



Sansei Landic Co., Ltd.
Financial Results for the
Fiscal Year Ended December 2019

February 26, 2020

Overview of Financial Results for the Fiscal Year Ended December 2019

FY12/19 Topics



- Since its founding, achieved the highest net sales and profits in the past years.

Net sales	18,020 million yen	Up 7.1% YoY
Operating income	1,860 million yen	Up 5.4% YoY
Ordinary income	1,758 million yen	Up 7.0% YoY
Net income	1,158 million yen	Up 15.1% YoY
Purchase amount	13,177 million yen	Up 18.0% YoY

Comparison of Consolidated Income Statement



- Net sales fell short of plan, but gross profit and other profits exceeded plan.

(Million yen)

	FY12/17	FY12/18	FY12/19		
	Result	Result	Plan	Result	Difference
Net sales	13,098	16,833	18,220	18,020	△200
Gross profit	4,532	4,805	4,984	5,118	+134
SG&A	2,769	3,039	3,318	3,257	△60
Operating income	1,762	1,765	1,666	1,860	+194
Ordinary income	1,668	1,642	1,544	1,758	+214
Extraordinary loss	93	103	—	—	—
Net income	1,111	1,006	1,032	1,158	+126

Comparison of Non-Consolidated Income Statement



- Both sales and profits exceeded the plan and year-on-year results.

(Million yen)

	FY12/17	FY12/18	FY12/19		
	Result	Result	Plan	Result	Difference
Net sales	11,968	16,050	16,243	16,266	+23
Gross profit	4,293	4,677	4,674	4,879	+205
SG&A	2,483	2,737	3,023	2,981	△42
Operating income	1,810	1,940	1,650	1,898	+248
Ordinary income	1,610	1,606	1,547	1,752	+205
Extraordinary loss	29	67	—	—	—
Net income	1,152	1,068	1,035	1,172	+137

Summary of Consolidated Balance Sheet



- Real estate for sale increased due to an increase in purchases (13,493 million yen)

(Million yen)

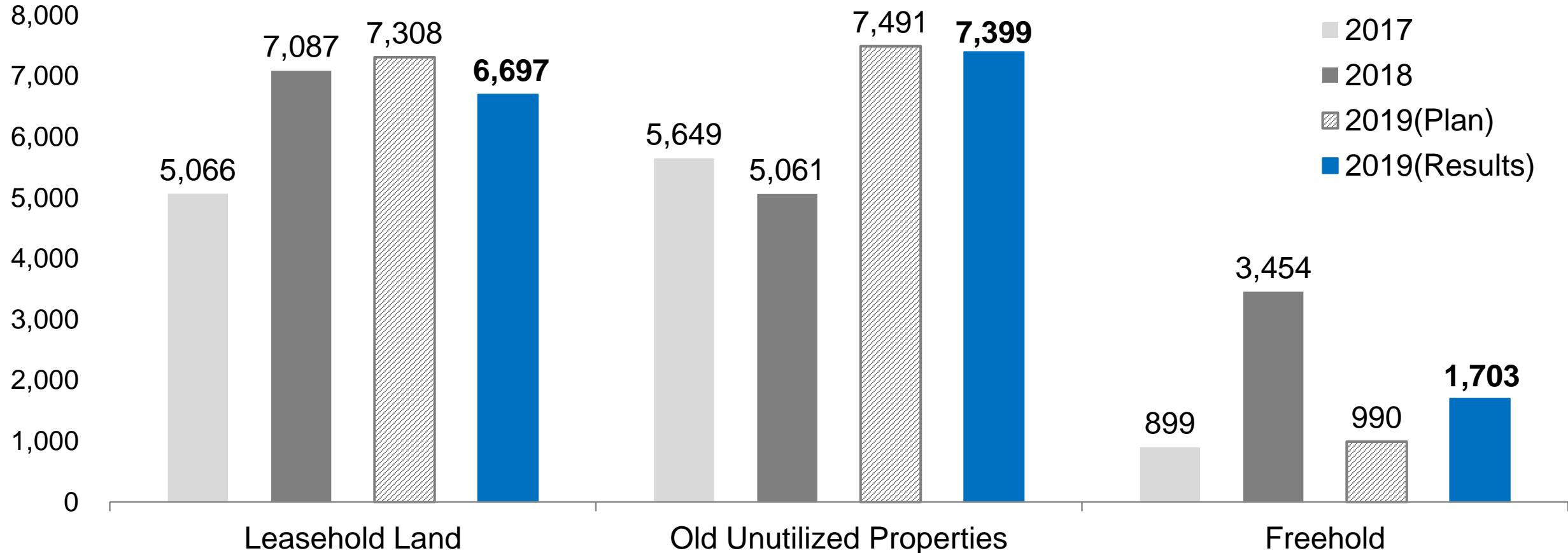
	FY12/18	FY12/19		
	Amount	Amount	Vs. end of previous term	Pct. change
Cash and deposits	3,594	4,133	+539	+15.0%
Property for sale	11,678	13,493	+1,815	+15.5%
Interest-bearing liabilities	6,047	7,202	+1,154	+19.1%
Net assets	8,907	9,894	+987	+11.1%
Total assets	16,777	19,293	+2,516	+15.0%
Shareholders' equity ratio	53.1%	51.3%	△1.8pt	—
ROA	9.8%	9.8%	—	—

Sales by Business Segment (Real Estate Sales Business)



- Leasehold Land : Although the number of sales increased year-on-year, sales fell below both the plan and year-on-year results.
- Old Unutilized Properties : Despite sales fell slightly below the plan, gross profit was higher than both plan and year-on-year results.
- Freehold : Sales exceeded the plan as there were more purchases and sales during the period than expected.

Sales(Million yen)



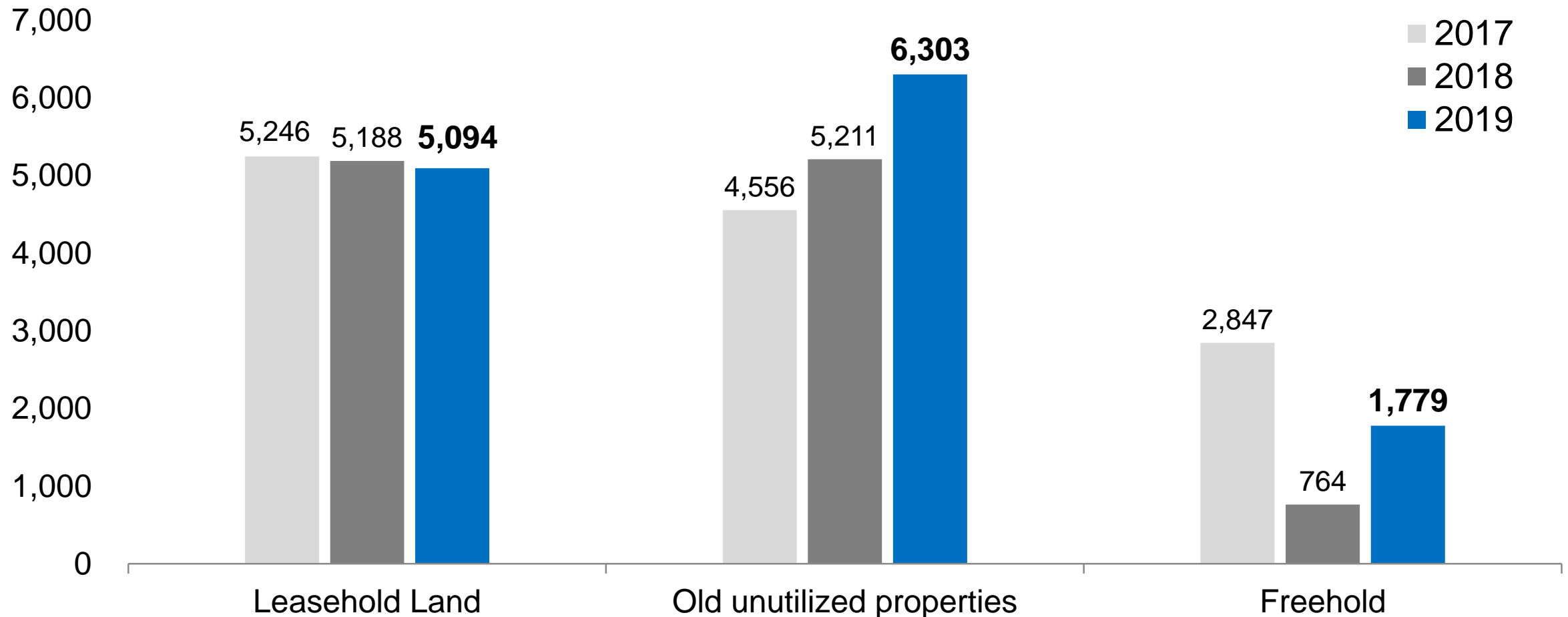
Purchases by Business Segment (Real Estate Sales Business)



Procurement of **13,177** million yen, a YoY increase of 18.0%

- Leasehold Land : Purchases were at the same level as in the previous year.
- Old unutilized properties : Purchases remained stable in the western Japan area, and increased significantly in the Kanto area.
- Freehold : Purchases increased in the northern Japan region and western Japan region.

Purchase amount (million yen)

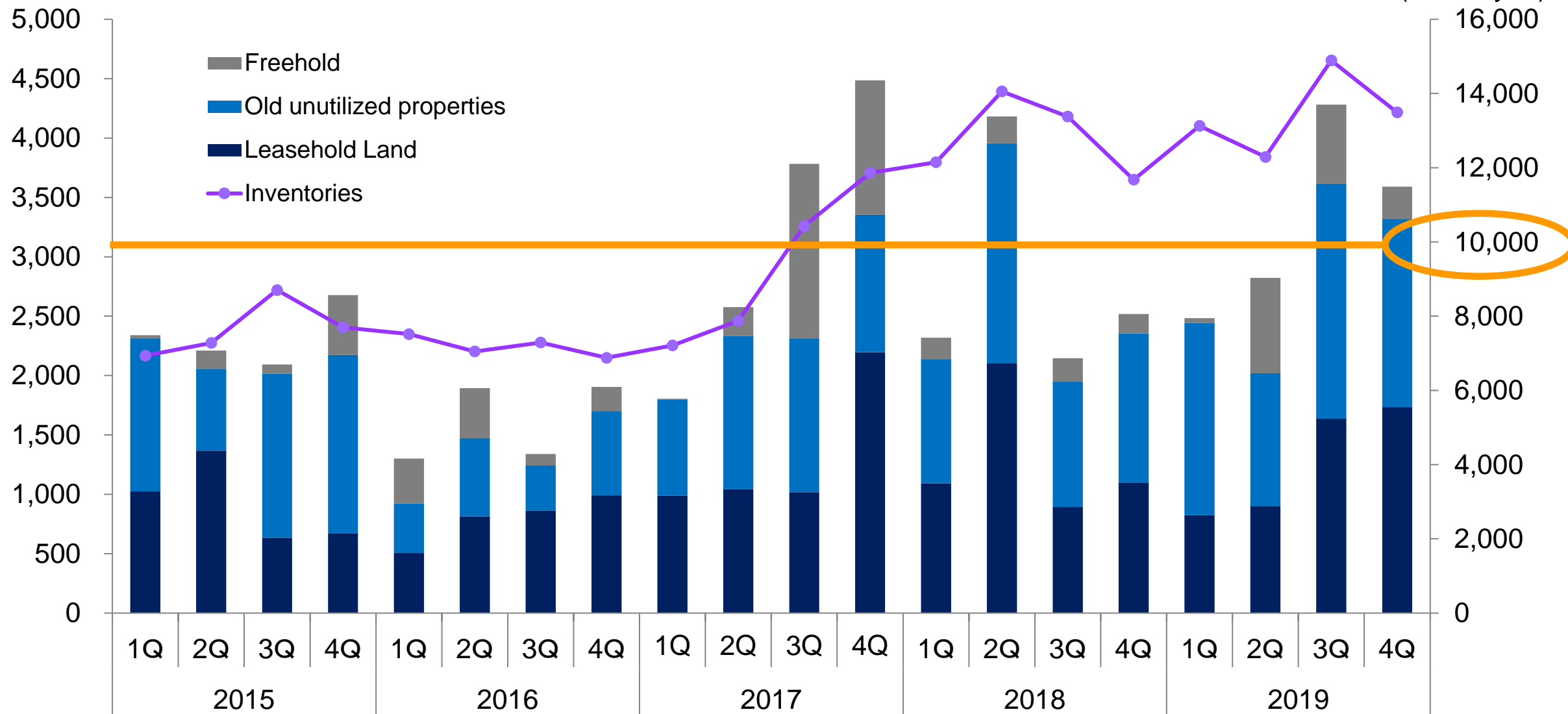


Changes in the Amount of Purchases and Inventories

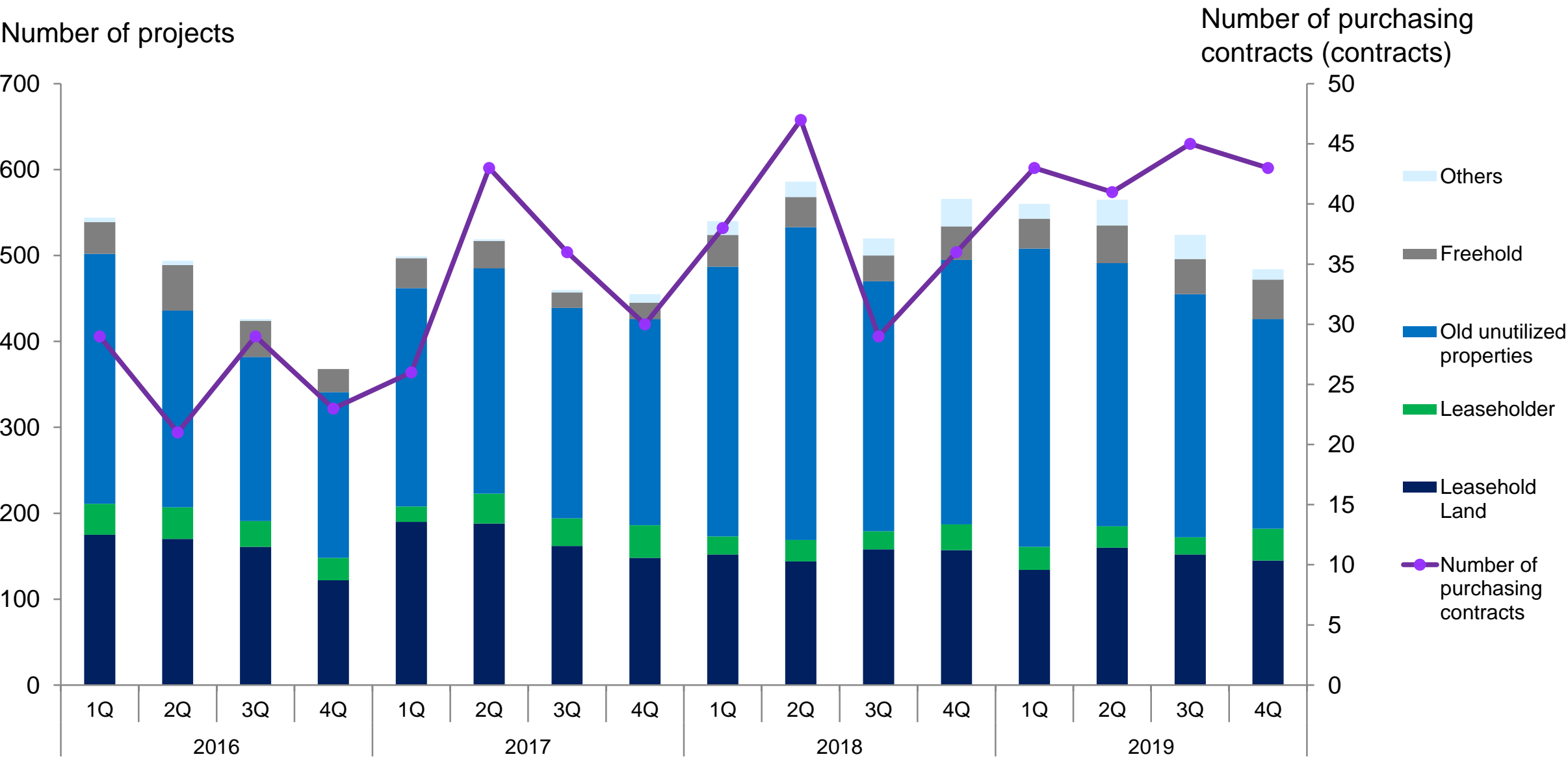


Purchase amount
(million yen)

Inventories
(million yen)



Changes in the Number of Projects and Number of Purchasing Contracts



Construction Business



One's Life Home
natural modern from architects



(Million yen)

	FY12/17	FY12/18	FY12/19
Net sales	1,203	883	1,818
Segment income	▲44	▲173	▲44

■ Net sales

▲9.0% to the plan

■ Relocation of headquarters

Relocated headquarters in January 2019
Exhibition hall closed in March

■ Custom home

Not achieve the plan as the construction period has lengthened and some properties were not delivered as scheduled.

■ Renovation

Sales and profits increased significantly year-on-year, but did not achieve the plan. An increase in orders for large projects resulted in a lengthening of the period required to book sales.

FY12/20 Business Forecasts

Market Perceptions of Each Division



Third sales division

Cover western Japan area

- Profitable real estate agents, that had temporarily restrained their buying, are now increasing their purchases, and so competition is intensifying.
- In Fukuoka, the stock of detached houses is increasing, and purchasing by house makers is sluggish.

Second sales division

Cover Hokkaido and Sendai areas

- In the Sapporo area, the rise in real estate prices has subsided since last year, and the current situation is stable.
- In the Sendai area, real estate financing continues to tighten, but there is no impact from this on our company.

First sales division

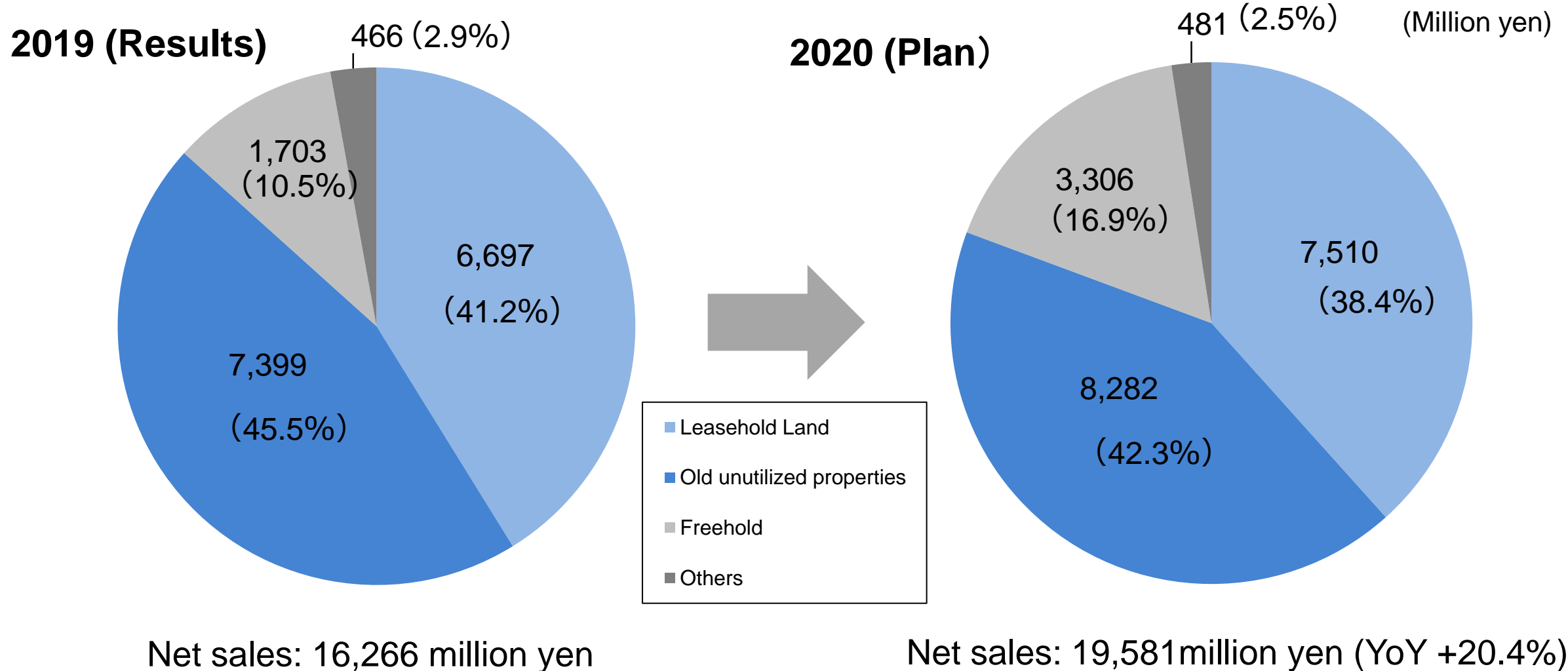
Cover Kanto area

- Leasehold land in areas with high land prices, such as in the 23 wards of Tokyo, may see trading exceed market prices, but such purchases will continue without disturbing our company's point of view.
- The volume of information regarding old underutilized properties being received by our company is steadily increasing as the number of individuals and companies affected by stricter lending standards continues to rise.

Real Estate Sales business Plan by business



- Leasehold Land: 7,510 million yen, Old unutilized properties: 8,282 million yen, Freehold: 3,306 million yen, Others: 481 million yen.
- Profit margin is expected to decline year-on-year due to the planned increase in the ratio of old unutilized properties and freehold.



FY12/20 Business Forecasts (Non-consolidated)



(Million yen)

	FY12/20	Pct. change
Net sales	19,581	+20.4%
Gross profit	5,038	+3.3%
Operating income	1,671	△12.0%
Ordinary income	1,550	△11.5%
Net income	1,040	△11.3%
Purchase amount	14,215	+7.9%

- Although sales and gross profit are both expected to increase, operating income will fall below both this level and plan because of an increase in sales commissions due to a rise in the volume of sales of old underutilized properties and freeholds, an increase in taxes and dues caused by the consumption tax rate hike, and higher personnel expenses due to an increase in the number of employees.
- As for property purchases, the plan is to increase the inventory above the level recorded in the previous fiscal year.

Construction business Changes in the amount of orders received and order backlog

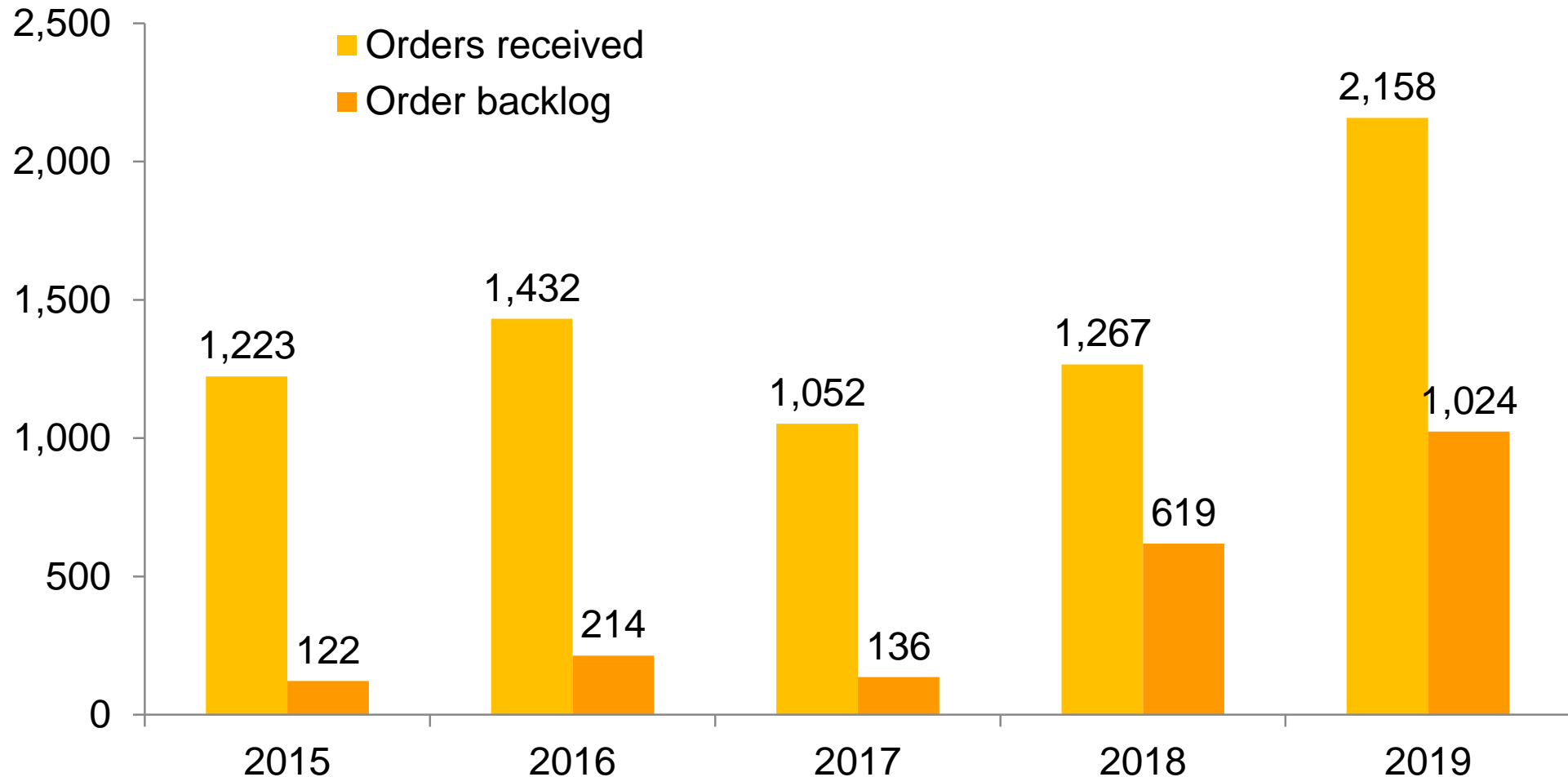


One's Life Home
natural modern from architects



- The order backlog at the end of the fiscal year has increased significantly, and the company plans to return to profitability in FY12/20.

Orders received (million yen)



FY12/20 Business Forecasts (Consolidated)



(Million yen)

	FY12/20	Pct. change
Net sales	21,552	+19.6%
Operating income	1,686	△9.4%
Ordinary income	1,559	△11.3%
Net income	1,047	△9.6%
EPS(Yen)	123.88	△9.6%
Dividend(Yen)	25	+2

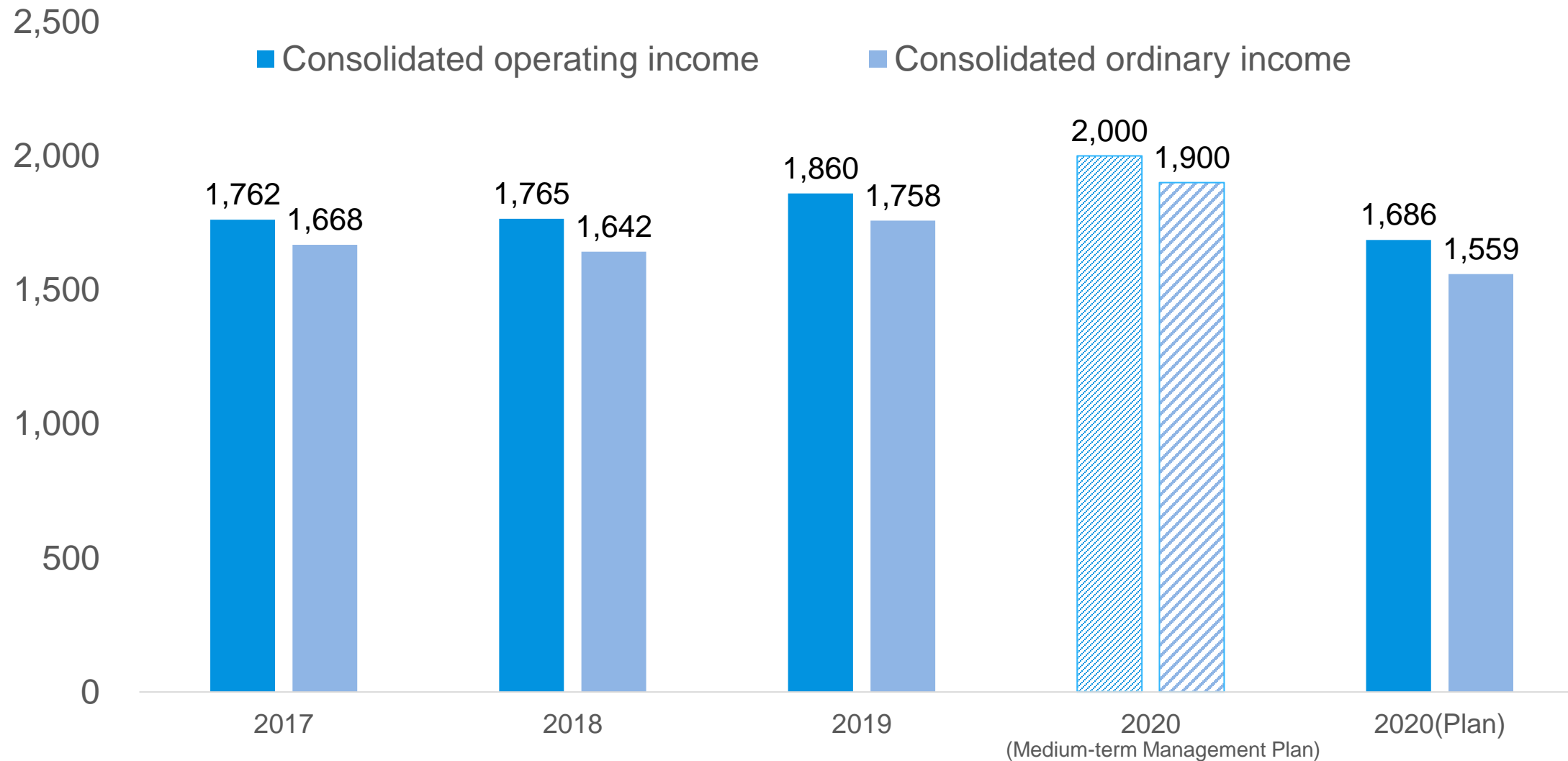
- In the Real Estate Sales Business, sales are expected to be higher than the previous year. The Construction Business plans to turn a profit in this fiscal year.
- Operating income, ordinary income and net income are expected to decline due to a decline in Sansei Landic's profits on a non-consolidated basis, although the performance of Construction Business is expected to recover.
- Plan a year-end dividend of 25 yen, an increase of 2 yen.

Progress of Medium-term Management Plan

Differences from quantitative targets



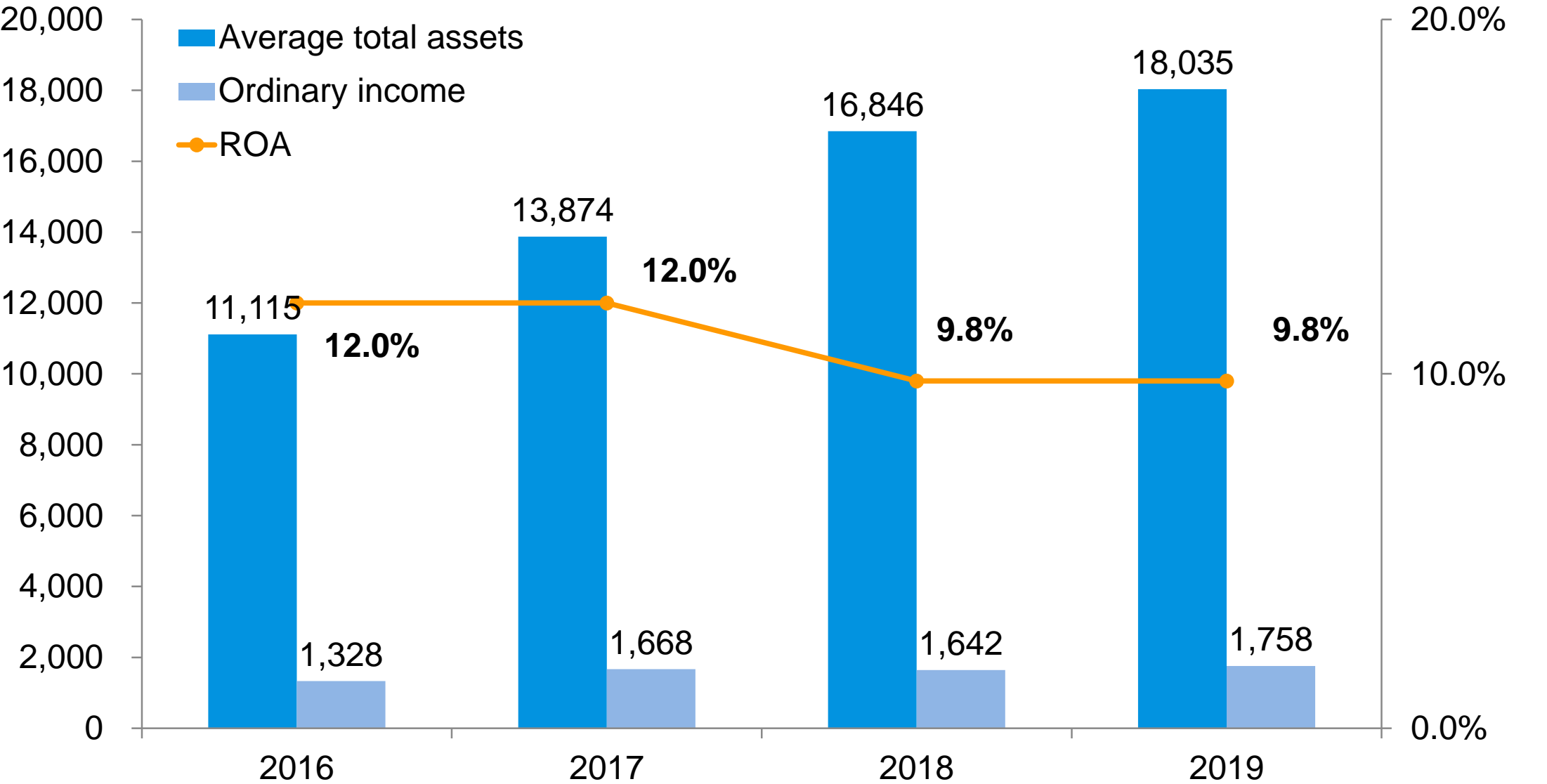
(Million yen)



Differences from quantitative targets



(Million yen)

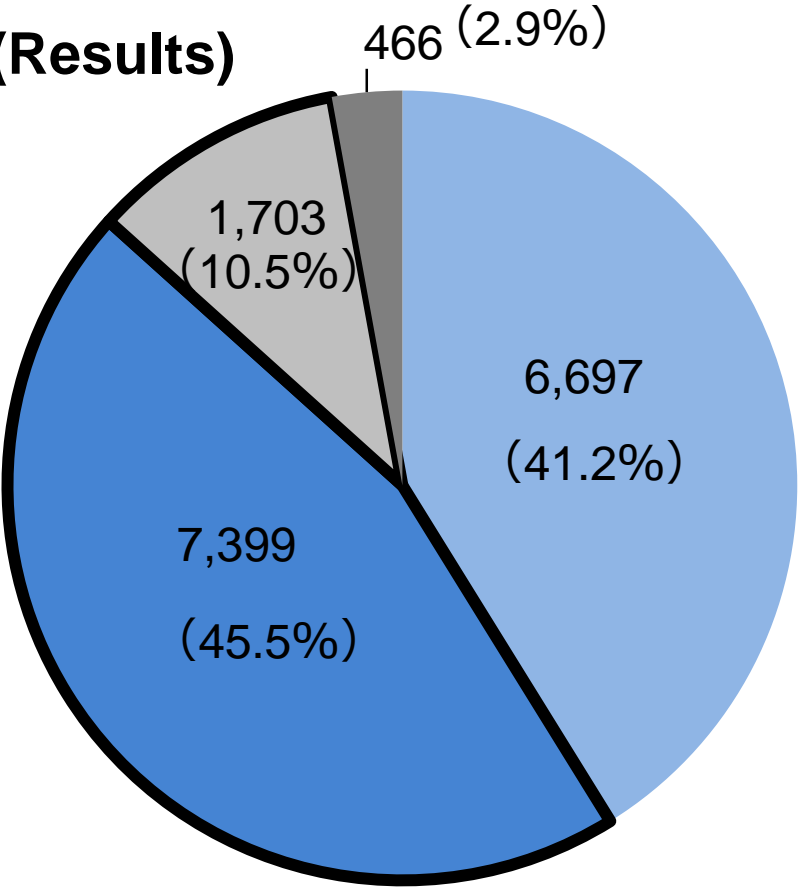


Differences from quantitative targets



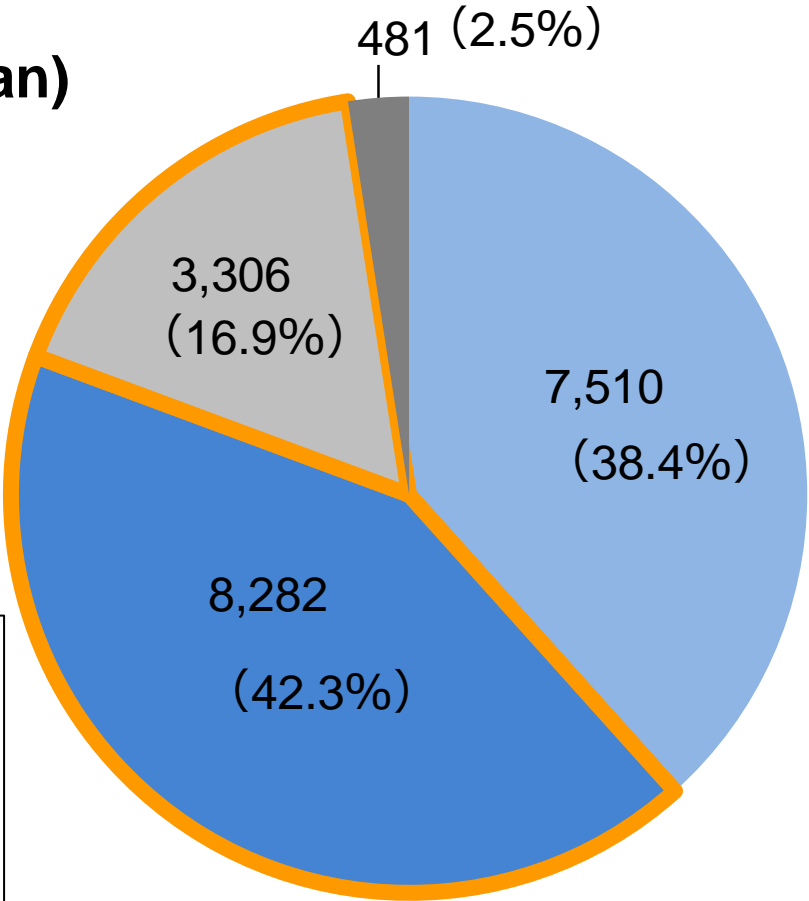
(Million yen)

2019 (Results)

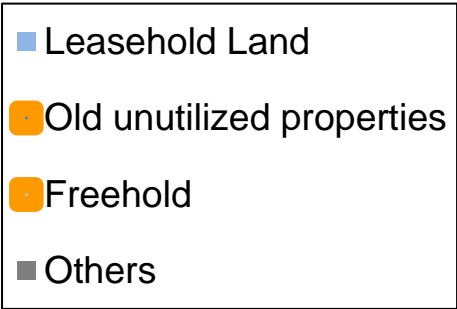


Net sales: 16,266 million yen

2020 (Plan)



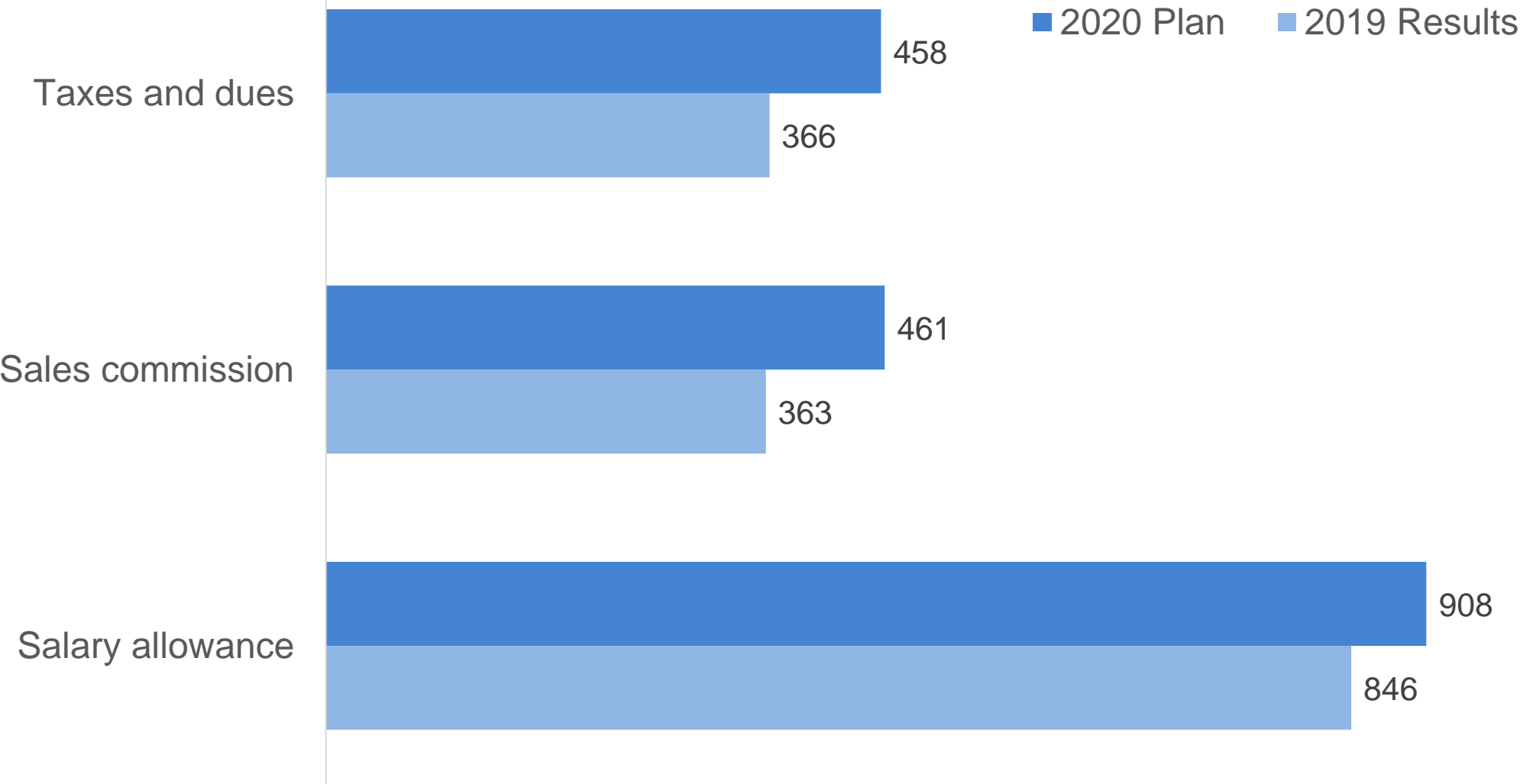
Net sales: 19,581million yen (Up 20.4%)



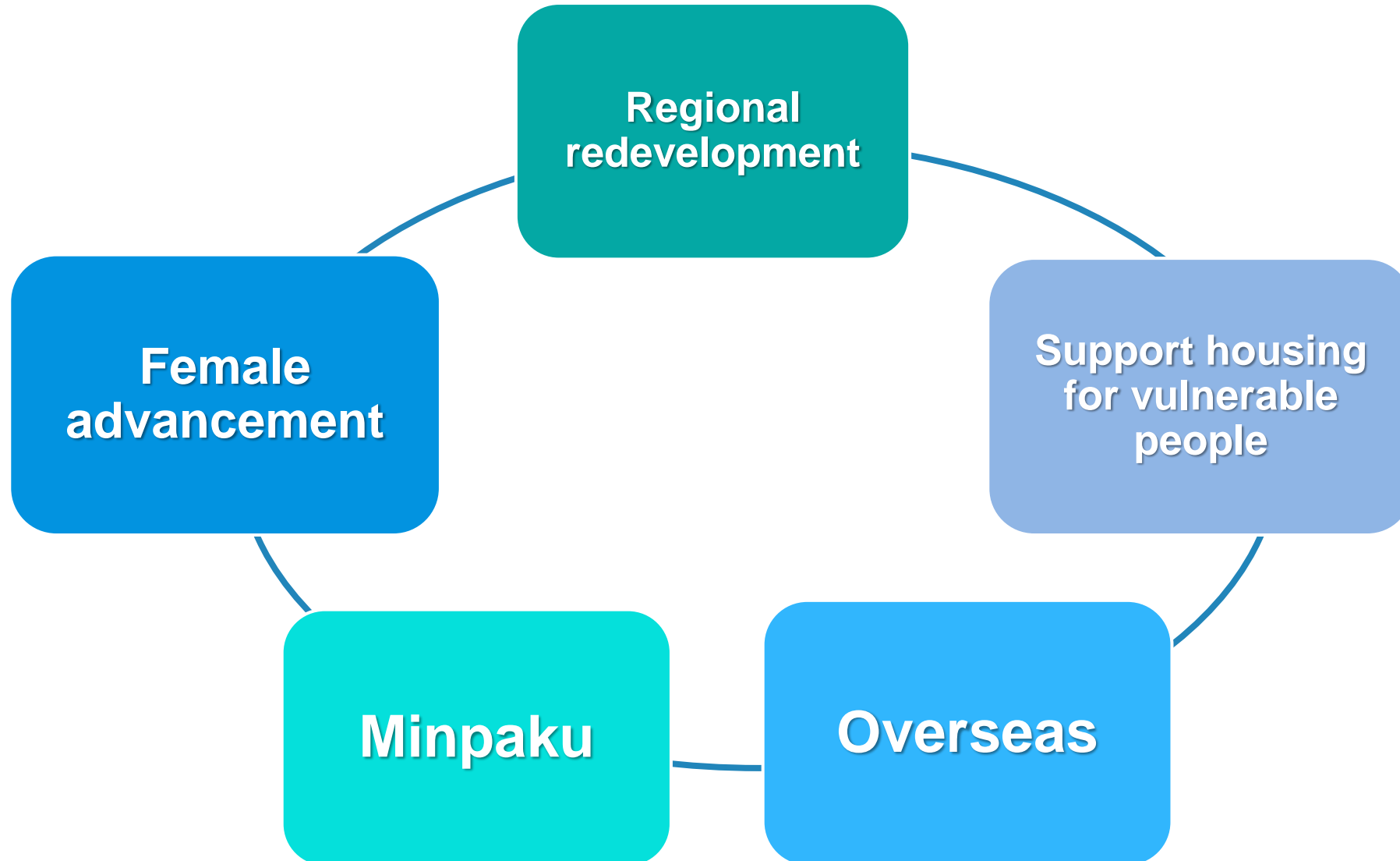
Differences from quantitative targets



(Million yen)



Growth_ Generate profit from new business



Growth Regional Redevelopment Project



(Organizational reinforcement)

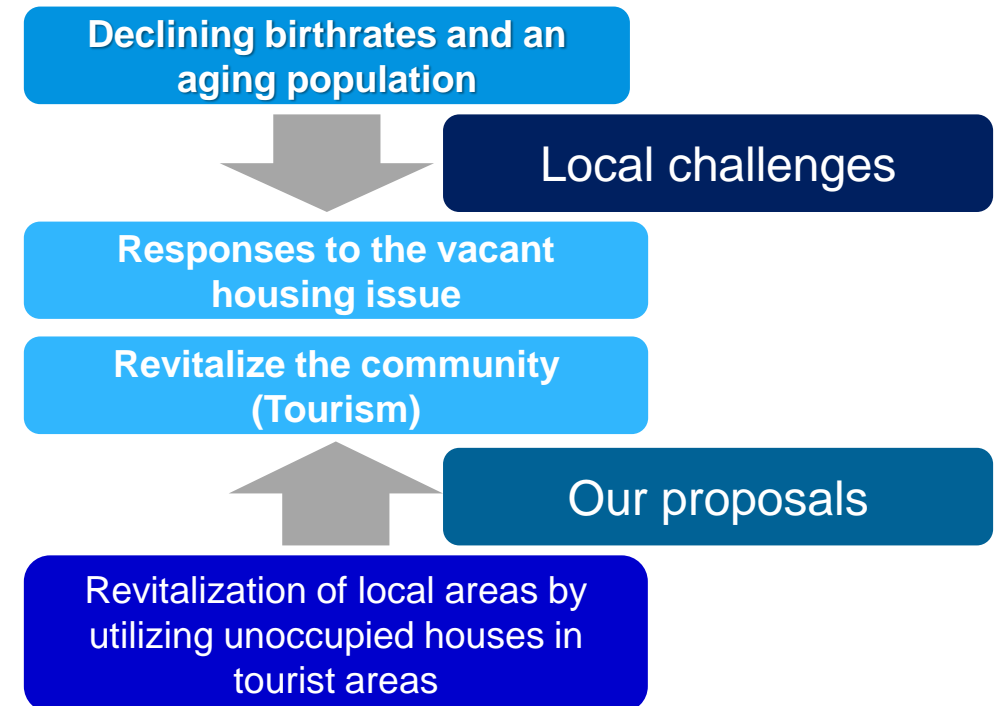
- Launched “Regional Redevelopment Project” in July 2019
- Upgraded to Regional Redevelopment Office from January 2020

(Development status)

Approach local governments nationwide

- ① To date, approaches have been made to 24 local governments (Explaining our business and understanding the situation facing local governments)
- ② Revisit local governments with high levels of redevelopment needs (Revisit 7 local governments to understand local issues, and explain the responses our company can provide)
- ③ Specific proposals to local governments that we have revisited (**ongoing**) (Specific proposals for the utilization of vacant housing and regional revitalization)

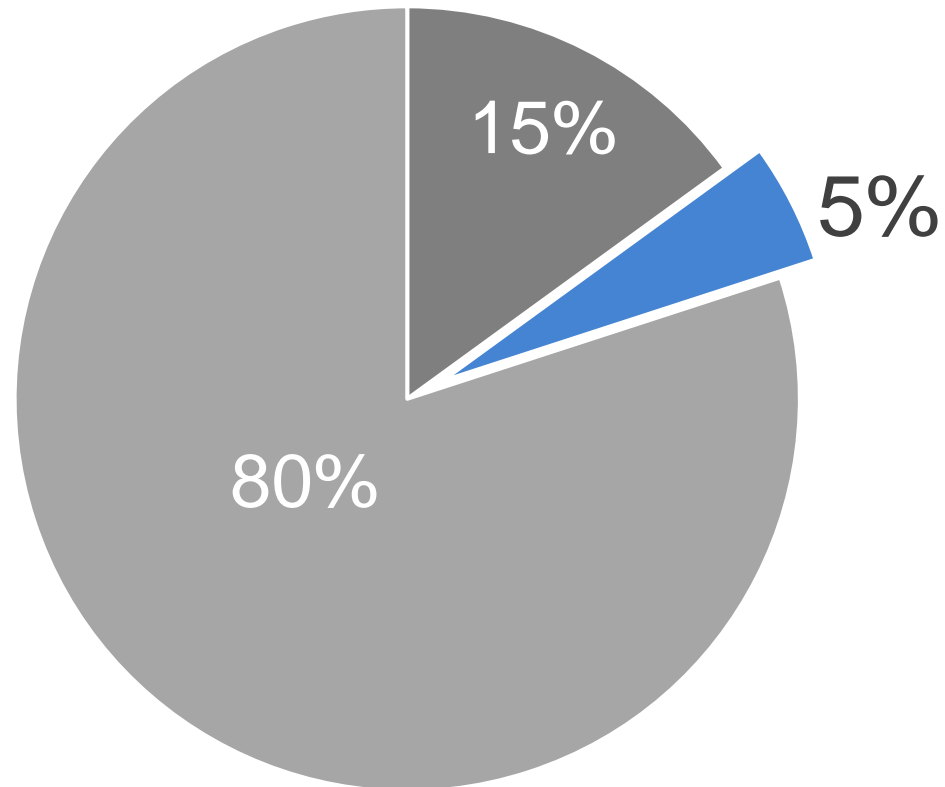
Local challenges and our proposals



Stability_ Efforts to reduce the turnaround period



Leasehold land sales illustration



- 3-year-plus period of increase in inventory due to business expansion
- Establish new department to promote cash conversion
- Increasing the cashing out amount above the level in an average year

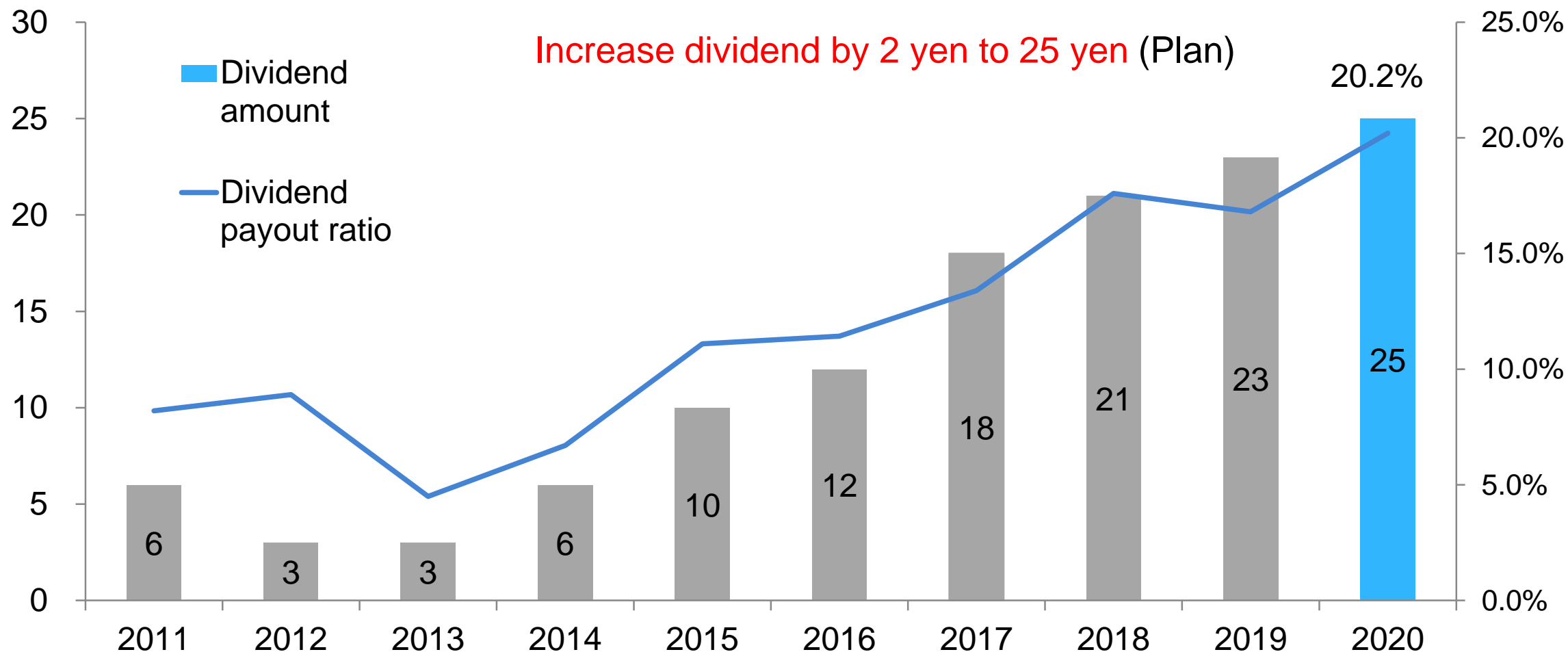
■ Sold within 3 years ■ Hold for 3 years or more ■ Sold within 1 year

Shareholder Returns (Dividends)



Dividend(Yen)

Payout ratio(%)



Funding approach “Crowdfunding”

- The 1st application executed on December 6, 2019

底地くんファンド#1

株式会社サンセイランディックファンディング

満額成立

投資受付金額
50,000,000円/50,000,000円

100%



諸条件

予定利回り（年率・税引前） 3.0%	予定運用期間 約11ヶ月 2019/12/20～2020/11/30*予定	募集金額 50,000,000円
抽選方式受付期間 このファンドでは抽選は実施しません	先着方式受付期間 2019/12/6 19:00 ～ 2019/12/13 15:00	
元本償還方法 満期一括	利益配当方法 毎四半期	担保・保証 担保なし・保証なし
		最低成立金額 20,000,000円

[諸条件の内容の解説](#)

このファンドは先着順で募集を行います

[投資ガイド](#)

[このファンドの募集スケジュール](#)


先着

先着での申込受付は終了いたしました。

Full amount completed
in **37** seconds from
start of applications
(185 units)

Corporate data



Company name	Sansei Landic Co., Ltd.
Representative	Takashi Matsuzaki, President and CEO
Established	February 1976
Capital stock	814,067,600 yen (As of the end of December 2019)
Listing	December 18, 2014, First Section of the Tokyo Stock Exchange Securities Code: 3277 *Listed on the JASDAQ Stock Exchange on December 13, 2011
Head office	5-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
Branch	Sapporo, Sendai, Musashino, Yokohama, Nagoya, Kyoto, Kansai, Fukuoka
Subsidiary	One's Life Home Co., Ltd. (Construction)  One's Life Home natural modern from architects
Number of employees	Non-consolidated: 154 (consolidated:182) ・ ・ ・ As of the end of December 2019

Thank you very much for your attention.

- 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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