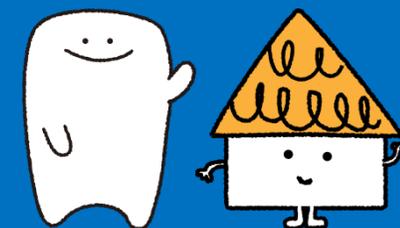


# Sansei Landic Co., Ltd.

Supplementary Materials for  
Consolidated Financial Results for  
1Q of FY12/20

May 15, 2020



## FY12/20 1Q Topics



- The first quarter results were unaffected by the new coronavirus (COVID-19) infections, and both sales and profits exceeded the plan and year-on-year results.
- Profit margin decreased but exceeded the plan as the ratio of old unutilized properties and freehold accounted for about 80% of the total sales.
- Purchase amount: 4,615 million yen (+ 85.8% YoY)

# Our response to COVID-19



We will continue to act flexibly to prevent the spread of new coronavirus infections (COVID-19).

Response to our clients	Response to our employees
<ul style="list-style-type: none"><li>• Wear masks and take other measures to prevent infection during client visits</li><li>• Conduct telephone and online meetings</li><li>• Refrain from holding and participating in seminars</li><li>• Refrain from holding and participating in business dinners and social gatherings</li></ul>	<ul style="list-style-type: none"><li>• Provide masks for all employees.</li><li>• Introduce teleworking</li><li>• When employees are necessary to come to work, we use staggered work hours, and divide their commuting hours into two groups, and contact with other groups inside and outside is totally prohibited</li><li>• Refrain from business trips</li><li>• Lend computers and printers, etc. for teleworking use</li><li>• Conduct a survey for all employees to improve operational efficiency through teleworking</li></ul>

# Current effects of COVID-19 on our business and measures



Business	Effects	Measures
<p>Real Estate Sales Business (Leasehold land)</p>	<ul style="list-style-type: none"> <li>• Decrease in the number of projects due to the voluntary restraint of sales activities of our clients.</li> <li>• Delays in sales activities due to refraining from face-to-face sales negotiations in response to customer requests.</li> <li>• Delays in sales activities due to delays in surveying operations</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate by phone, etc. in exchange for face-to-face meeting to cover delays in sales activities as much as possible.</li> <li>• Continue funding of leasehold land, which has been in place since last year, in order to secure funds</li> </ul>
<p>Real Estate Sales Business (Old unutilized properties and Freehold)</p>	<ul style="list-style-type: none"> <li>• Decrease in the number of projects due to the voluntary restraint of sales activities of our clients.</li> <li>• Delays in surrender process of old unutilized properties due to refraining from face-to-face surrender negotiations in response to tenant requests.</li> <li>• Uncertainty in the market has caused customers to postpone purchases or to lower their purchase price ranges.</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate by phone, etc. in exchange for face-to-face meeting to cover delays in the surrender process of old unutilized properties as much as possible.</li> <li>• Considering selling some properties at a lower profit margin than at the time of appraisal in order to secure funds</li> <li>• Stricter examination of suppliers at the time of purchase appraisal</li> </ul>
<p>Construction Business</p>	<ul style="list-style-type: none"> <li>• Some customers cancelled their contracts.</li> <li>• Delays in negotiations due to postponement of business meetings or refraining from face-to-face meetings in response to customer requests</li> </ul>	<ul style="list-style-type: none"> <li>• Secure orders by focusing on sales to highly qualified customers</li> <li>• Negotiate by phone, etc. in exchange for face-to-face meeting to cover delays in negotiation as much as possible.</li> <li>• Continue to strengthen web marketing</li> <li>• Thorough management of the construction work carried over from the beginning of the fiscal year to secure a profit.</li> </ul>

# Financial Results



(Million yen)

	18/1Q	19/1Q	2020/1Q		
	Results	Results	Plan	Results	Difference
Net sales	2,873	1,925	4,605	4,807	+202
Gross profit	734	579	836	942	+105
SG&A	676	696	818	792	-25
Operating Income	58	-116	18	150	+131
Ordinary Income	30	-146	-19	103	+123
Net Income	3	-111	-9	67	+77

## ■ Net sales

+149.7% YoY

## ■ Gross profit

+62.6% YoY

Due to increase of sales of old unutilized properties and freehold, profit rate was declined.

## ■ SG&A

Salaries and allowances:  
+ 54 million yen YoY

# Summary of Consolidated Balance Sheet



(Million yen)

	FY12/19	20/1Q		
	Amount	Amount	Vs. end of previous term	Pct. change
Cash and deposits	4,133	3,635	-498	-12.0%
Property for sale	13,493	14,655	+ 1,162	+8.6%
Interest-bearing liabilities	7,202	8,683	+1,480	+20.6%
Net assets	9,894	9,776	-118	-1.2%
Total assets	19,293	20,004	+710	+3.7%
Shareholders' equity ratio	51.3%	48.8%	-2.5pt	—

## ■ Property for Sale

Increased due to steady purchase.  
Purchase amount for FY2019 1Q : 2,483 million yen  
Purchase amount for FY2020 1Q : 4,615 million yen

## ■ Interest-bearing liabilities

Short-term loans payable:  
+718 million yen  
Increased due to purchase increase and borrowings for working capital.

# Sales by Business Segment



(Million yen)

	18/1Q	19/1 Q	20/1 Q		
	Results	Results	Plan	Results	Vs. plan
Real Estate Sales business	2,757	1,576	4,062	4,339	+6.8%
Leasehold land	611	1,086	880	719	-18.3%
Old unutilized properties	725	351	1,743	2,180	+25.0%
Freehold	1,322	28	1,312	1,305	-0.5%
Others	99	110	125	133	+6.4%
Construction business	115	349	542	468	-13.7%

## ■ Leasehold Land

Several properties will be supposed to sell after the Q2, plan of sales and profit was not achieved.

## ■ Old Unutilized Properties

There were properties sold ahead in the Western Japan area, exceeding the plan and previous year result.

## ■ Freehold

Progressed almost in line with the plan.

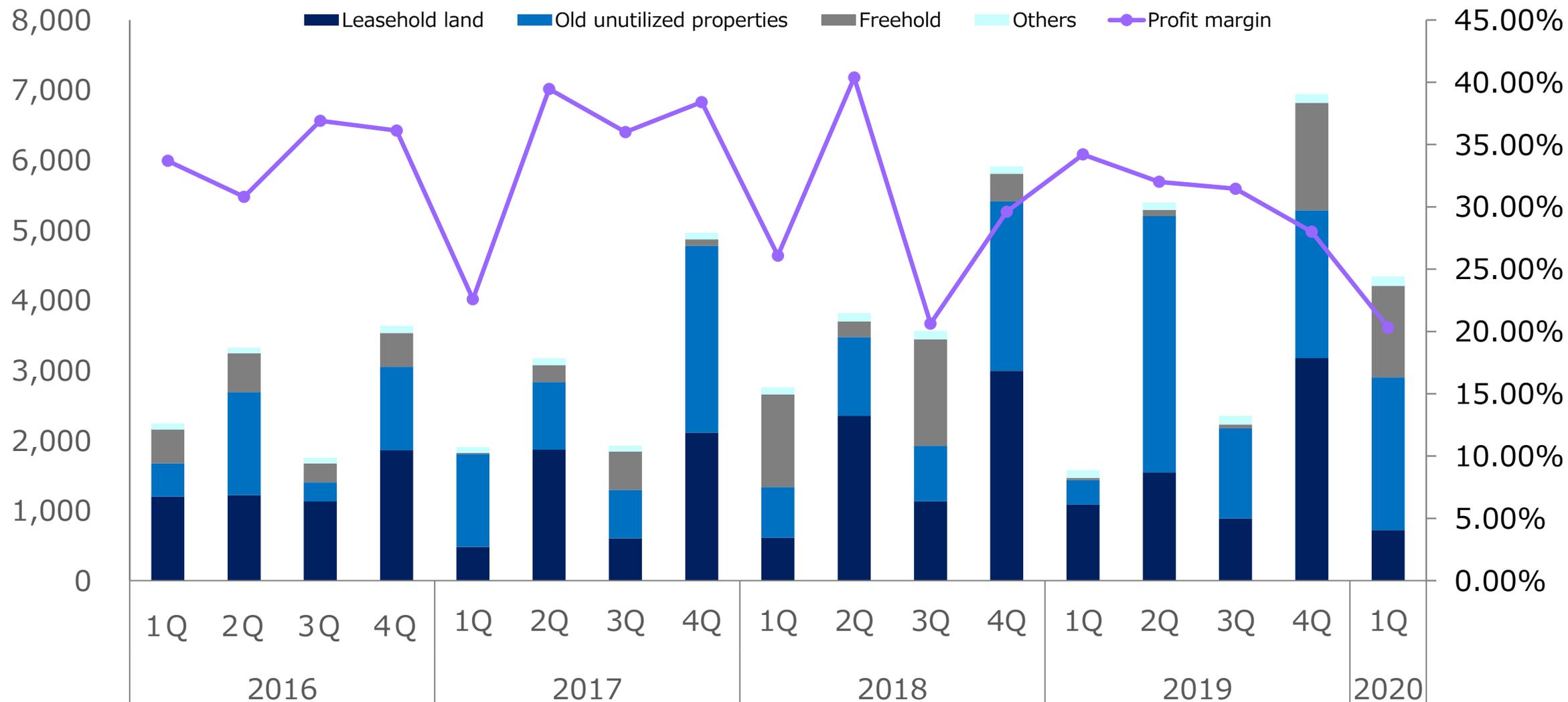
## ■ Construction Business

Although plan of sales and profit was not achieved, net sales increased by 34.1% YoY due to increase in order backlog at the beginning of the fiscal year.

# Quarterly Changes in the Real Estate Sales Business



Sales (million yen)



# Purchases and Orders Received by Business Segment



(Million yen)

	18/1 Q	19/1 Q	20/1 Q	
	Results	Results	Results	YoY
Real Estate Sales business	2,318	2,483	4,615	+ 85.8%
Leasehold land	1,093	825	1,824	+ 121.1%
Old unutilized properties	1,045	1,617	1,402	-13.3%
Freehold	180	41	1,388	—
Construction business (Orders received)	288	1,135	288	-74.6%

## ■ Real Estate Sales Business

Annual purchase plan: 14.2 billion yen

Purchases of leasehold land was increased at Western Japan area, and that of freehold was increased at Kanto area.

## ■ Construction Business

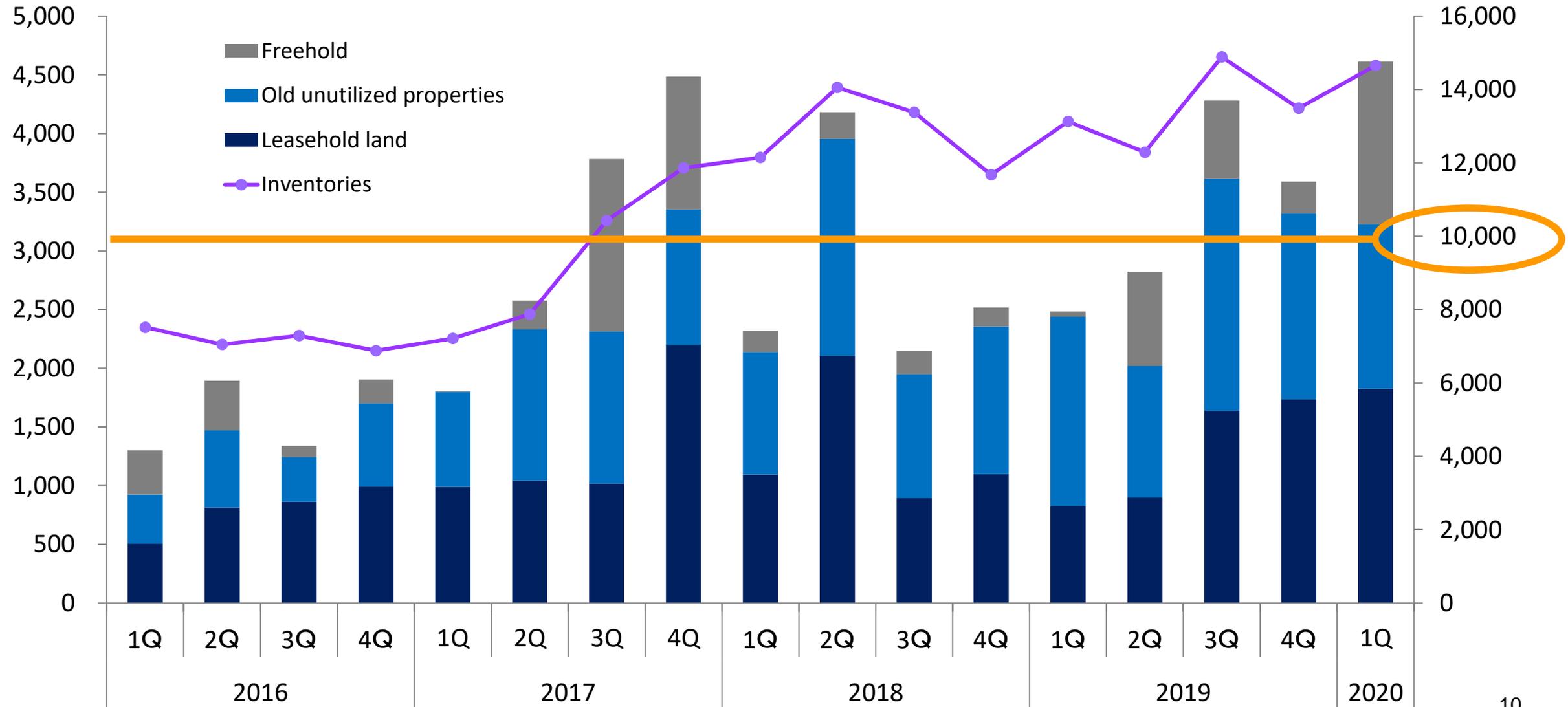
Orders were declined than FY19/Q1 because there were the last minute surge in demand before the consumption tax hike.

# Changes in the Amount of Purchases and Inventories



Purchase amount (Million yen)

Inventories (Million yen)

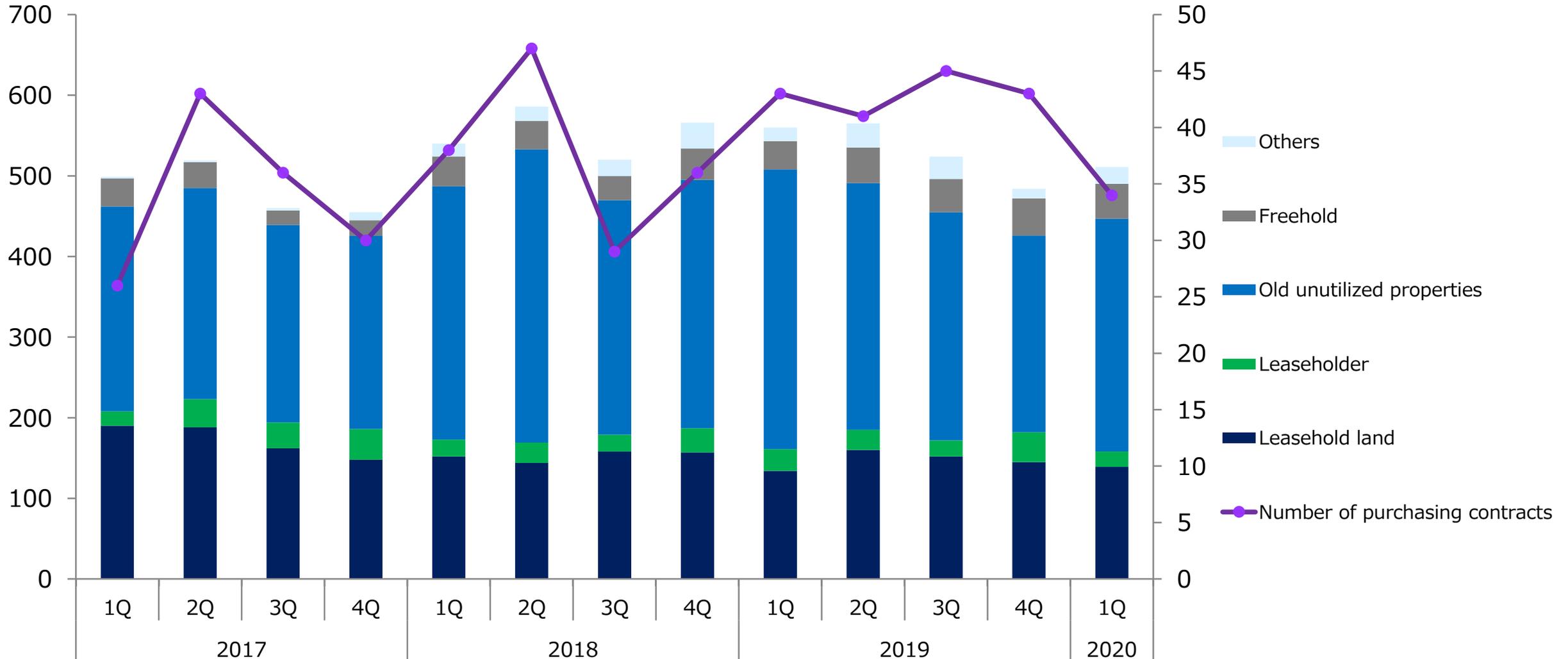


# Changes in the Number of Projects and Number of Purchasing Contracts



Number of projects

Number of purchasing contracts (contracts)



# FY12/20 Business Forecasts



(Million yen)

	FY 12/20	20/1Q	
	Business forecasts	Plan	Actual
Net sales	21,552	4,605	4,807
Operating income	1,686	18	150
Ordinary income	1,559	-19	103
Net income	1,047	-9	67

## ■ About the Business Forecasts

Although the results for the first quarter of the current fiscal year exceeded the plan, as for the business forecasts announced on February 14, 2020, we did not take into account the impact of the spread of COVID-19 on the Group's business.

However, there are a number of uncertainties that make it difficult to accurately calculate the impact of the outbreak at this time, so we remain unchanged our business forecasts.

# Contact



- 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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