

Summary of Business Results for the First Quarter Ended March 31, 2019 [Japan GAAP] (Consolidated)

May 15, 2019

Company **Sansei Landic Co.,Ltd** Listed on the TSE
 Stock Code 3277 URL: <https://www.sansei-l.co.jp>
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 Expected date of filing of quarterly report: May 15, 2019 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended March 2019

(January 1, 2019 through March 31, 2019)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 2019	1,925	-33.0	-116	-	-146	-	-111	-
Three months ended Mar. 2018	2,873	36.7	58	-	30	-	3	-

(Note) Comprehensive income

Three months ended March 2019: -111 million yen (-%)

Three months ended March 2018: 3 million yen (- %)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Mar. 2019	-13.25		-	
Three months ended Mar. 2018	0.40		0.40	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Mar. 2019	17,236	8,618	50.0
As of Dec. 2018	16,777	8,907	53.1

(Reference) Shareholders' equity

As of March 2019: 8,613 million yen

As of December 2018: 8,903 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 2018	-	0.00	-	21.00	21.00
Year ending Dec. 2019	-				
Year ending Dec. 2019 (forecast)		0.00	-	23.00	23.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending December 2019

(January 1, 2019 through December 31, 2019)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2019	7,530	10.2	648	-20.6	586	-21.3	367	-15.5	43.49
Year ending Dec. 2019	18,220	8.2	1,666	-5.6	1,544	-6.0	1,032	2.5	122.17

(Note) Revisions to business forecast for the current quarter: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:
Yes

(3) Changes in accounting policies, accounting estimates and restatement

- | | |
|--|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : Yes |
| ② Changes in accounting policies other than ① | : None |
| ③ Changes in accounting estimates | : None |
| ④ Restatement | : None |

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of March 2019	8,447,800 shares
As of December 2018	8,447,800 shares

② Treasury stock at the end of period

As of March 2019	242 shares
As of December 2018	242 shares

③ Average number of stock during period (quarterly cumulative period)

Three months ended March 2019	8,447,558 shares
Three months ended March 2018	8,380,104 shares

***Quarterly financial summary is not subject to auditing procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.

1. Qualitative Information on Results for the Current Quarter

(1) Results of Operations

During the first quarter of the current fiscal year, the Japanese economy continued to recover moderately as a result of continued improvements in the employment and income environment, a recovery in consumer spending and an increase in capital investment.

The real estate industry to which our group belongs has been performing steadily thanks to the benefits of low interest rates reflecting monetary easing, including negative interest rates. However, as for the market trends in major cities, there concerns over land price hike in areas where land prices have risen. Therefore, it is necessary to pay attention to future trends in the real estate industry.

Under these circumstances, the Group is promoting businesses for further growth based on the Medium-Term Management Plan, which ends in 2020.

Purchases of real estate for sale increased from the previous year to 13,129 million yen due to a significant increase in purchases of old unutilized building, despite a decrease in purchases of leasehold land and ownership rights.

Although sales of leasehold land increased, sales decreased from the previous year due to a decrease in sales of old unutilized building and ownership rights.

As a result, in the first quarter of the current fiscal year, net sales were 1,925 million (down by 33.0% YoY), operating loss was 116 million yen (operating income of 58 million yen in the same period of the previous fiscal year), ordinary loss was 146 million yen (ordinary income of 30 million yen in the same period of the previous fiscal year), and a net loss attributable to owners of parent was 111 million yen (net loss attributable to owners of parent of 3 million yen in the same period of the previous fiscal year).

Results by business segment are as follows.

① Real Estate Sales Business

In the Real Estate Sales Business, the Group sold 67 properties on leasehold lands, 6 old unutilized buildings, and 1 ownership right.

As a result, net sales were 1,576 million yen (down 42.8% year on year) and segment income was 161 million yen (down 51.7% year on year).

② Construction Business

In the Construction Business, we sold 39 detached houses, renovation work, etc. As a result, the segment recorded net sales of 353 million yen (up 178.3% year on year) and segment loss of 31 million yen (segment loss of 51 million yen in the same period of the previous fiscal year).

(2) Financial Position

(Current assets)

Current assets at the end of the first quarter of the current fiscal year increased by 411 million yen from the end of the previous fiscal year to 16,006 million yen. This was mainly due to a decrease of 1,153 million yen in cash and deposits and an increase of 1,451 million yen in real estate for sale.

(Fixed assets)

Non-current assets increased by 47 million yen from the end of the previous fiscal year to 1,229 million yen at the end of the first quarter of the current fiscal year. This was mainly due to an increase of 10 million yen in property, plant and equipment

and an increase of 39 million yen in investments and other assets.

(Current liabilities)

Current liabilities increased by 744 million yen from the end of the previous fiscal year to 6,903 million yen at the end of the first quarter of the current fiscal year. This was mainly due to a decrease of 72 million yen in accounts payable-trade, an increase of 1,055 million yen in short-term loans payable, a decrease of 244 million yen in income taxes payable, and a decrease of 68 million yen in other current liabilities.

(Long-term liabilities)

Non-current liabilities at the end of the first quarter of the current fiscal year increased by 4 million yen from the end of the previous fiscal year to 1,714 million yen . This was due to an increase of 27 million yen in long-term loans payable and a decrease of 23 million yen in other long-term liabilities.

Net assets

Net assets at the end of the first quarter of the current fiscal year decreased by 289 million yen from the end of the previous fiscal year to 8,618 million yen. This was mainly due to a decrease of 289 million yen in retained earnings.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Information

There are no changes to the financial forecast announced on February 14, 2019.