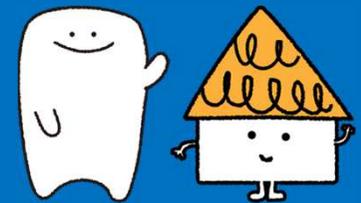


Sansei Landic Co., Ltd.

Supplementary Materials for
Consolidated Financial Results for FY12/18

February 14, 2019



Topics for FY12/18



- On a non-consolidated basis, sales and operating income of Sansei Landic increased YoY and against the plan, reflecting an increase in sales of leasehold lands and freeholds in the Real Estate Sales business.
- Consolidated sales and profits fell short of the plan due to sluggish Construction business. As a result of the provision for losses in the Construction business, both ordinary income and net income on an non-consolidated basis did not reach their targets.
- Real Estate Sales business achieved 11.1 billion yen in purchases against an annual target of 10.4 billion yen
- Conducted fundamental review of the structure including head office relocation and decision of closing showrooms in the Construction business. Plans are under way to improve performance.

Financial Results (Consolidated)



(Million yen)

	FY12/16	FY12/17	FY12/18		
	Result	Result	Plan	Result	Difference
Net sales	12,300	13,098	17,482	16,833	-649
Gross profit	3,956	4,532	4,890	4,805	-85
SG&A	2,510	2,769	3,059	3,039	-20
Operating income	1,446	1,762	1,830	1,765	-65
Ordinary income	1,328	1,668	1,703	1,642	-60
Extraordinary loss	—	93	—	103	+103
Net income	853	1,111	1,157	1,006	-151

- Net sales
+28.5% YoY
- Gross profit
+6.0% YoY
- SG&A
YoY
Salaries and allowances: +54 million yen
Bonus: +43 million yen
Sales commissions: +64 million yen
- Non-operating expenses
YoY
Interest expenses: +40 million yen
- Extraordinary loss
Loss on valuation of investment securities: 50 million yen
Loss on closure of exhibition site: 36 million yen
Loss on sales of fixed assets: 16 million yen

Financial Results (Non-Consolidated)



(Million yen)

	FY12/16	FY12/17	FY12/18		
	Result	Result	Plan	Result	Difference
Net sales	10,959	11,968	16,037	16,050	+12
Gross profit	3,675	4,293	4,551	4,677	+126
SG&A	2,169	2,483	2,734	2,737	+2
Operating income	1,506	1,810	1,817	1,940	+123
Ordinary income	1,390	1,610	1,695	1,606	-88
Extraordinary loss	161	29	—	67	+67
Net income	804	1,152	1,151	1,068	-82

- Net sales
+34.1% YoY
- Gross profit
+9.0% YoY
- SG&A
YoY
Salaries and allowances: +48 million yen
Bonuses: +41 million yen
Sales commissions: +64 million yen
- Non-operating expenses
200 million yen was recorded for provision for loss on construction business
- Extraordinary loss
Loss on valuation of investment securities: 50 million yen
Loss on sales of fixed assets: 16 million yen

Summary of Consolidated Balance Sheet



(Million yen)

	FY12/17	FY12/18		
	Amount	Amount	Vs. previous year-end	Rate of changes
Cash and deposits	3,558	3,594	+35	+1.0%
Real estate for sale	11,863	11,678	-185	-1.6%
Interest-bearing liabilities	7,439	6,047	-1,391	-18.7%
Net assets	8,006	8,907	+901	+11.3%
Total assets	16,915	16,777	-138	-0.8%
Shareholders' equity ratio	47.3%	53.1%	+5.8pt	—
ROA	12.0%	9.8%	-2.2pt	—

■ Real estate for sale
Purchasing progressed steadily and remained at the same level as the previous year.
FY12/17 purchases: 12.6 billion yen
FY12/18 purchases: 11.1 billion yen

■ Interest-bearing liabilities
Short-term loans payable: -2,358 million yen
Long-term loans payable: +957 million yen
Short-term borrowings decreased due to sales of properties
Long-term loans payable increased due to the purchase of large-scale properties with a business term of more than one year.

■ ROA
Total assets increased significantly in 2017 due to an increase in purchases, and decreased by 2.2 percentage points due to the same level of total assets in 2018.

Sales by Business Segment



(Million yen)

	FY12/16	FY12/17	FY12/18		
	Result	Result	Plan	Result	Vs. plan
Real estate Sales business	10,959	11,968	16,037	16,049	0.1%
Leasehold land	5,413	5,066	7,108	7,087	-0.3%
Old unutilized building	3,404	5,649	5,472	5,061	-7.5%
Freehold	1,791	899	3,035	3,454	13.8%
Other	350	353	421	445	5.9%
Construction business	1,341	1,129	1,444	783	-45.8%

■ Leasehold Land

With record-high sales, figures were almost in line with the plan.

■ Old Unutilized Building

Sales fell short of the plan, but gross margin exceed the plan.

■ Freehold

Up by 284.0% YoY, as the large-scale project in Sapporo contributed to sales.

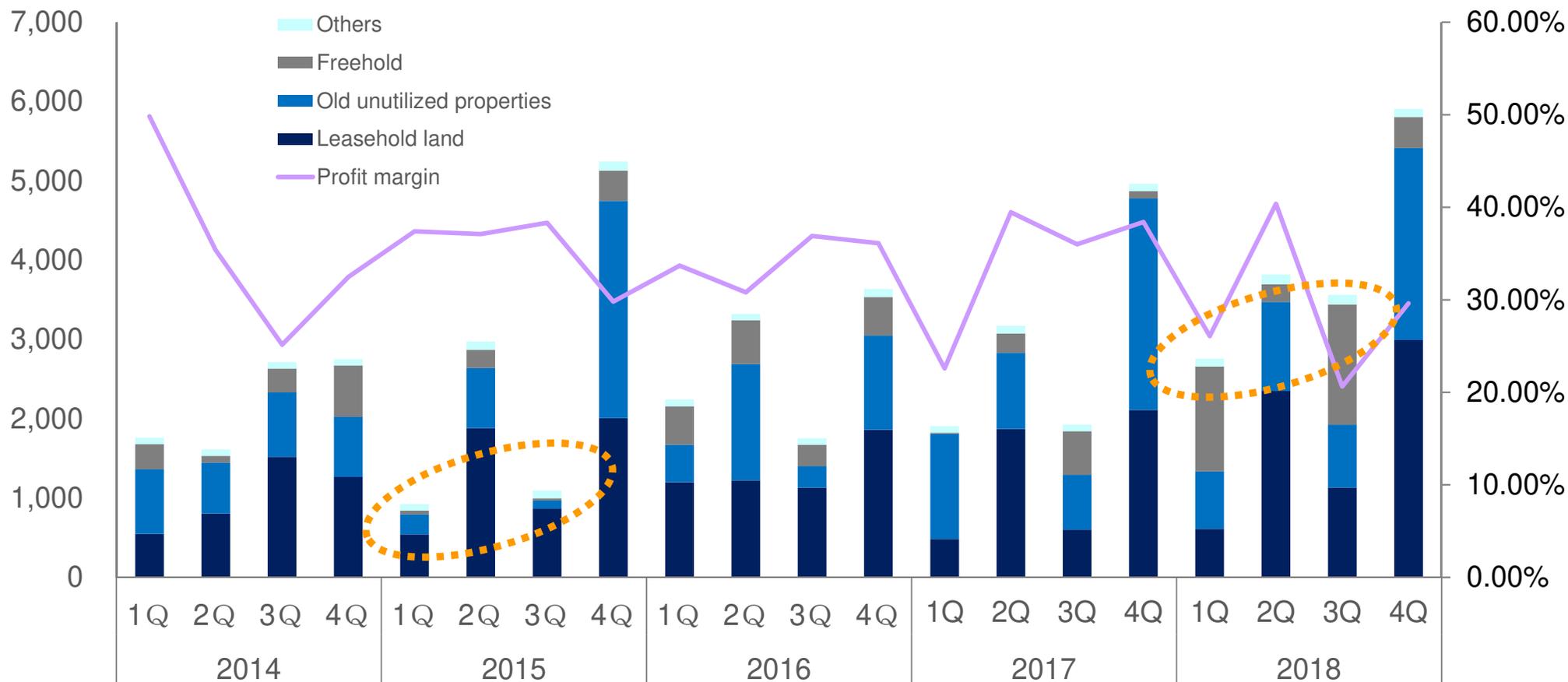
■ Construction Business

Sales significantly missed the plan due to the fact that orders fell short of forecasts for 1H and the period from application to construction starts became longer than anticipated, although orders increased YoY.

Quarterly Trends of Real Estate Sales Business



Net sales



 Slowly leveling off of sales due to accumulation of real estate for sale

Purchases and Orders Received by Business Segment



(Million yen)

	FY12/16	FY12/17	FY12/18	
	Result	Result	Result	YoY
Real estate Sales business	6,442	12,650	11,164	-11.7%
Leasehold land	3,169	5,246	5,188	-1.1%
Old unutilized building	2,171	4,556	5,211	+14.4%
Freehold	1,100	2,847	764	-73.1%
Construction Business (Orders)	1,432	1,052	1,267	+20.4%

■ Real Estate Sales Business

600 million yen higher than planned purchase amount.
Decrease in purchase amount from the previous fiscal, reflecting the purchase of large-scale freehold.

■ Construction Business

Increase in orders received as we strengthened our marketing strategies at the time of website renewal.

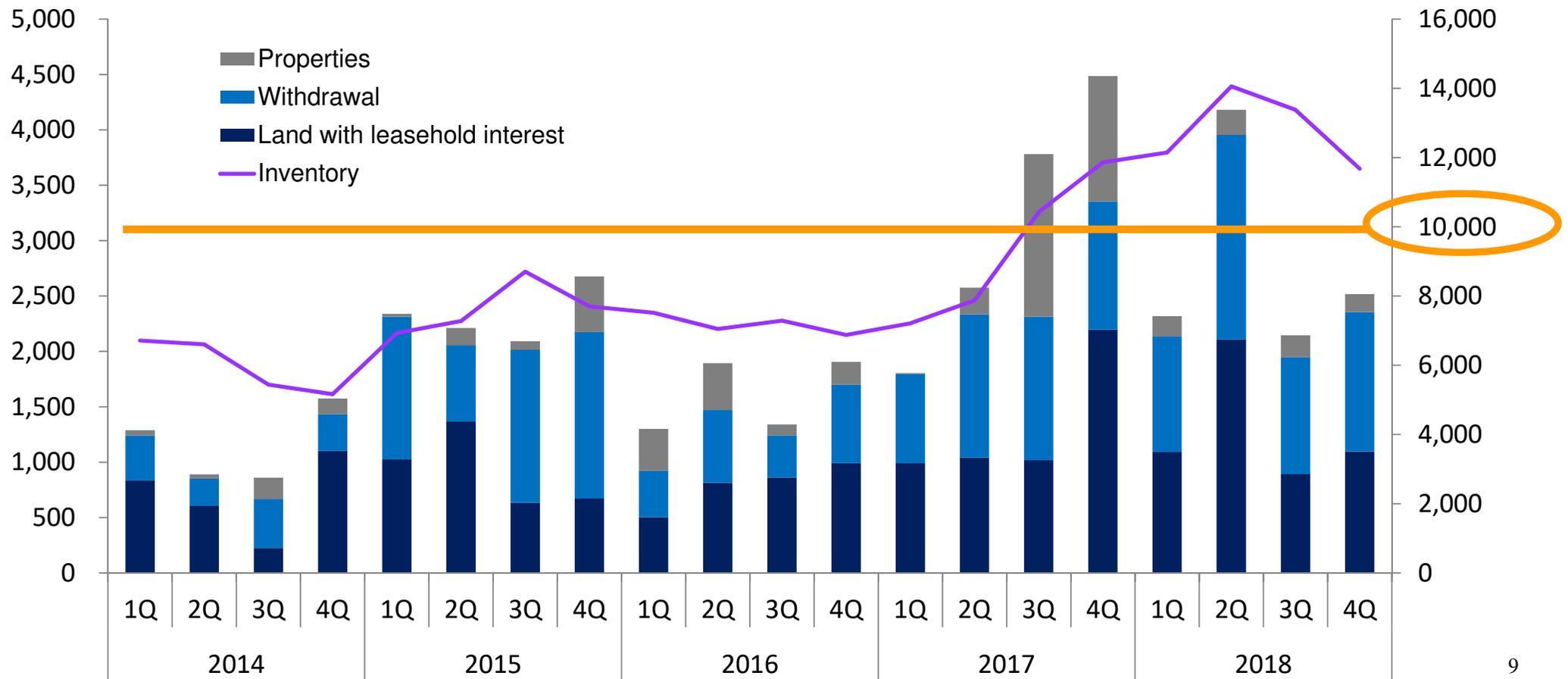
Changes in the Amount of Purchases and Inventories



Inventories rose significantly as the Company purchased many large-scale leasehold land projects in 2017. As a result, it is taking time to sell some properties on leasehold lands, and the Company is working to sell these properties as soon as possible.

Purchases (Million yen)

Inventories (Million yen)

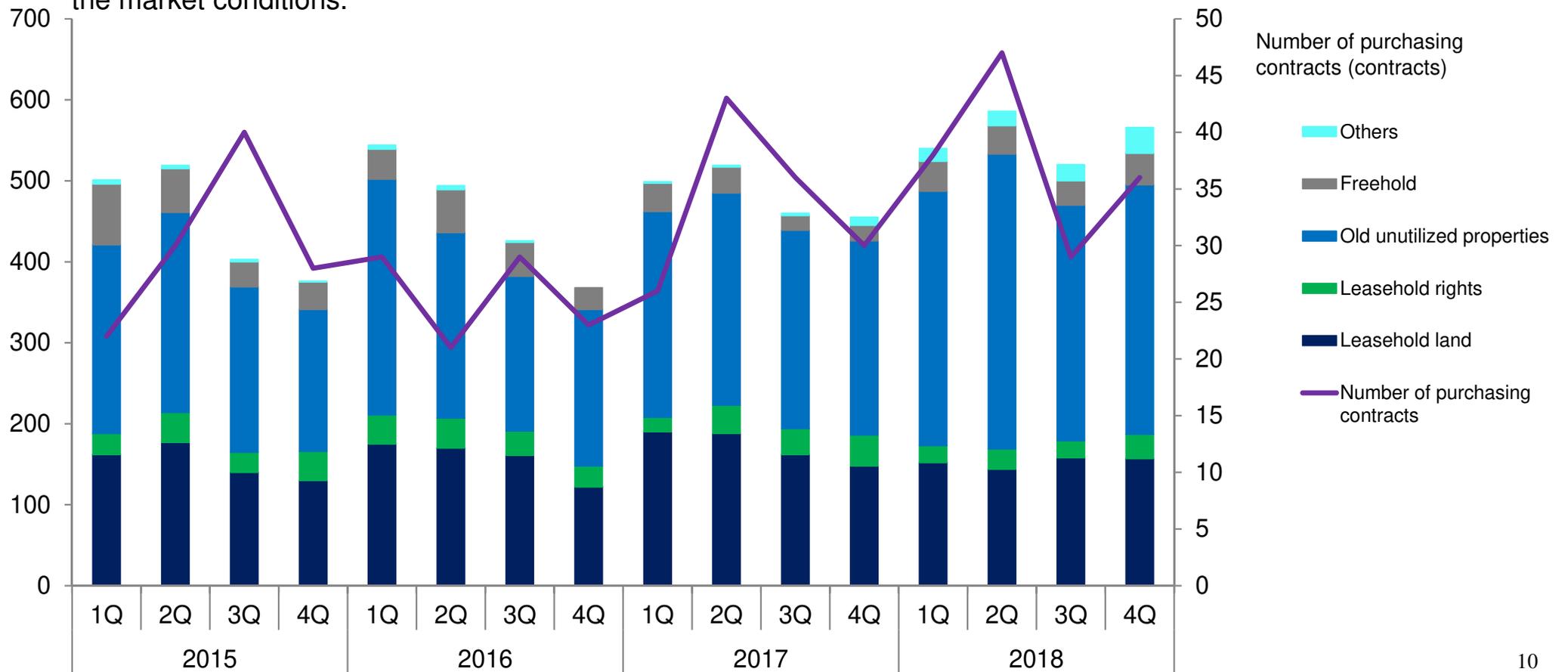


Changes in the Number of Projects and Number of Purchasing Contracts

Acquired more than 500 projects every quarter. Leasehold land remained unchanged, and an increase in vacancies affected the increase in the number of properties.

While we will continue to strengthen our purchasing operations, there are areas where the market has leveled off. Carefully select purchases of old unutilized properties that are susceptible to market fluctuations, with consideration for the market conditions.

Number of projects



Changes in Construction Business

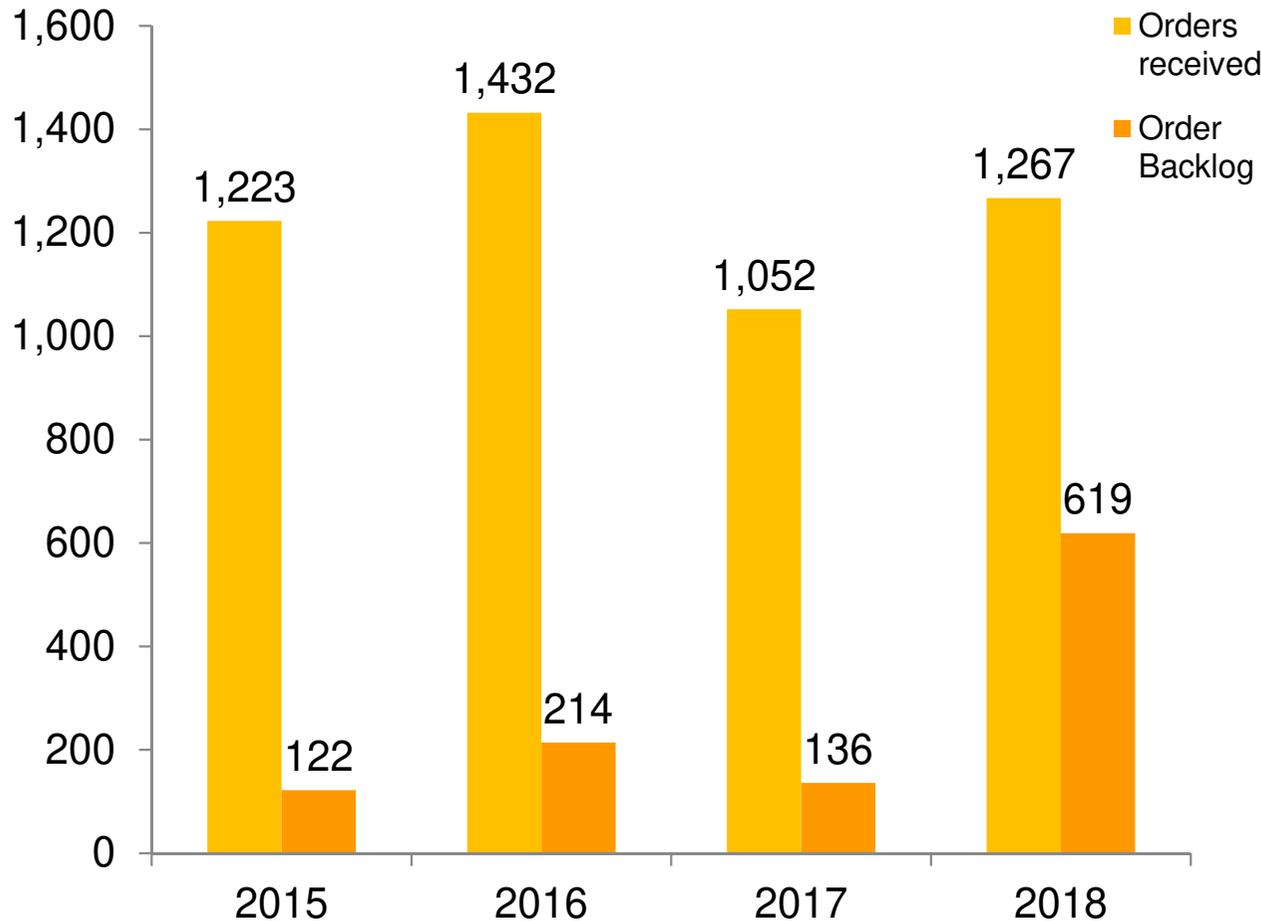
Orders Received and Order Backlog



One's Life Home
natural modern from architects



Orders Received
(Million yen)



- Full-year sales fell short of forecasts due to a shortfall in the first half of the year and longer than anticipated time from application for construction to construction starts.
 - Orders increased due to renewed website and review of marketing strategies by channel
 - Decided to close the showroom, reduced fixed costs, and strengthened sales activities in key channels.
 - Head office relocated in January 2019 for the construction of new showrooms reflecting the concept of One's Life Home and the reduction of fixed costs
- Order backlog at the end of the fiscal year increased significantly and aim to turn positive in FY12/19

FY12/19 Business Forecasts



Consolidated Business Forecasts for FY12/19 (January 1, 2019 to December 31, 2019)

(Million yen)

	FY12/19	Rate of changes
Net sales	18,220	+8.2%
Operating income	1,666	-5.6%
Ordinary income	1,544	-6.0%
Net income	1,032	+2.5%
EPS (yen)	122.17	+2.1%
Dividend (yen)	23	+2

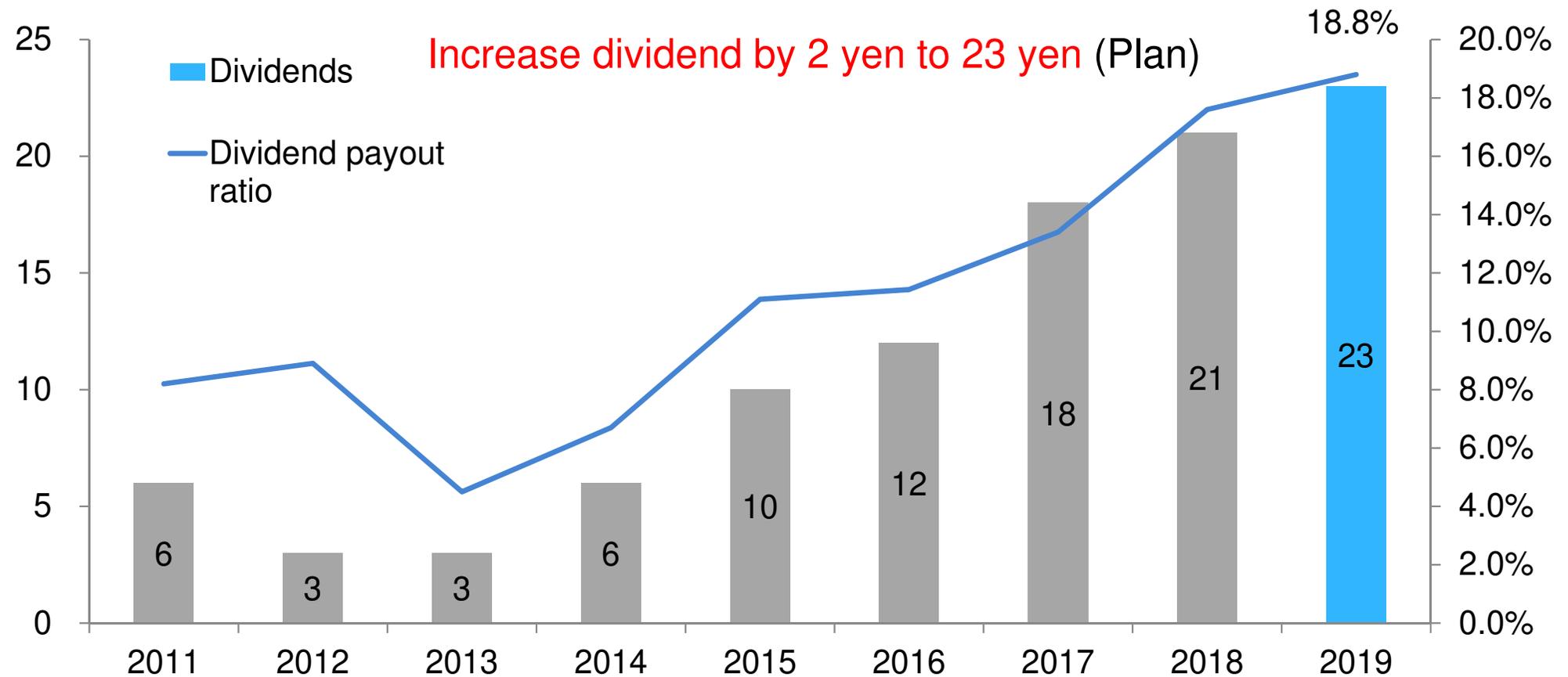
- Net sales are expected to be increased due to an increase in sales in the construction business. Sales of real estate sales business is expected to be at the same level as in 2018
- Operating income and ordinary income to decrease due to an increase in SG&A expenses related to an increase in personnel for future growth and an increase in taxes and public dues associated with an increase in purchases.
- Plan a year-end dividend of 23 yen, an increase of 2 yen

Shareholder Returns (Dividends)



Dividends (yen)

Payout ratio (%)



Contact information



- The statements including perspectives on our group, plans, policies, strategies, schedules and judgements that are not facts in this material are forward-looking statements about the future performance.
- Forward-looking statements about the future performance are based on information currently available and certain assumptions that our group believes to be reasonable. Actual results may differ significantly from the forward-looking statements due to various risk factors and uncertainties. Please do not place undue reliance on these forward-looking statements.
- The data in this material contains quotations of public information that we believe to be reliable and accurate, but we do not guarantee the accuracy or certainty of the contents.

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