

Summary of Business Results for the First Quarter Ended March 31, 2020 [Japan GAAP] (Consolidated)

May 15, 2020

Company **Sansei Landic Co.,Ltd** Listed on the TSE
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 Expected date of filing of quarterly report: May 15, 2020 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 2020 (January 1, 2020 through March 31, 2020)

(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. 2020	4,807	149.7	150	-	103	-	67	-
Three months ended Mar. 2019	1,925	-33.0	-116	-	-146	-	-111	-

(Note) Comprehensive income

Three months ended March 2020: 67 million yen (-%)

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

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Three months ended Mar. 2020	7.96	7.93		
Three months ended Mar. 2019	-13.25	-		

(2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of Mar. 2020	20,004	9,776	9,776	48.8		
As of Dec. 2019	19,293	9,894	9,894	51.3		

(Reference) Shareholders' equity

As of March 2020: 9,772 million yen

As of December 2019: 9,890 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. 2019	-	0.00	-	23.00	23.00
Year ending Dec. 2020	-				
Year ending Dec. 2020 (forecast)		0.00	-	25.00	25.00

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

3. Forecast of consolidated business results for the fiscal year ending December 2020 (January 1, 2020 through December 31, 2020)

(% 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. 2020	9,810	27.4	522	-33.8	452	-39.7	302	-36.1	35.78
Year ending Dec. 2020	21,552	19.6	1,686	-9.4	1,559	-11.3	1,047	-9.6	123.88

(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
- | | |
|---|--------|
| ①Changes in accounting policies associated with revision of accounting standards: | : None |
| ②Changes in accounting policies other than ① | : None |
| ③Changes in accounting estimates | : None |
| ④Restatement | : None |
- (4) Shares outstanding (common stock)
- | | |
|--|------------------|
| ①Number of shares outstanding at the end of period (treasury stock included) | |
| As of March 2020 | 8,468,300 shares |
| As of December 2019 | 8,456,300 shares |
| ②Treasury stock at the end of period | |
| As of March 2020 | 29,942 shares |
| As of December 2019 | 242 shares |
| ③Average number of stock during period (quarterly cumulative period) | |
| Three months ended March 2020 | 8,460,056 shares |
| Three months ended March 2019 | 8,447,558 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. For details of the assumptions used in the forecast and other notes, please refer to the "Consolidated Business Forecasts and Other Forward-Looking Information" on page 3 of the attached document of this summary of quarterly financial results.

1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

As a result, in the first quarter of the current fiscal year, net sales were 4,807 million (up by 149.7% YoY), operating income was 150 million yen (operating loss of 116 million yen in the same period of the previous fiscal year), ordinary income was 103 million yen (ordinary loss of 146 million yen in the same period of the previous fiscal year), and a net income attributable to owners of parent was 67 million yen (net loss attributable to owners of parent of 111 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 segment recorded net sales of 4,339 million yen (up by 175.3% YoY) and segment income of 454 million yen (up by 180.7% YoY).

Sales and purchase results for the first quarter of the current fiscal year are as follows.

i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	55	-17.9	719	-33.8
Old unutilized properties	22	+266.7	2,180	+520.6
Freehold	2	+100.0	1,305	51
Other Real Estate Sales Business	-	-	133	+21.5
Total	79	+6.8	4,339	+175.3

(Note) 1. The amounts shown above do not include consumption taxes.

2. Inter-segment transactions have been eliminated.

3. "Number of contracts" indicates the number of transactions.

4. "Classification" of Leasehold land, Old unutilized properties, and Freehold is stated according to the classification at the time of purchase. When leasehold land has changed to freehold with rights adjustment after purchase, this case is included in "Leasehold land" based on the classification at the time of purchase. As for the classification of mixed properties with leasehold land, old unutilized properties, and freehold, properties including leasehold land are classified as "Leasehold land", and properties containing a mix of old unutilized properties and freehold are classified as "Old unutilized properties."

5. "Other Real Estate Sales Business" consists of rent income, income from brokerage fees, and commission income from outsourcing.

Although sales of leasehold land decreased, total sales increased from the previous year due to a large increase in sales of old unutilized properties and freehold.

ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (million yen)	YoY (%)
Leasehold land	96	+37.1	1,824	+121.1
Old unutilized properties	13	-48.0	1,402	-13.3
Freehold	6	+100.0	1,388	51
Total	115	+17.3	4,615	+85.8

(Note) 1. The amounts shown above do not include consumption taxes.

2. "Number of lots" indicates the number of sales lots expected at the time of purchase of the property, such as the number of leaseholders in the case of leasehold land.

3. As for the classification of mixed properties with leasehold land, old unutilized properties, and freehold, properties including leasehold land are classified as "Leasehold land", and properties containing a mix of old unutilized properties and freehold are classified as "Old unutilized properties."

The purchase amount increased thanks to the steady progress in purchase of leasehold land and freehold, despite the decrease in purchase of old unutilized properties.

② Construction Business

In the Construction Business, the segment recorded net sales of 468 million yen (up 34.1% YoY) and segment loss of 3 million yen (segment loss of 31 million yen in the same period of the previous fiscal year).

Sales and orders in the first quarter of the current fiscal year are as follows.

i Sales Results

Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
56	+43.6	468	+34.1

- (Note) 1. The amounts shown above do not include consumption taxes.
 2. Inter-segment transactions have been eliminated.
 3. "Number of contracts" indicates the number of contracts received.
 4. "Number of contracts" and "Sales" include the number and amount of renovation works and reconstruction works.

As for sales, net sales increased year on year due to an increase in order backlog at the beginning of the fiscal year construction work carried over from the beginning of the fiscal year.

ii Order Results

Orders Received (million yen)	YoY (%)	Order backlog (million yen)	YoY (%)
288	-74.6	844	-40.0

- (Note) 1. The amounts shown above do not include consumption taxes.
 2. Inter-segment transactions have been eliminated.
 3. The above amounts are based on selling prices.

As for orders, both orders received and order backlog decreased significantly year on year, due to a rush in demand prior to the consumption tax hike in the first half of the previous fiscal year.

Financial Position

(Current assets)

Current assets at the end of the first quarter of the current fiscal year increased by 721 million yen from the end of the previous fiscal year to 18,816 million yen. This was mainly due to a decrease of 498 million yen in cash and deposits and an increase of 1,162 million yen in property for sale.

(Fixed assets)

Fixed assets decreased by 11 million yen from the end of the previous fiscal year to 1,188 million yen at the end of the first quarter of the current fiscal year. This was mainly due to a decrease of 4 million yen in property, plant and equipment and a decrease of 4 million yen in intangible assets.

(Current liabilities)

Current liabilities increased by 835 million yen from the end of the previous fiscal year to 9,882 million yen at the end of the first quarter of the current fiscal year. This was mainly due to a decrease of 96 million yen in accounts payable-trade, an increase of 718 million yen in short-term loans payable, a decrease of 316 million yen in income taxes payable, and an increase of 455 million yen in other current liabilities.

(Fixed liabilities)

Fixed liabilities decreased by 6 million yen from the end of the previous fiscal year to 345 million yen at the end of the first quarter of the current fiscal year. This was due to a decrease of 6 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 118 million yen from the end of the previous fiscal year to 9,776 million yen. This was mainly due to a decrease of 127 million yen in retained earnings.

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

Although the results for the first quarter of the current fiscal year exceeded the planned figures, the business forecasts announced on February 14, 2020 did not reflect the impact of the spread of the new coronavirus (COVID-19) on the Group's business.

Since the second quarter, the impact of infectious has begun to affect the Group's business, but there are still uncertainties. Therefore, it is difficult to accurately calculate the impact of these factors at this time. For this reason, the Company remains unchanged its business forecasts. If there are any facts that should be announced in the future, the Company will make an announcement as soon as possible.