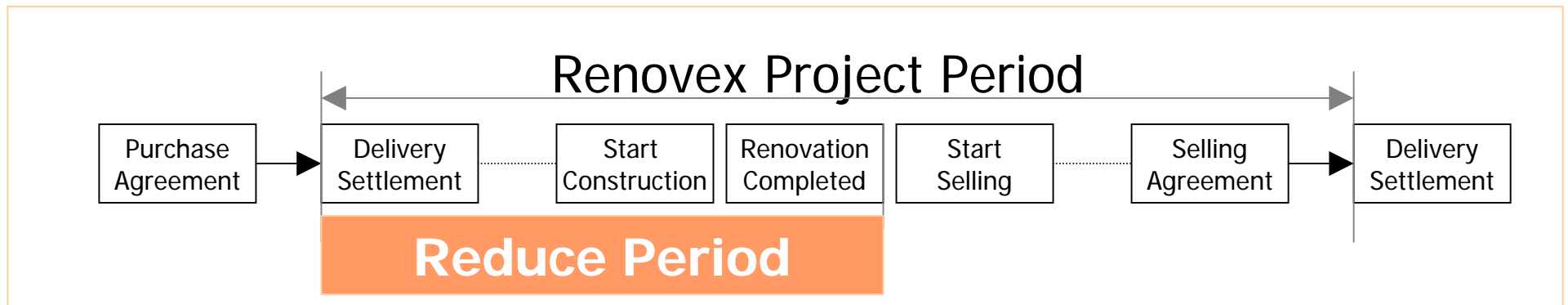


\* Real interest rate : ( interest payment rate + borrowing cost ) / real borrowing money

# 4-5. Shorter "Renovex" Project Period



**Shorten "Renovex" project period by improving management system.**

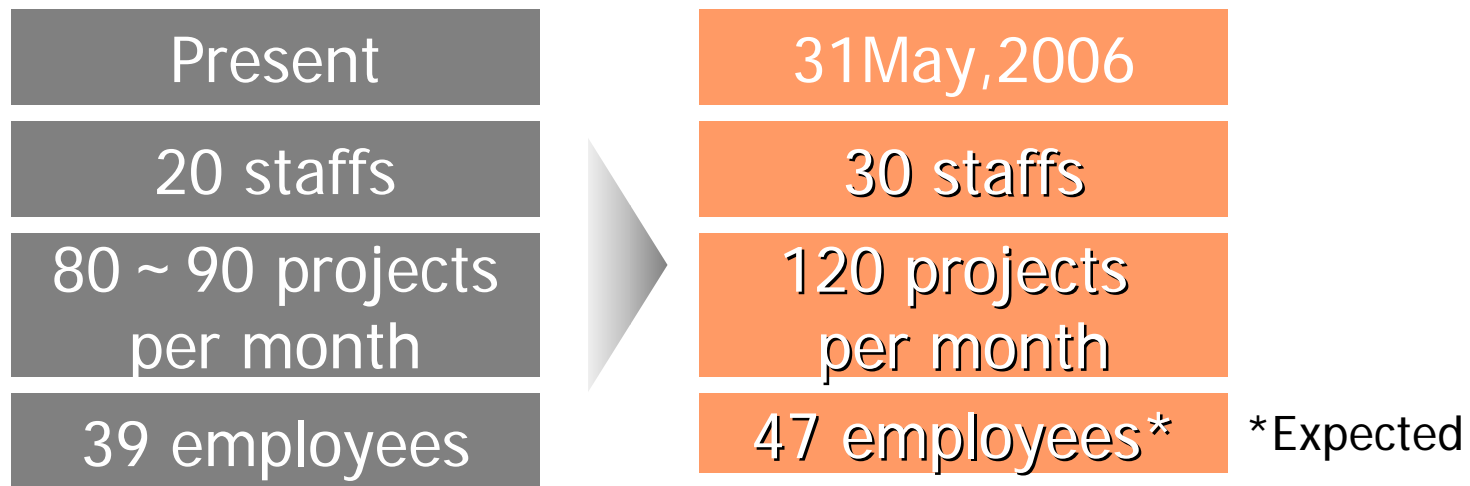


# 4-6. Intellex Space Plan :

## Rebuilding Execution Management System

### To respond to the increasing number of projects

- Rebuilding management systems
- Hiring more staffs



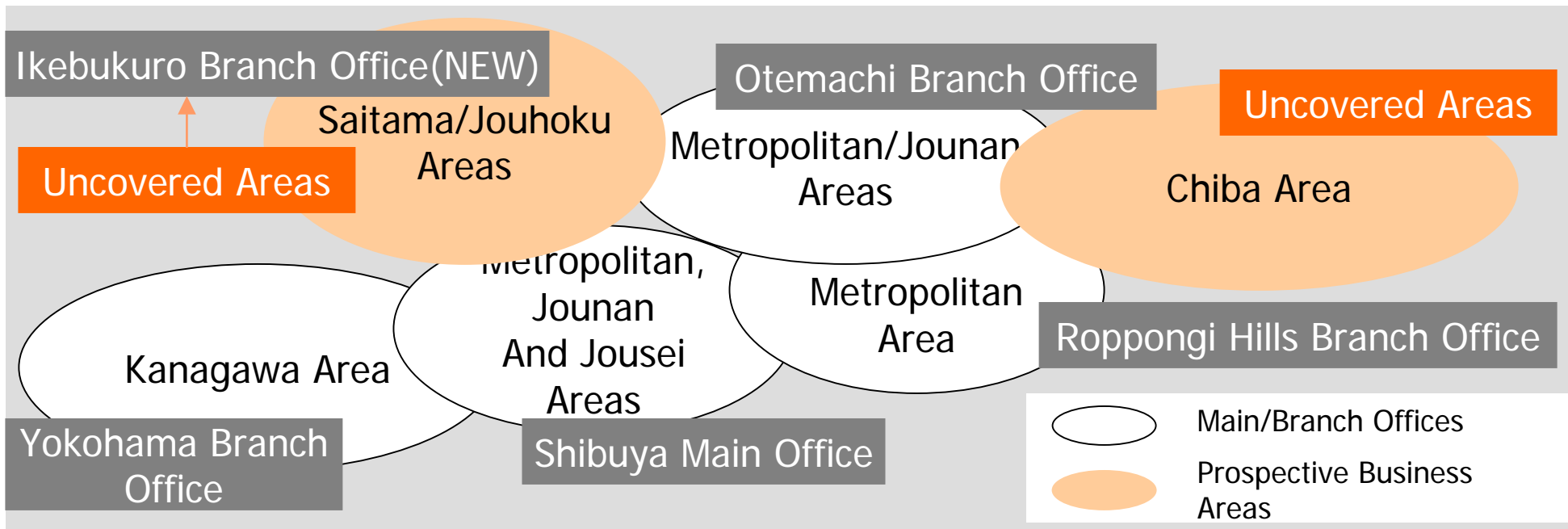
**Number of properties designed and managed by one staff at Intellex Space Plan : 4 per month**

# 4-7. Expanding Business Area



## Expanding operations in Greater Metropolitan area where Intellex has not covered before.

- Expanding to Chiba and Saitama prefectures
- Strengthen businesses in existing business areas





## **1:5** stock split (at the end of July,2005)

### **Dividend:**

- **Interim** :**¥400** per stock\*
- **Full year** :**¥400** per stock\*

\* Calculated after the split at the end of July, 2005, based on the number of stocks that have already been issued

# 5. CORPORATE DATA

- 5-1. Historical Overview
- 2. Major Shareholders
- 3. Corporate Profile



# 5-1. Historical Overview



Year	Month	Business Activities
1995	7	Established Prestage Corporation in Setagaya, Tokyo, with capitals of ¥10,000,000
1996	2	Acquired License as a Tacta Dealing Trader (Registration No. (1) 73719 by Governor of Tokyo Launched "Renovex condominium business", renovate and sale of used condominiums
1996	7	Changed company name to Intellex,Co.,Ltd.
1998	2	Established Intellex Space Planning Corporation (consolidated subsidiary of Intellex Corporation at present)
2000	7	Introduced "Total Management System," an information management system for properties on sale
2001	7	Acquired all stocks of M Corporation (consolidated subsidiary of Intellex Jyu-Han at present)
2003	2	Opened Yokohama Branch in Nishi-ku, Yokohama City
2003	6	Merged Central Plaza Corporation
2004	2	Opened Roppongi Hills Branch in Minato-ku, Tokyo
2004	9	Opened Otemachi Branch in Chiyoda-ku, Tokyo
2004	9	Acquired license as a real estate appraisal trader
2005	4	Listed on JASDAQ (Ticker Code : 8940)

## 5-2. Major Shareholders



Major Shareholders	As of end of May, 2005	
	No. of Shares	%
Takuya Yamamoto	6,044	53.86%
E-Alliance Co.,Ltd.	1,000	8.91
Employees' Shareholding	445	3.96
Kimiko Yamamoto	266	2.37
Risona Capital No.1 Investment Association	180	1.60
Kazuo Yamamoto	155	1.38
Mizuho Capital No.1 Investment Association	100	0.89
Diamond Capital	95	0.84
Osaka Securities Finance Company, Ltd.	86	0.76
Aozora No.1 Investment Association	80	0.71
UFJ Capital Co.,Ltd.	80	0.71

Number of stocks issued as of end of May, 2005: 11,220

## 5-3. Corporate Profile



Company Name: Intellex, Co.,Ltd.  
Address: West 16th Floor, Shibuya Mark City  
1-12-1, Dougenzaka  
Shibuya-ku  
Tokyo, JAPAN  
Website: <http://www.intellex.co.jp>  
Established: July 17th, 1995  
Capital: ¥535,650,000  
CEO: Takuya Yamamoto  
Employees: 138 (consolidated, As of May31, 2005)  
87 (non-cosolidated, As of May31, 2005)

# We truly appreciate your participation today!

For more IR information,  
Please contact Mr. Abe / Mr. Nogi  
in Management Planning Department.

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Please note that the content of the slide show may be edited without notice depending on situation changes. Therefore, we would like to ask you not to predict our future performances solely relying on the content of this slide show; please make final decisions about your investments on your own.

# References: B&S / P&L



## Consolidated balance sheet

Assets(¥m)	FY05/03	FY05/04	FY05/05
Cash equivalents	397	512	925
Receivables	18	9	13
Inventory	7,600	9,057	13,170
Other current assets	325	451	444
<b>Current assets</b>	<b>8,341</b>	<b>10,030</b>	<b>14,553</b>
Tangible fixed assets	856	1,096	1,289
Intangible fixed assets	8	12	11
Total investments, etc.	216	273	271
<b>Total fixed assets</b>	<b>1,082</b>	<b>1,382</b>	<b>1,572</b>
<b>Total assets</b>	<b>9,423</b>	<b>11,413</b>	<b>16,125</b>
Liabilities(¥m)	FY05/03	FY05/04	FY05/05
Payables	267	174	165
Short-term debt	5,689	6,695	7,626
Other	1,364	1,182	2,101
<b>Current liabilities</b>	<b>7,321</b>	<b>8,051</b>	<b>9,893</b>
Corporate bond	200	595	415
Long-term debt	836	1,130	2,928
Retirement provision	17	39	66
Other	61	56	112
<b>Fixed liabilities</b>	<b>1,115</b>	<b>1,821</b>	<b>3,522</b>
<b>Total liabilities</b>	<b>8,436</b>	<b>9,873</b>	<b>13,416</b>
Minority interests etc	59	-	-
<b>Shareholders' equity</b>	<b>927</b>	<b>1,540</b>	<b>2,708</b>
<b>Liabilities &amp; equity</b>	<b>9,423</b>	<b>11,413</b>	<b>16,125</b>

## Consolidated profit and loss account

	¥m	FY05/03	FY05/04	FY05/05
<b>Revenues</b>		19,705	26,314	28,367
CoGS		17,254	23,322	24,770
<b>Gross income</b>		<b>2,450</b>	<b>2,991</b>	<b>3,597</b>
SG&A		1,674	2,008	2,342
<b>Operationg income</b>		<b>776</b>	<b>982</b>	<b>1,254</b>
Non-operating income		27	26	30
Non-operating cost		317	433	507
<b>Ordinary income</b>		<b>486</b>	<b>575</b>	<b>778</b>
Pretax income		478	616	770
Tax		209	261	372
Tax rate(%)		43.72%	42.37%	48.31%
Other		7	-	-
<b>Net income</b>		<b>275</b>	<b>355</b>	<b>397</b>