



Sansei Landic Co., Ltd.

**Financial Results for the Second Quarter
of the Fiscal Year Ending December 2020**

August 21, 2020

Overview of Financial Results for the
Second Quarter of the Fiscal Year
Ending December 2020

2Q Topics



- 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.
- Even the Construction business was also affected by COVID-19, its sales increased by 26.7% year-on-year, resulting in a significant improvement in results.

Net sales	8,354 million yen	Up 8.5% YoY
Operating income	395 million yen	Down 50.0% YoY
Ordinary income	291 million yen	Down 61.1% YoY
Net income	182 million yen	Down 61.5% YoY
Amount of purchases	9,051 million yen	Up 70.5% YoY

Comparison of Consolidated Income Statement



- Sales were delayed due to voluntary partial restraint of sales activities. As a result, sales were lower, and profits fell short of the plan and was also lower than year-on-year results.

(Million yen)

	18/2Q	19/2Q	20/2Q		
	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
Extraordinary loss	50	—	—	—	—
Income taxes	259	277	149	109	△40
Net income	434	473	302	182	△120

Summary of Consolidated Balance Sheet



- Property for sale increased due to delays in sales period and purchases exceeding plan.

(Million yen)

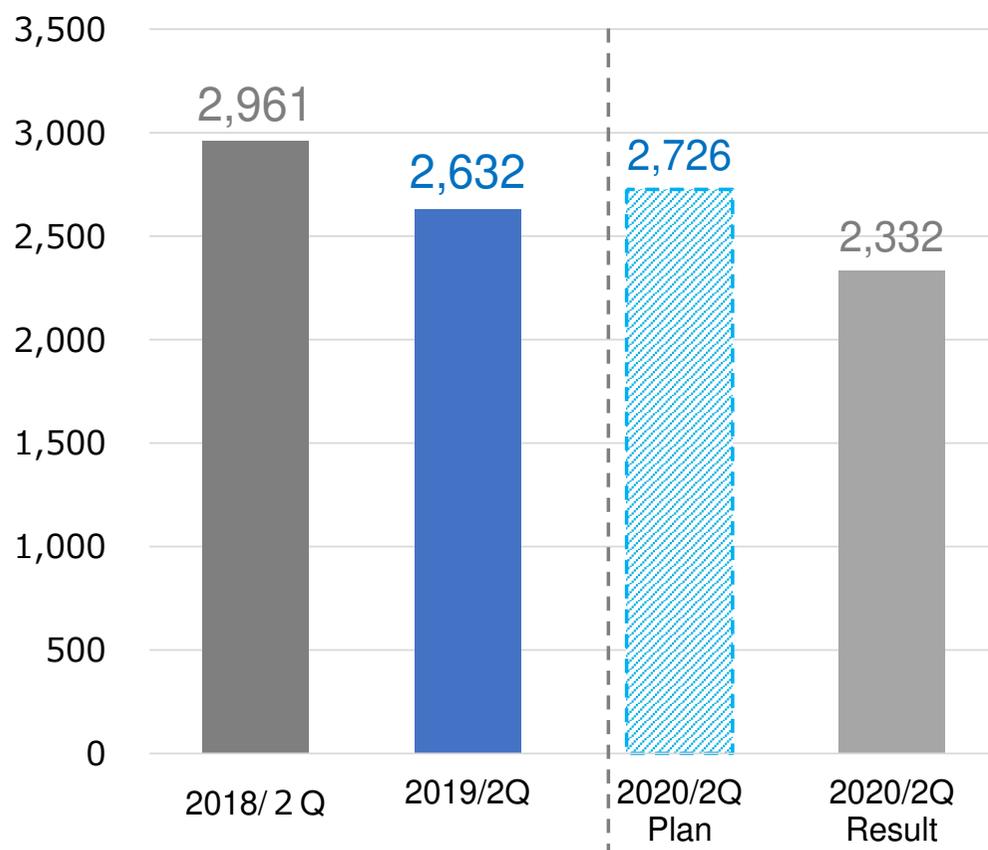
	FY12/19	20/2Q		
	Amount	Amount	Vs. end of previous term	Pct. change
Cash and deposits	4,133	3,482	△651	△15.8%
Property for sale	13,493	16,923	+3,429	+25.4%
Interest-bearing liabilities	7,202	10,410	+3,207	+44.5%
Net assets	9,894	9,891	△3	△0.0%
Total assets	19,293	21,962	+2,668	+13.8%
Shareholders' equity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

Results by Business: Leasehold Land



- Sales down by **11.4%** year-on-year, **14.5%** below the plan

(Sales: Million yen)



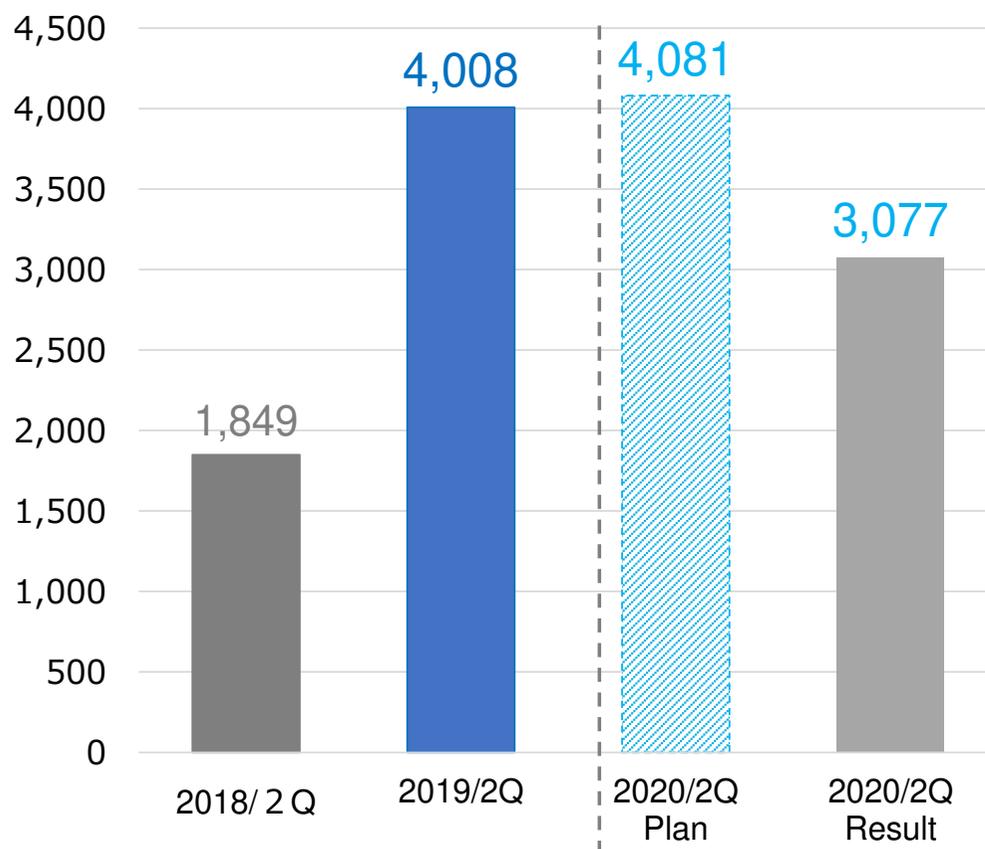
- Sales and profits fell short of the plan due to delay in sales reflecting the impact of COVID-19.
- Profit margin fell short of the plan as properties were sold at lower profit margins to increase cash flow.
- Revised full-year sales plan to **6.3 billion yen** (Initial plan: 7.5 billion yen)

Results by Business: Old Unutilized Properties



- Sales down by **23.2%** year-on-year, **24.6%** below the plan

(Sales: Million yen)



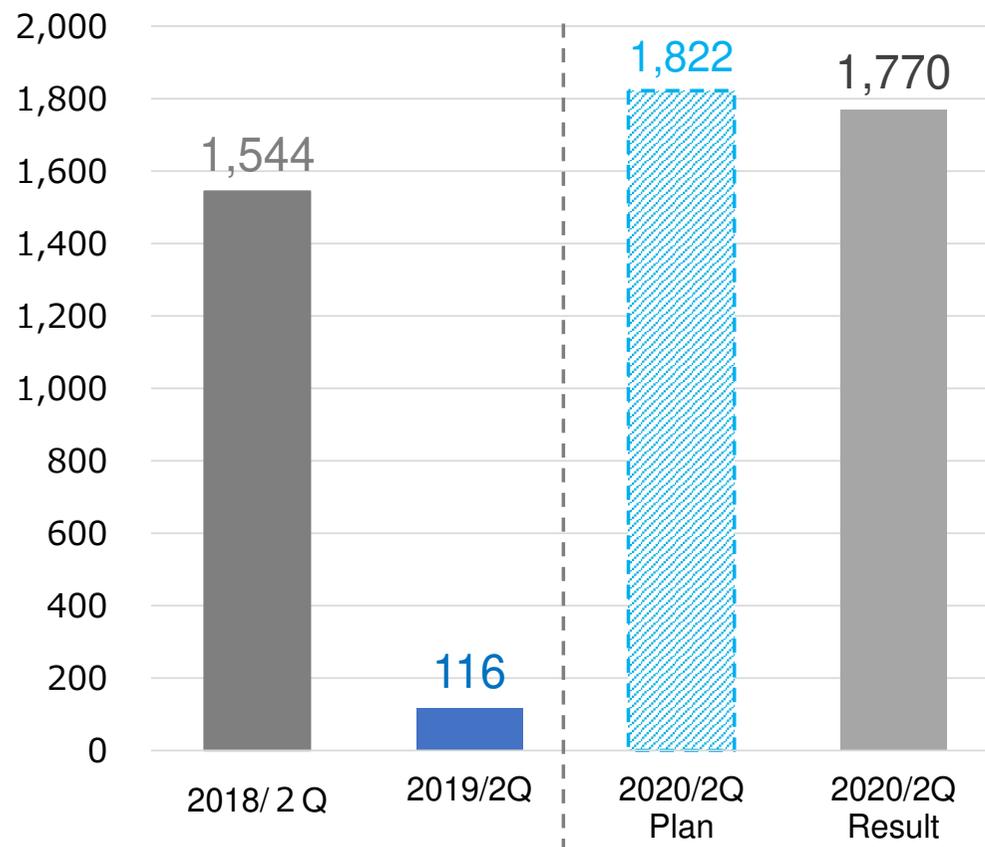
- Sales and profit fell short of the plan due to temporal suspension of purchases by vendors.
- Profit margin was in line with the plan
- Revised full-year sales plan to **6.1 billion yen** (Initial plan: 8.2 billion yen)

Results by Business: Freehold



- Sales increased significantly year-on-year, **2.9%** below the plan

(Sales: Million yen)



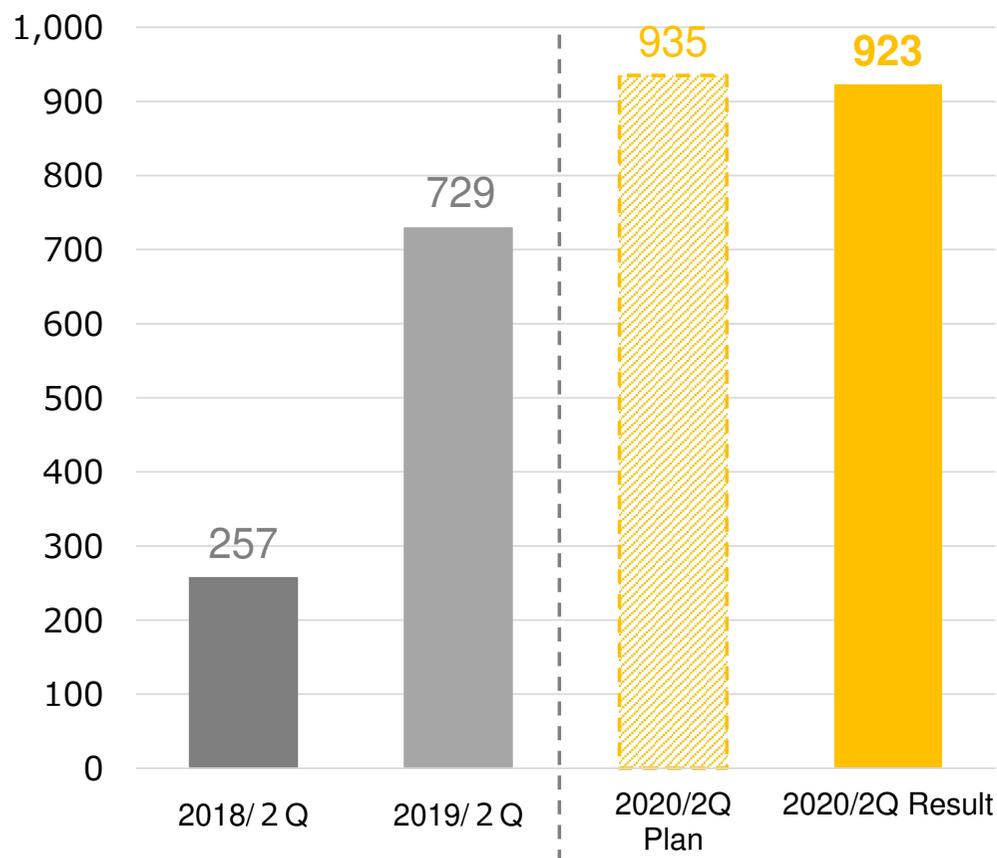
- Sales slightly fell short of the plan, but profits exceeded the plan due to the profit margin exceeding the plan.
- Revised full-year sales plan to **2 billion yen**
(Initial plan: 3.3 billion yen)

Results by Business: Construction



- Sales up by **26.7%** year-on-year, **1.3%** below the plan

(Sales: Million yen)



- Delays in negotiations and postponement of contracts due to the COVID-19.
- Sales increased significantly year-on-year driven by a large order backlog at the beginning of the fiscal year.

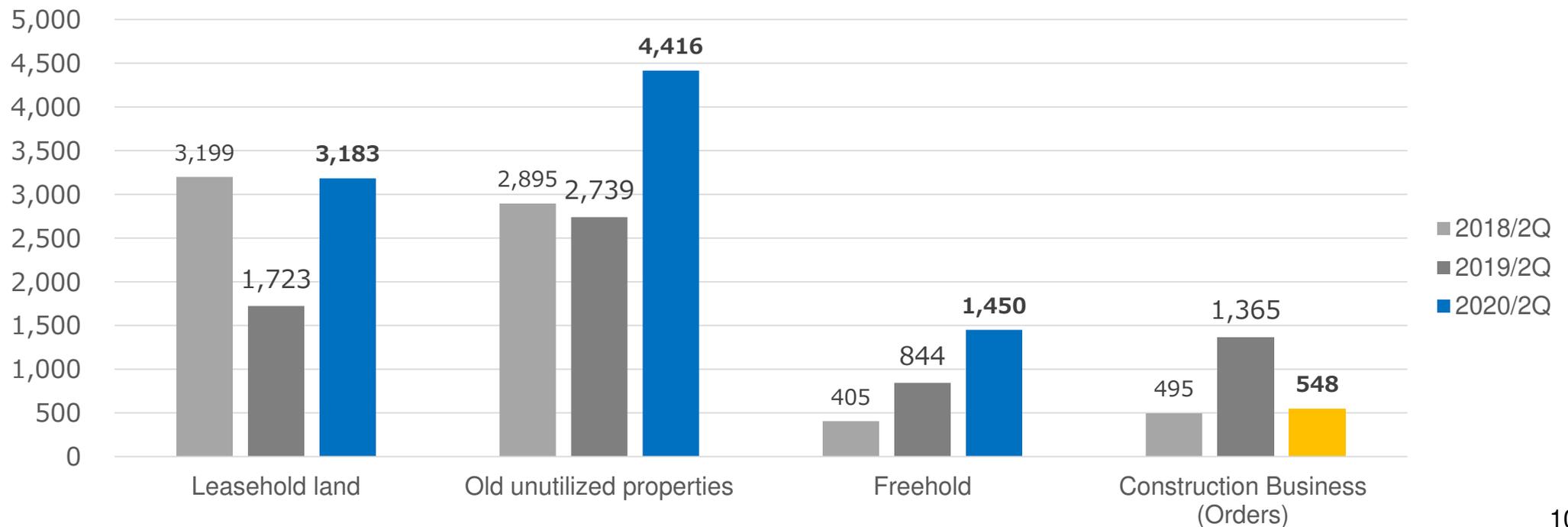
Purchases and Orders Received by Business



Purchases increased by 70.5% year-on-year to **9,051 million yen**

- Leasehold land: Although the number of lots was slightly decreased, purchases considerably higher than year-on-year results.
- Old underutilized properties: The number of lots has decreased, but purchases have greatly exceeded the year-on-year level.
- Freehold: Increased by 71.9% year-on-year
- Construction business: Orders received increased significantly in the previous 2Q due to lush demand prior to the consumption tax hike.

(Million yen)

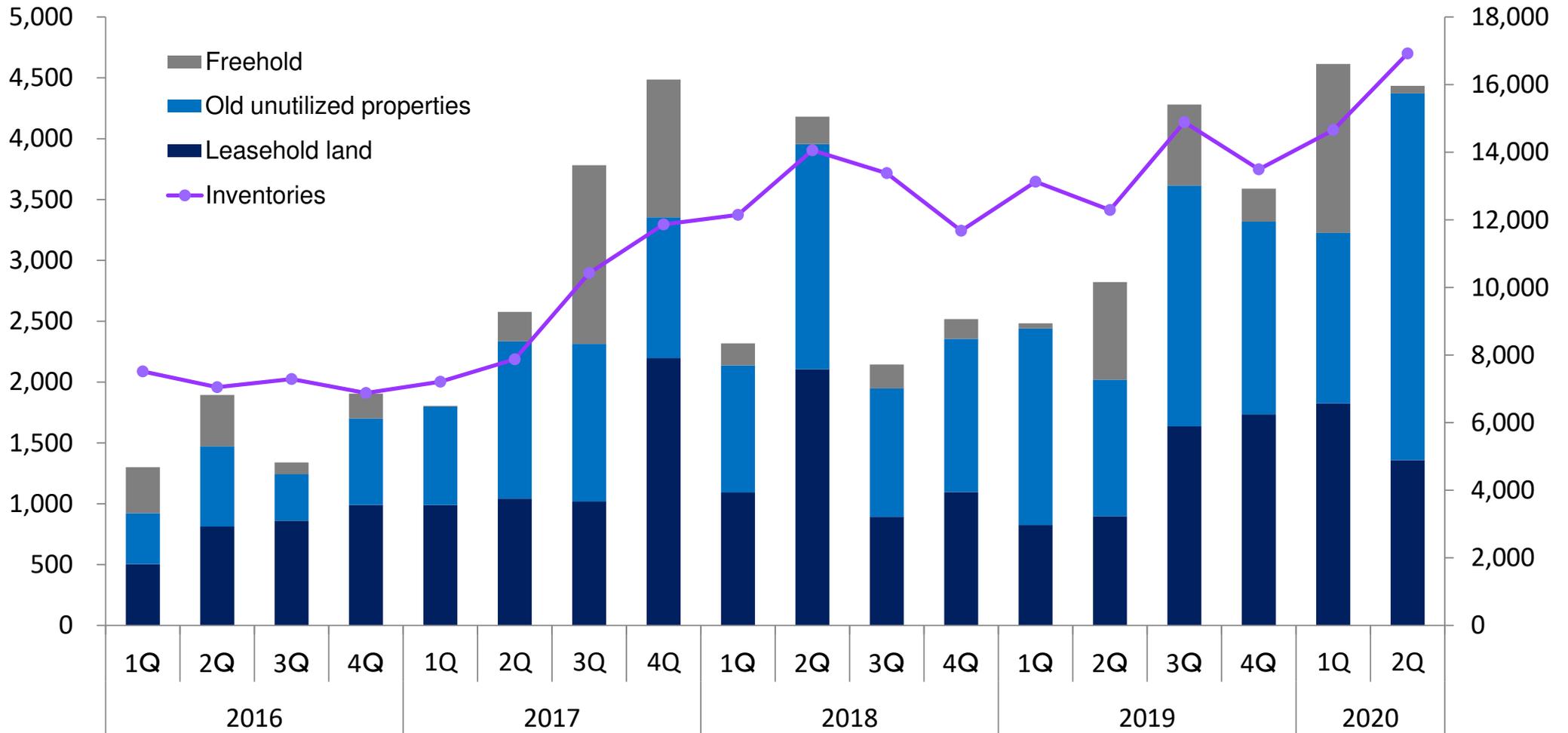


Changes in the Amount of Purchases and Inventories



Purchase amount (Million yen)

Inventories (Million yen)



Market Perceptions of Each Division



Third Sales Division

Cover western Japan area

- Trading of real estate slowed and the number of projects decreased due to the effects of COVID-19.
- No changes in real estate prices
- Sales activities was gradually returning to normal after the State of Emergency was lifted. However, restraint in negotiations was requested again for certain projects due to COVID-19.

Second Sales Division

Cover Hokkaido and Sendai areas

- Since the State of Emergency was lifted, sales activities in Northern Japan were unaffected by COVID-19.
- The volume of project information is increasing although real estate prices remain stable.

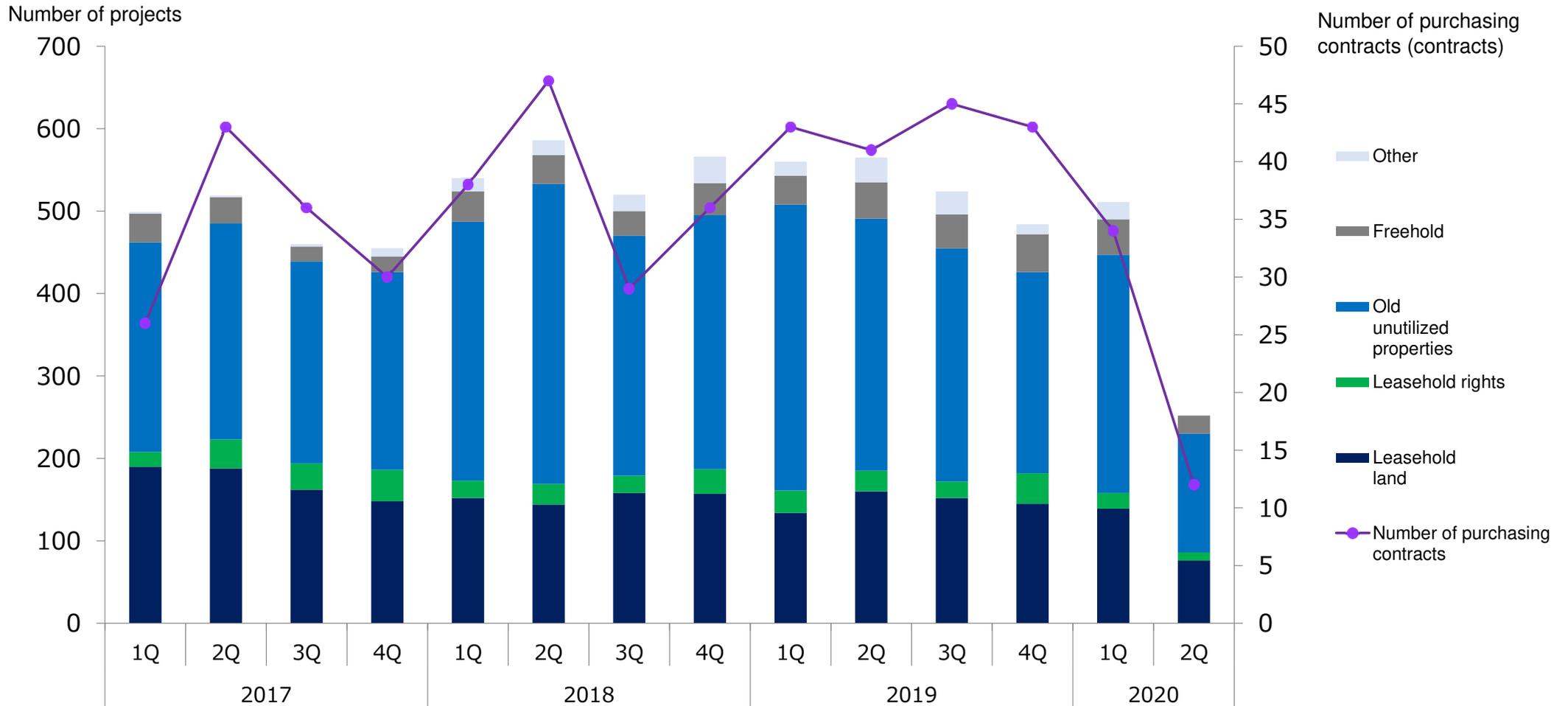
First Sales Division

Cover Kanto area

- The volume of project information has recovered and the number of projects has increased after plummeting while the State of Emergency was in effect.
- Negotiations with land lease right holders were disrupted somewhat due to a surge in COVID-19 infections.

Changes in the Number of Projects and Number of Purchasing Contracts

Although the number of projects during the period of voluntary restraint of sales activities (April through May) fell to around **40%** year-on-year, the number of projects began to recover in June after the State of Emergency was lifted, and it recovered to **70%** year-on-year in July.



Measures for sales activities

Sent presentation materials in advance to reduce face-to-face explanation time.
Thoroughly implement infection control measures including regular antibody tests to prevent becoming infection spreaders.
Avoid rail travel during rush hours and switch to commuting by car.

Response to our employees

Promote teleworking and reduce face time as much as possible.
Adjust work styles to suite employee situations, such as staggered work hours and the use of satellite offices.
Pay consolation money and teleworking allowances to all employees

Measures to sustain company operations

Sold certain our real estate inventory and restructured assets to improve cash position.
Increase the efficiency of office work by introducing an in-house processing system, and improve the efficiency of teleworking by promoting computerization

Social Initiatives: Community Redevelopment Projects



(Status of development)

Approaching local Governments throughout Japan



Community revitalization by using unoccupied houses in tourist areas

(Current Issues)

Secure and train business accelerator for post property purchase business stage



Leverage outsourcing to use external resources

Acquire specialized knowhow to promote business

Speed-up and strengthen business development
Increases Sansei Landic's name recognition by strengthening the ability to develop proposals and building a track record

(Outsourcee)

	umari inc.	Catalyst Co., Ltd.	Hyakusenrenma, Inc.
Characteristic (Strength)	Expertise in regions with activities centered on food and agriculture; many accomplishments involving the provision of assistance. Also using these activities for employee training.	Complete lineup of services for revitalization projects, primarily for hotels and other lodging facilities, that extend from initial surveys to the exit. They can even operate hotels themselves.	Involved with farm stay and castle stay programs, including the operation of a business for supporting these programs. Farm stay activities are conducted with ZEN-NOH (National Federation of Agricultural Co-operative Associations).

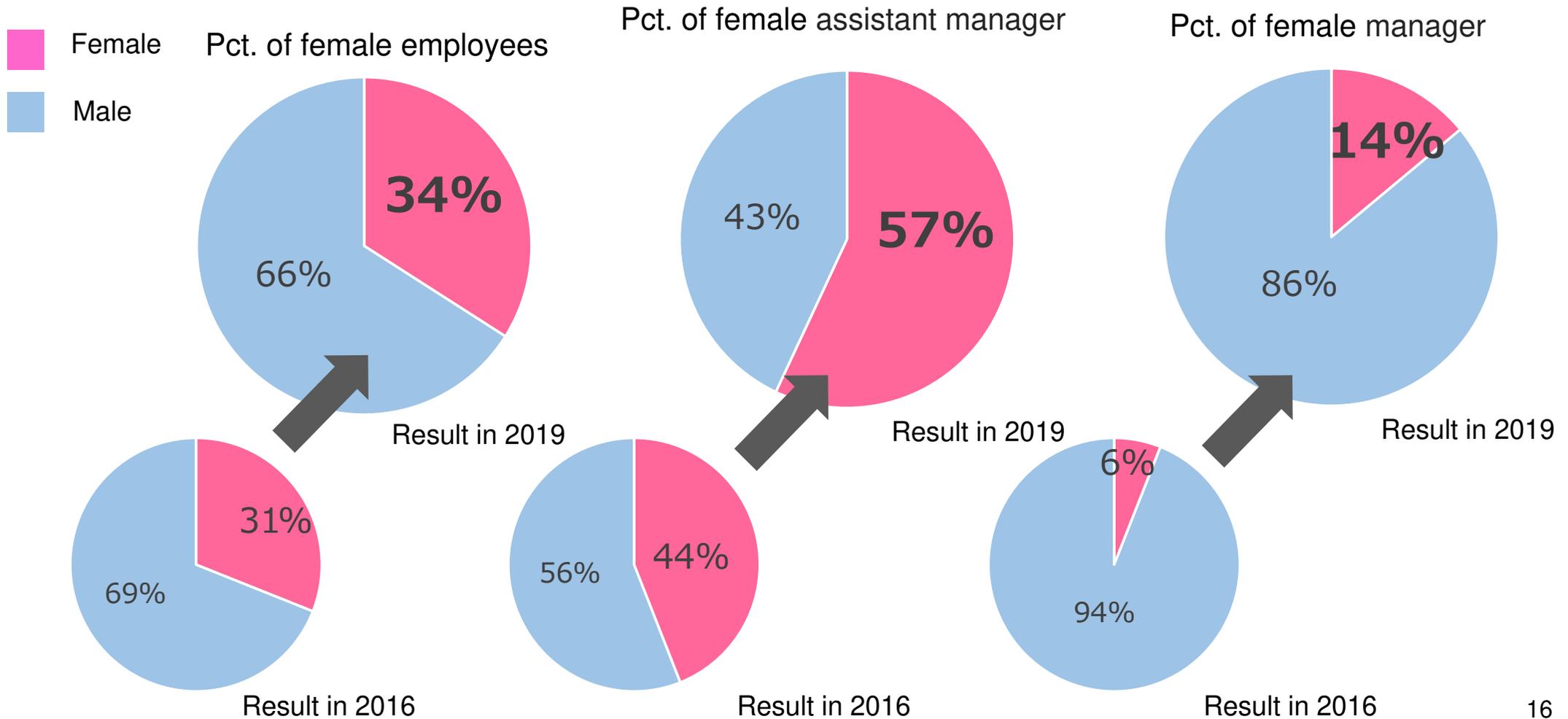
[Activities for the establishment of our business model]

Expertise for coordinating rights (Sansei Landic) + Planning and production skills (umari) + Business revitalization capabilities (Catalyst) + Information dissemination/customer attraction skills (Hyakusenrenma)

Potential for significant synergies by using the strengths of four companies, with Sansei Landic playing a central role

Social Initiatives: Career Advancement of Female Employees

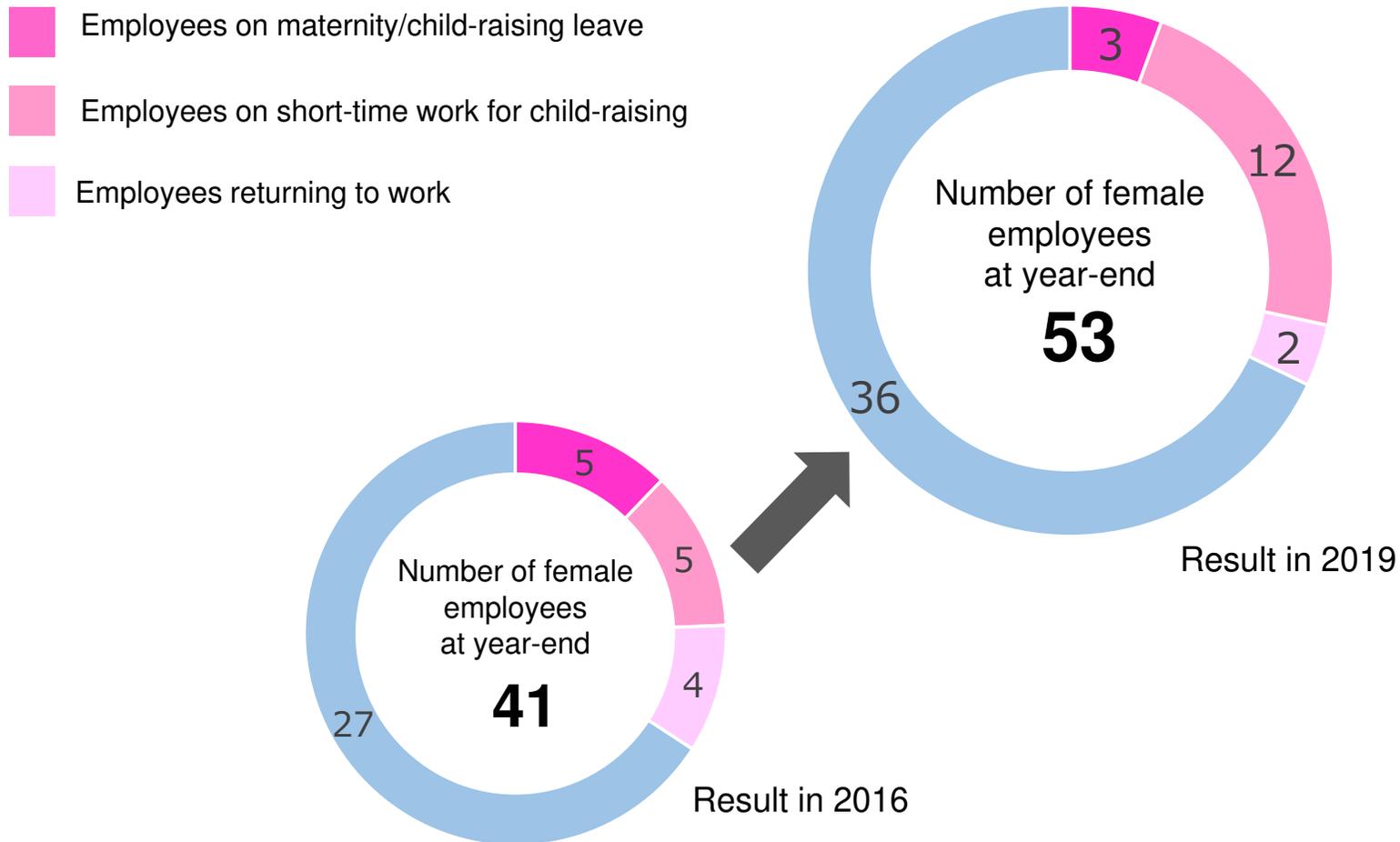
- Providing jobs and career advancement opportunities for women makes Sansei Landic even stronger



Social Initiatives: Child-raising Support



- Measures to make environment for employees to easily take maternity/child-raising leave as well as programs for an efficient return to work after the leave



FY12/20 Revision to Full-year Business Forecasts



- Consolidated business forecasts for the fiscal year ending December 2020 (January 1, 2020 - December 31, 2020)

(Million yen)

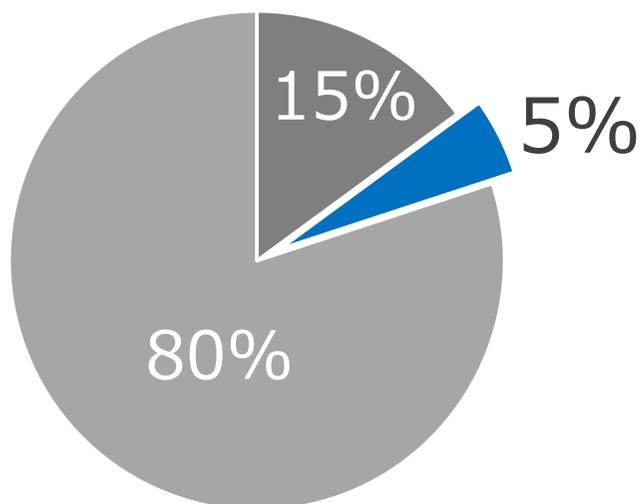
	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts	Million yen 21,552	Million yen 1,686	Million yen 1,559	Million yen 1,047	Yen 123.88
Revised forecasts	16,725	647	450	268	31.81
Change (B-A)	△4,827	△1,039	△1,109	△778	—
Percentage change (%)	△22.4	△61.6	△71.1	△74.4	—
FY12/19 Results	18,020	1,860	1,758	1,158	137.08

Sales of Certain Assets



Goal: Restructure the asset portfolio to increase cash and use this cash as source of funds for investments and shareholder returns.

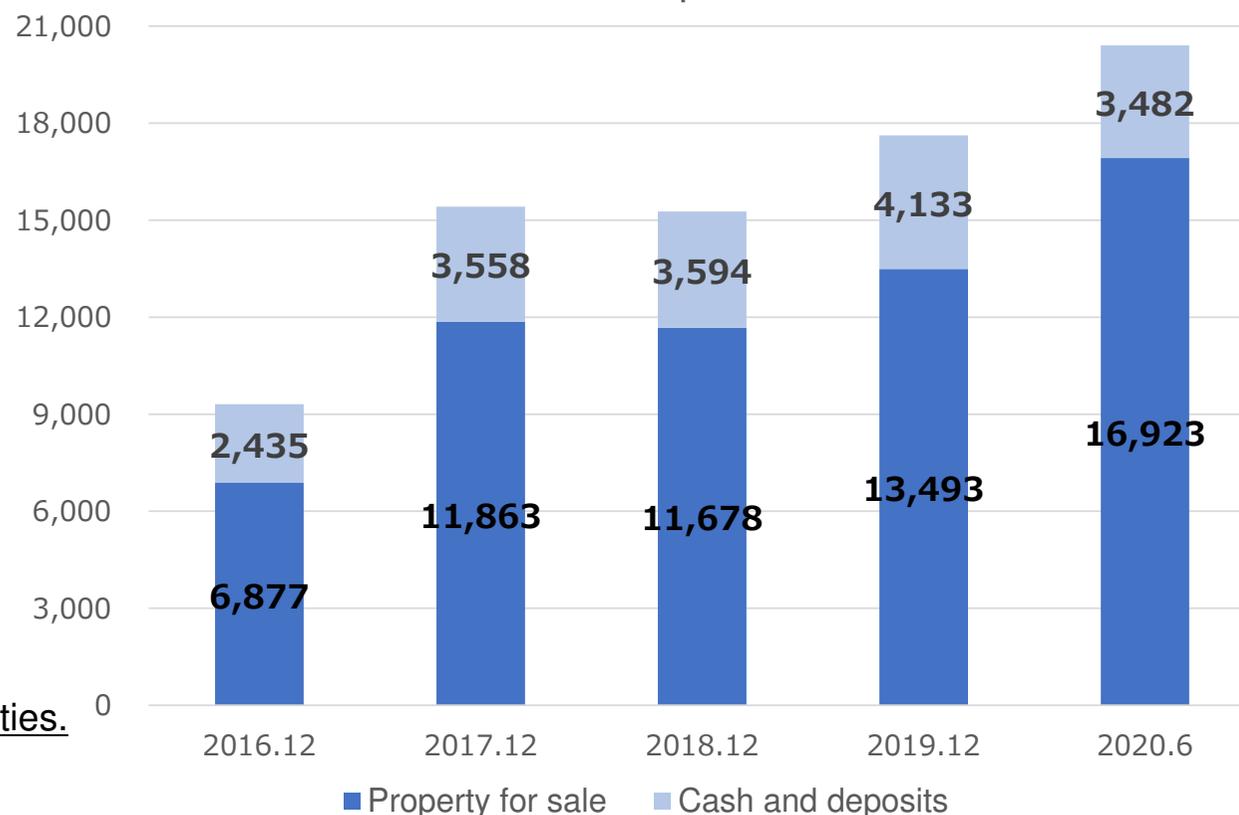
Leasehold land sales illustration



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

Receive of leasing income while we hold properties.
Return on properties held: Approximately 3%

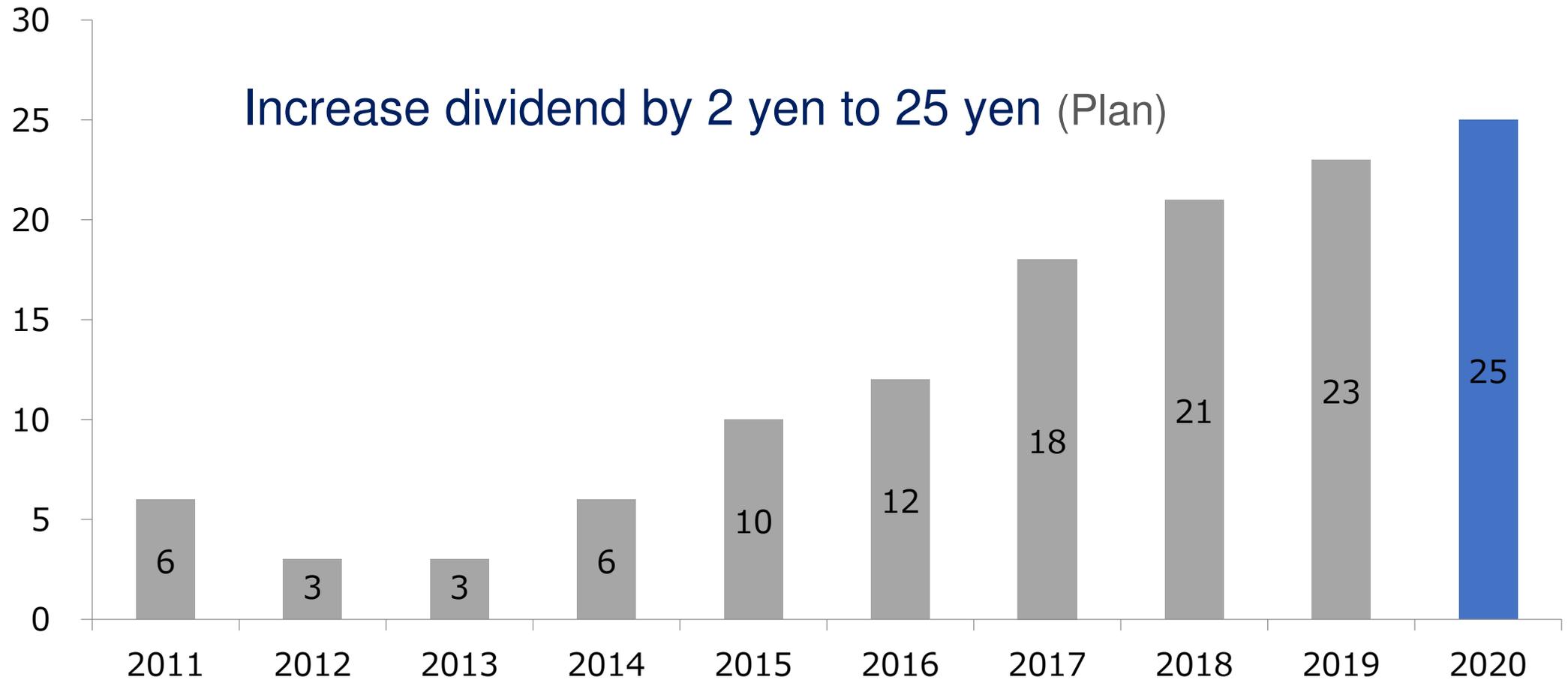
Changes in Property for Sale and Cash and Deposits (Million yen)



Shareholder Returns (Dividends)



Dividend(Yen)



Shareholder Returns (Shareholder Benefit Program)



Increased shareholder returns Planned to pay a dividend of 25 yen, an increase of 2 yen

Shareholder benefit program: QUO Card and canned bread

In order to encourage more shareholders to support our company for longer term, we have expanded our benefit program to long-term shareholders.

• Eligible shareholders

Shareholders who hold 1 or more trading units (100 shares) or more of the Company's shares listed in the shareholders' register as of the end of the 2Q of each year (June 30)



Holding period Number of shares held	Less than 1 year	More than 1 year
100 shares	QUO Card (500 yen)	
200 to less than 500 shares	3 canned breads	3 canned breads + QUO Card (500 yen)
500 shares or more	4 canned breads	4 canned breads + QUO Card (500 yen)

* Details of benefits in FY12/20

Introduction of Our Character



ゆるキャラグランプリ 2020 THE FINAL エントリー中!!

I'm SOKOCHIKUN with the entry number 245. Please support me!!



こちらから投票をお願いします。
こちらから投票をお願いします。
こちらから投票をお願いします。



*Voting deadline: September 25

Official website page for SokoChikun. The page features a yellow background with a rainbow and the event logo at the top. The character's name '底地くん SOKOCHIKUN (東京都)' is displayed prominently. Below the name is a photo of the character. At the bottom, there is Japanese text providing details about the character's affiliation and the meaning of the name 'SokoChikun'.

所属：株式会社サンセイランディック
ぼく、底地（そこち）くんです。
底地とは、地主さんが、建物を建てたいと思っている借地権者さんに買っている土地のこと。
二人がよい関係なのがぼくの幸せ。
え？画じゃないよ！
一人前の底地を目指して頑張中！

Reference material

Corporate data

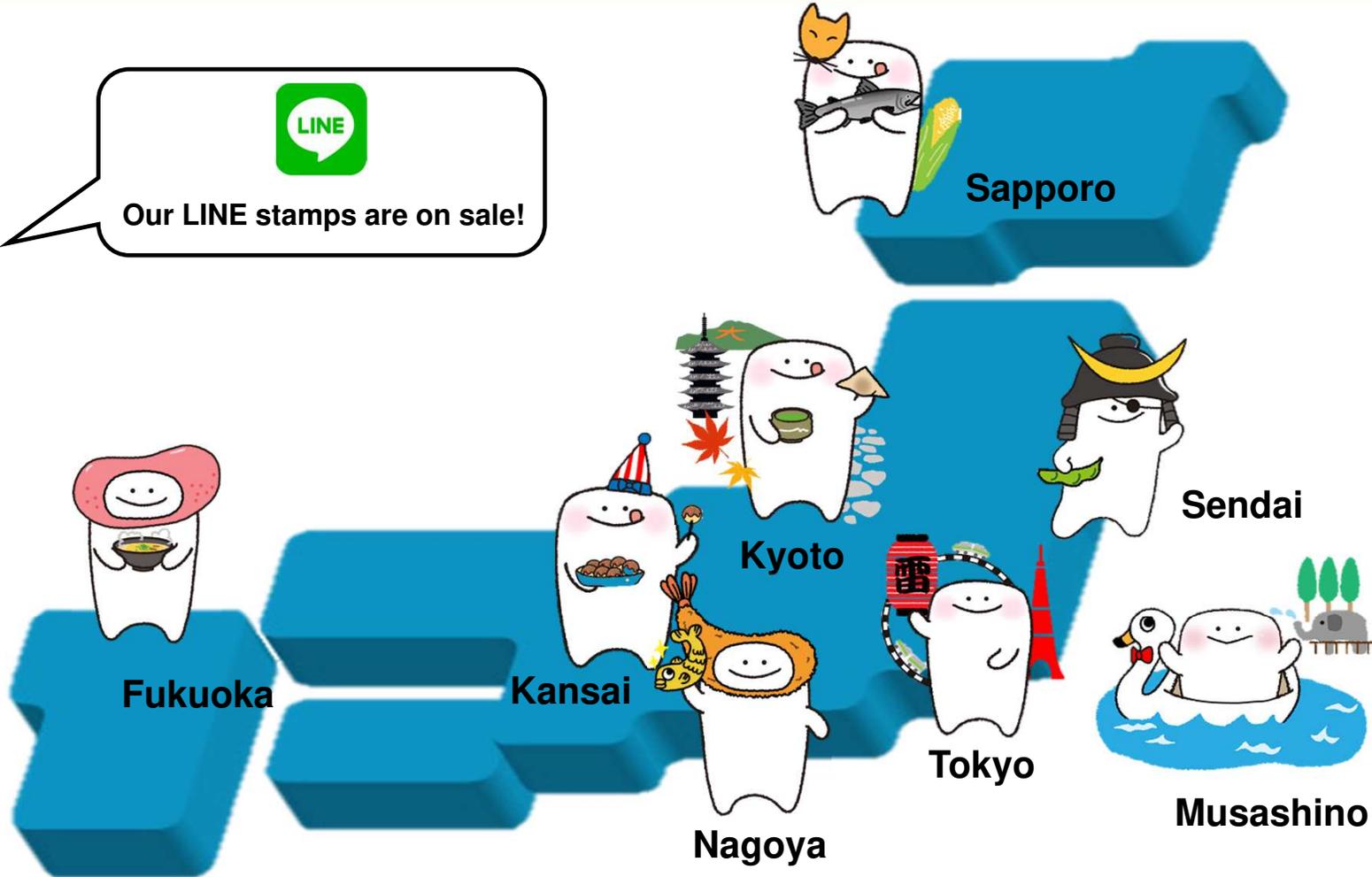


Company name	Sansei Landic Co., Ltd.
Representative	Takashi Matsuzaki, President and CEO
Established	February 1976
Capital stock	818,435,600 yen (As of the end of June 2020)
Listing	December 18, 2014, First Section of the Tokyo Stock Exchange Securities Code: 3277 *Listed on the JASDAQ Stock Exchange on December 13, 2011
Head office	5-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
Branch	Sapporo, Sendai, Musashino, 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: 159 (consolidated:181) ...As of the end of June 2020

Network of 8 Locations Nationwide



Our LINE stamps are on sale!



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.
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