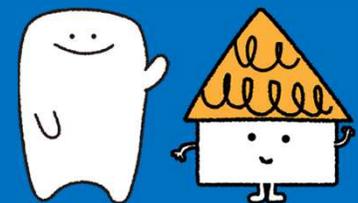


Sansei Landic Co., Ltd.

Supplementary Materials for
Consolidated Financial Results for
2Q of FY12/20

August 12, 2020



FY12/20 2Q Topics



- Business forecasts revised downward as sales fell short of the plan, and profits also fell short of the plan and year-on-year results due to the impact of the new coronavirus (COVID-19) infections.
- Year-end dividend remained at 25 yen per share
- Purchase amount: 9,051 million yen (+70.5% YoY)
- Results of the Construction business significantly improved as the 2Q performance exceeded year-on-year results, although it was slightly below the plan.

FY12/20 Business Forecasts



(Million yen)

	20/2Q		FY12/20	
	Business forecasts	Results	Business forecasts	Revised forecasts
Net sales	9,810	8,354	21,552	16,725
Operating Income	522	395	1,686	647
Ordinary Income	452	291	1,559	450
Net Income	302	182	1,047	268

In light of the impact of the spread of COVID-19, we have revised our business forecasts as described above, based on our announcement titled “Notice of Revisions to Business Forecasts for the Fiscal Year ending December 2020” as of July 31, 2020.

Revision of Business Forecasts for FY12/20



- As for the leasehold land, sales negotiations were interrupted and postponed due to the declaration of a State of Emergency, resulting in delays in sales.
- As for the old unutilized properties, delays in surrender negotiations and postponement of contracts caused delays in sales.
- The Construction Business is also experiencing delays in construction starts due to postponement of meetings and a decline in new orders.
- To capitalize some of its assets more than expected at the beginning of the fiscal year, we have revised its business forecasts downward in anticipation of lower margins and delays in sales due to the factors mentioned above.

Further Response to COVID-19



The following measures have been taken to prevent the spread of infection and the delay of business activities.

Response to our clients	Response to our employees
<ul style="list-style-type: none">• Self-restraint of part of door-to-door sales without appointment• Thoroughly implement measures against infections when visiting customers, such as wearing masks and bringing disinfectant product• Distribute masks and disinfection wipes to clients• Active use of telephone, email and online meeting systems• Install acrylic panels and air purifiers in the reception rooms• Shift transportation to cars (car rental service)• Refrain from holding and participating in seminars• Refrain from holding and participating in business dinners and social gatherings	<ul style="list-style-type: none">• Conduct antibody tests (No antibody detected as of July 16) We will continue to conduct the tests on a regular basis.• Mandatory temperature measurement reports• Introduce teleworking and staggered work hours• Payment of consolation money and teleworking allowance to all employees• Provide masks for all employees• Lend computers and printers, etc. for teleworking use• Conduct a survey for all employees to improve operational efficiency through teleworking

Financial Results



(Million yen)

	18/2Q	19/2Q	2020/2Q		
	Results	Results	Plan	Results	Difference
Net sales	6,834	7,701	9,810	8,354	-1,456
Gross profit	2,295	2,341	2,249	1,931	-318
SG&A	1,478	1,550	1,726	1,535	-190
Operating Income	817	790	522	395	-127
Ordinary Income	745	750	452	291	-160
Net Income	434	473	302	182	-120

- Net sales
+8.5% YoY
- Gross profit
-17.5% YoY
- Operating income
-50.0% YoY
- Ordinary income
-61.1% YoY
- Net income
-61.5% YoY

Summary of Consolidated Balance Sheet



(Million yen)

	FY12/19	20/2Q		
	Amount	Amount	Vs. end of previous term	Pct. change
Cash and deposits	4,133	3,482	-651	-15.8%
Property for sale	13,493	16,923	+3,429	+25.4%
Interest-bearing liabilities	7,202	10,410	+3,207	+44.5%
Net assets	9,894	9,891	-3	-0.0%
Total assets	19,293	21,962	+2,668	+13.8%
Shareholders' equity ratio	51.3%	45.0%	-6.3pt	—

■ Property for Sale

Vs. previous 2Q:+4,632 million yen
 Purchase amount for FY2019 2Q:
 5,307 million yen
 Purchase amount for FY2020 2Q:
 9,051 million yen

■ Interest-bearing liabilities

Long-term loans payable:
 +3,958 million yen
 Increased due to purchases in
 excess of one year.

Sales by Business Segment



(Million yen)

	18/2Q	19/2Q	20/2 Q		
	Results	Results	Plan	Results	Vs. plan
Real Estate Sales business	6,576	6,972	8,874	7,431	-16.3%
Leasehold land	2,961	2,632	2,726	2,332	-14.5%
Old unutilized properties	1,849	4,008	4,081	3,077	-24.6%
Freehold	1,544	116	1,822	1,770	-2.9%
Others	221	214	243	250	+3.1
Construction business	257	729	935	923	-1.3

■ Leasehold Land

Sales and profits fell short of the plan due to a delay in sales, reflecting the impact of voluntary restraint of sales activities after the declaration of the State of Emergency.

■ Old Unutilized Properties

Sales and profits fell short of the plan due to delays in surrender negotiations and contract.

■ Freehold

Performed almost in line with the plan.

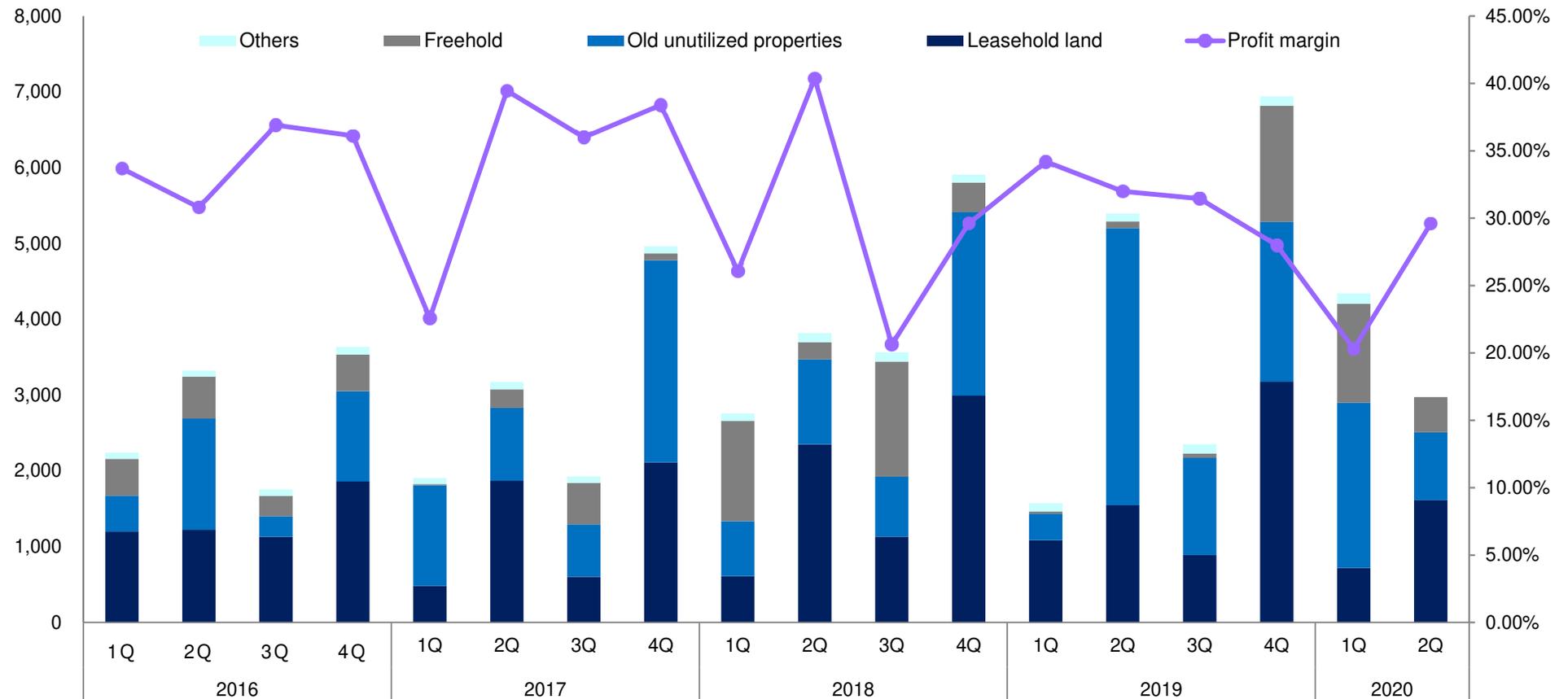
■ Construction Business

Net sales increased by 26.7% YoY.

Quarterly Changes in the Real Estate Sales Business



Sales (million yen)



Purchases and Orders Received by Business Segment



(Million yen)

	18/2Q	19/2Q	20/2Q	
	Results	Results	Results	YoY
Real Estate Sales business	6,499	5,307	9,051	+70.5%
Leasehold land	3,199	1,723	3,183	+84.8%
Old unutilized properties	2,895	2,739	4,416	+61.2%
Freehold	405	844	1,450	+71.9%
Construction business (Orders received)	495	1,365	548	-59.8%

■ Real Estate Sales Business

Annual purchase plan: 14.2 billion yen

Real Estate Sales business performed well overall even under the COVID-19 pandemic. Second half performance is expected to be affected by the decrease in the number of projects in April and May due to the voluntary restraint of sales activities.

■ Construction Business

The number of orders increased substantially, due in part to the rush in demand before the consumption tax hike in the previous 2Q.

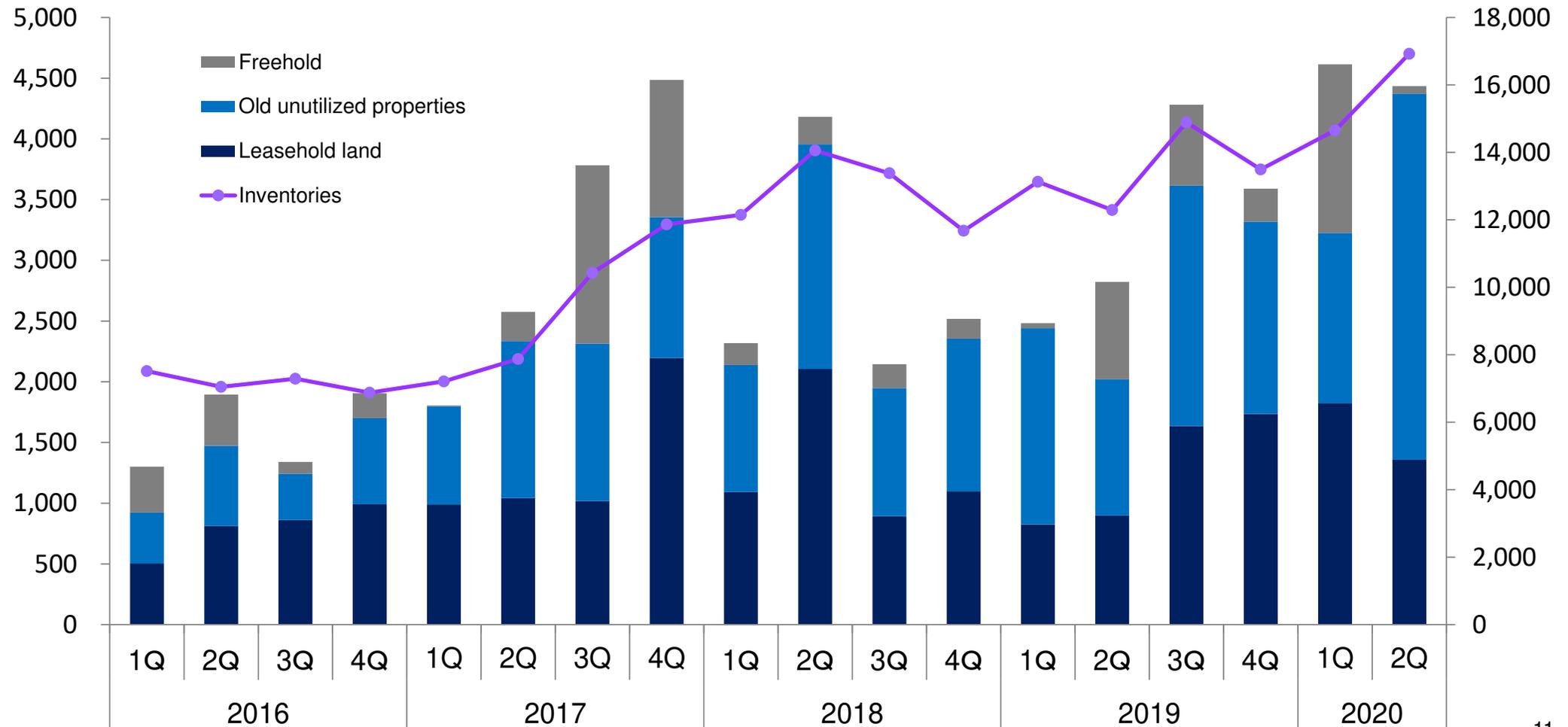
2Q results declined significantly from the year-on-year results due to a decrease in negotiations and the temporary postponement of contracts under the State of Emergency.

Changes in the Amount of Purchases and Inventories



Purchase amount (Million yen)

Inventories (Million yen)



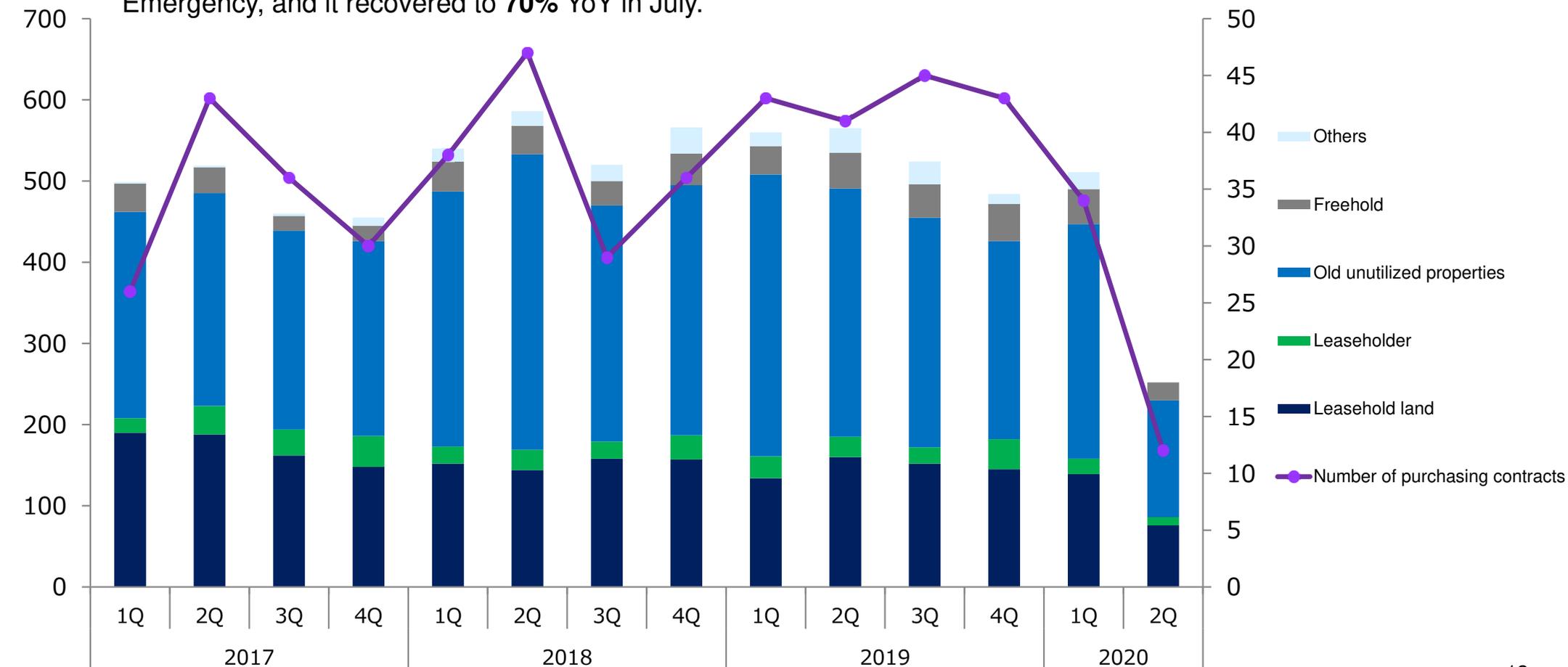
Changes in the Number of Projects and Number of Purchasing Contracts



Number of projects

During the period of voluntary restraint of sales activities (April and May), the number of projects fell to around **40% YoY**, but began to recover from June after the lifting of the State of Emergency, and it recovered to **70% YoY** in July.

Number of purchasing contracts (contracts)



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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