

# **Sansei Landic Co., Ltd.**

## **Supplementary Materials for Consolidated Financial Results for 3Q of FY12/21**

**November 12, 2021**



- Both sales and profits exceeded the plan and the results for the same period of the previous year, with profits in particular increasing significantly. This was attributable to the fact that we were able to recover sales activity from the delay caused by the impact of COVID-19, through various measures.
- The impact of the fifth wave of COVID-19 was greater than expected, but the effect of the slowdown in sales activity is expected to be evident in 4Q, and so the full-year plan remains unchanged.
- Although the purchase amount was lower than both the results for the same period of the previous year and the plan, there are no major concerns as the Company is accumulating property for sale in the next fiscal year.
- Construction business fell below the plan and the results for the same period of the previous year.
- We have resolved to select the "Standard Market" category in the new market segmentation of the Tokyo Stock Exchange.

# Financial Results



(Unit: Million yen)

	19/3Q	20/3Q	21/3Q		
	Results	Results	Plan	Results	Vs. plan
Net sales	10,512	10,835	11,869	13,198	+1,329
Gross profit	3,076	2,478	2,909	3,475	+566
SG&A	2,333	2,213	2,511	2,448	△62
Operating income	743	265	397	1,027	+629
Ordinary income	676	152	284	943	+658
Net income	425	92	197	547	+349

■ Net sales  
+21.8% YoY

■ Gross profit  
+40.2% YoY

■ Operating income  
+287.4% YoY

■ Ordinary income  
+519.8% YoY

■ Net income  
+492.4% YoY

# Summary of Consolidated Balance Sheet



(Unit: Million yen)

	FY12/20	21/3Q		
	Amount	Amount	Vs. end of previous term	Pct. change
Cash and deposits	4,329	5,179	+849	+19.6%
Property for sale	14,424	13,134	△1,290	△8.9%
Interest-bearing liabilities	8,341	7,853	△487	△5.8%
Net assets	10,066	10,240	+173	+1.7%
Total assets	20,070	19,849	△221	△1.1%
Shareholders' equity ratio	50.1%	51.6%	+1.5pt	—

## ■ Property for sale

Decreased from the end of the previous fiscal year due to steady sales.

Sales for FY12/20 3Q:  
10,835 million yen

Sales for FY12/21 3Q:  
13,198 million yen

## ■ Interest-bearing liabilities

Decreased from the end of the previous fiscal year due to increase in sales.

# Sales by Business Segment



(Unit: Million yen)

	19/3Q	20/3Q	21/3Q		
	Results	Results	Plan	Results	Vs. plan
Real Estate Sales business	9,325	9,568	10,708	12,284	+14.7%
Leasehold land	3,521	3,376	5,442	6,734	+23.7%
Old unutilized properties	5,291	3,949	4,393	4,932	+12.3%
Freehold	171	1,876	573	338	△41.0%
Others	340	366	299	279	△6.6%
Construction business	1,186	1,267	1,160	913	△21.3%

## ■ Leasehold land

Both sales and profits substantially exceeded the plan .

## ■ Old Unutilized Properties

Both sales and profits exceeded the plan.

## ■ Freehold

Although both sales and profits fell short of the plan, but profit margin exceeded the plan.

## ■ Construction business

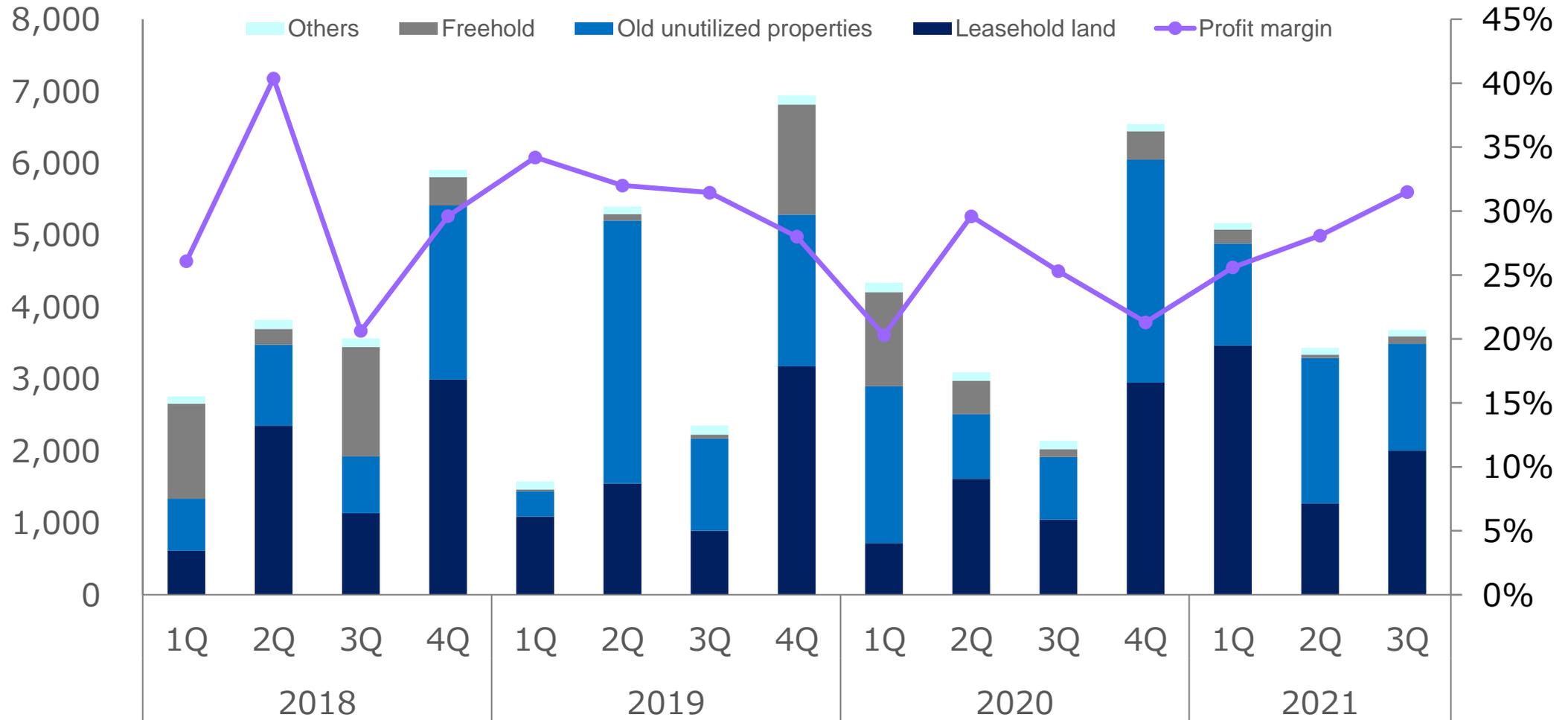
Both sales and profits fell short of the plan.

Allowance for losses on construction contracts of approximately 82 million yen was recorded due to the fact that the cost of reinforced concrete (RC) property that have already started construction is expected to be significantly higher than originally estimated.

# Quarterly Changes in the Real Estate Sales Business



Sales (Million yen)



# Purchases and Orders Received by Business Segment



(Unit: Million yen)

	19/3Q	20/3Q	21/3Q	
	Results	Results	Results	YoY
Real Estate Sales business	9,587	11,078	7,544	△31.9%
Leasehold land	3,359	3,855	3,388	△12.1%
Old unutilized properties	4,719	5,654	3,915	△30.8%
Freehold	1,508	1,568	240	△84.7%
Construction business (Orders received)	1,671	736	1,186	+61.1%

## ■ Real Estate Sales business

Annual purchase plan: 13.8 billion yen

Although the number of projects and purchase contracts improved significantly, the accumulation of contracts tended to slow down due to the prolonged time required for settlement in some cases.

However, there was no impact on this fiscal year's performance, and we will continue to focus on procurement to secure sales in the next fiscal year.

## ■ Construction business

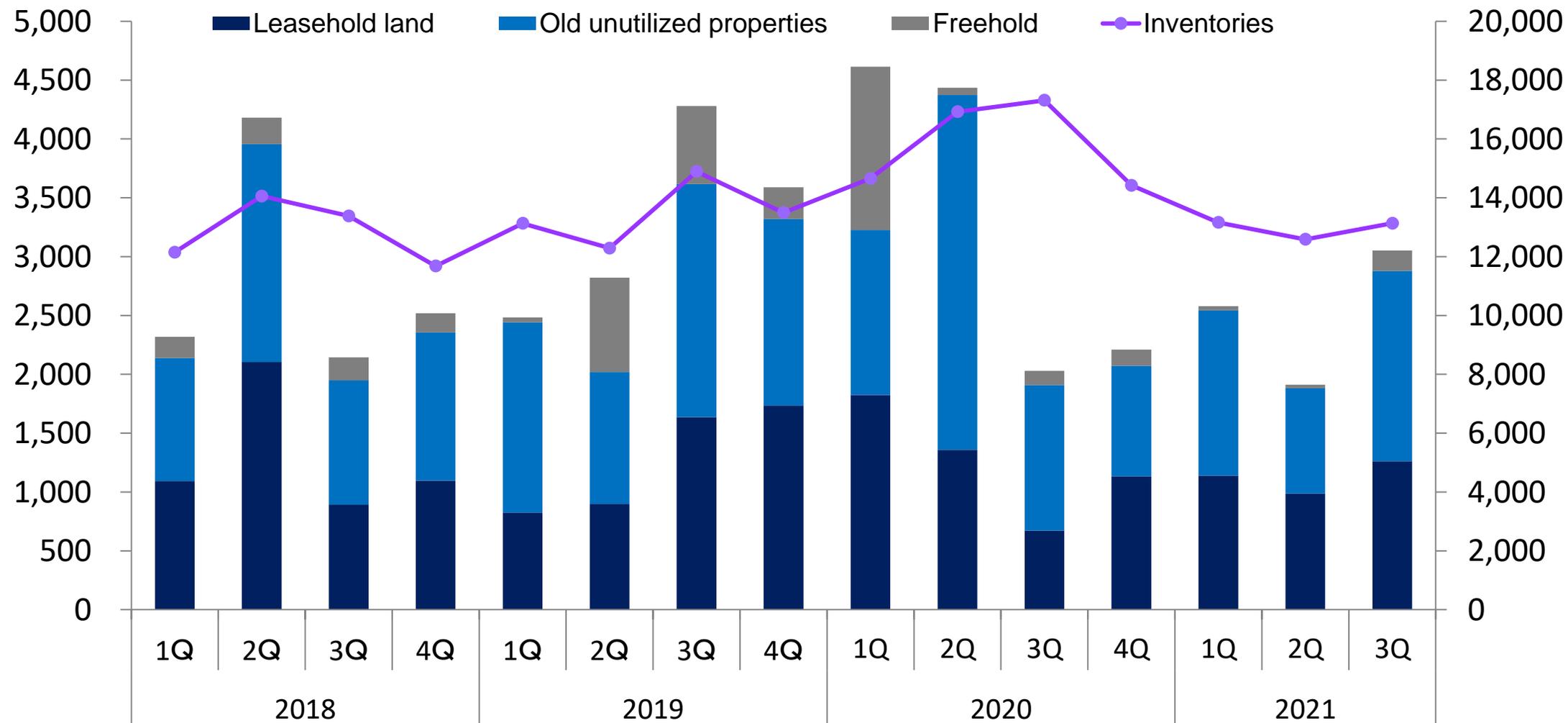
Orders are on a recovery trend despite the impact of the spread of COVID-19 and the lumber shortage.

# Changes in the Amount of Purchases and Inventories



Purchase amount (Million yen)

Inventories (Million yen)

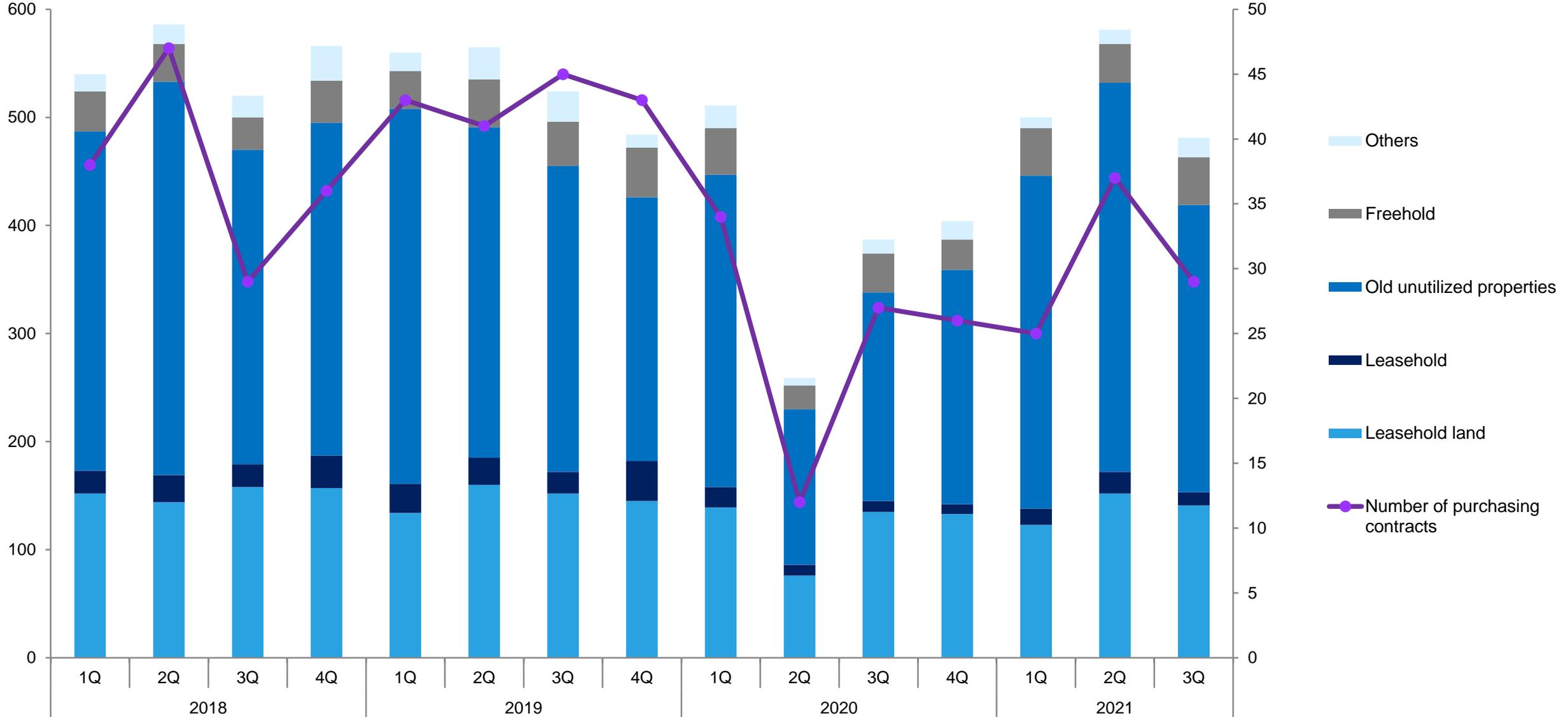


# Changes in the Number of Projects and Number of Purchasing Contracts



Number of projects (Projects)

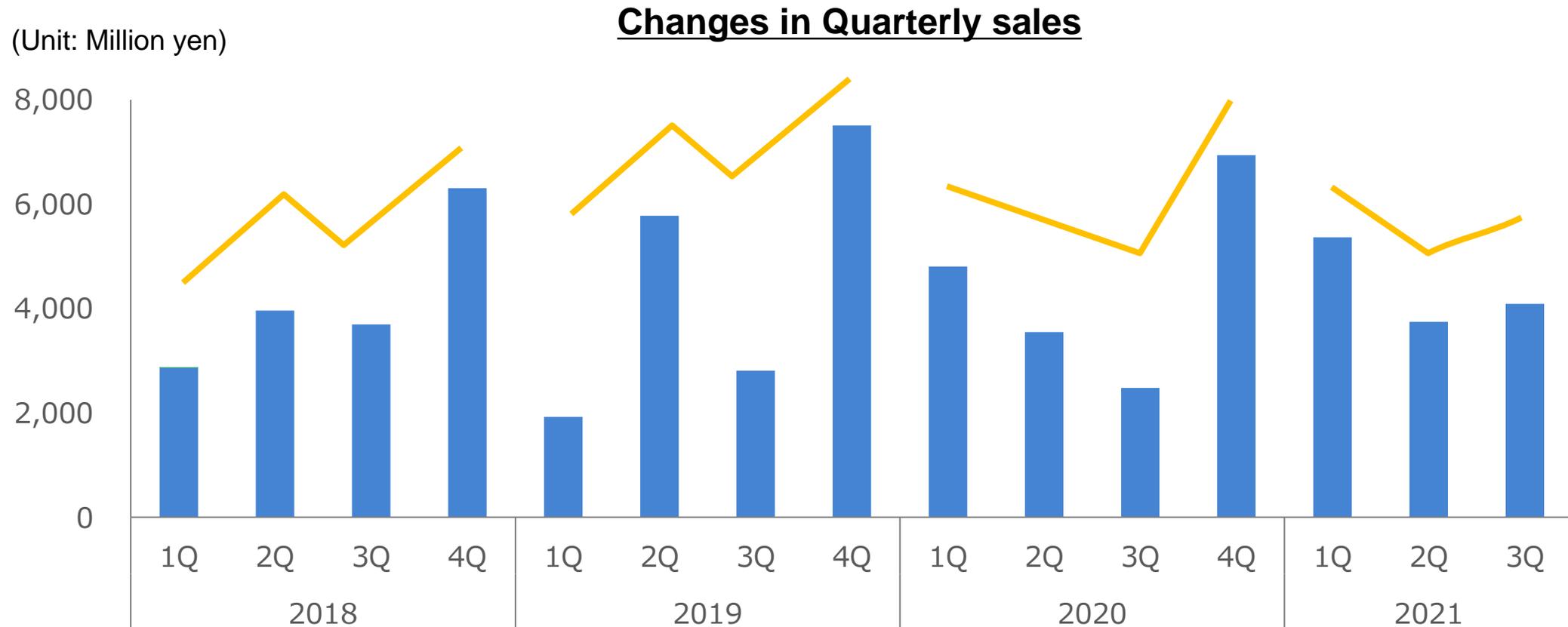
Number of purchasing contracts (Contracts)



# Business forecasts for the current financial year



Due to the impact of COVID-19, we refrained from sales activities, and so some properties that were expected to be sold in 4Q20 were sold in 1Q21. By taking measures on the sales side, we gradually made up for the delay in sales and achieved record high sales and profit levels for 1Q and 3Q of the current financial year. Although the full-year consolidated financial results would grow substantially if the level of performance in 4Q of the current fiscal year had continued until 2020, the impact of the fifth wave of COVID-19 was greater than expected and sales activities stalled, so some of the properties scheduled for sale in 4Q are expected to be carried over to the next fiscal year. Therefore, we expect to achieve the plan for the full year if no major negative factors occur, and so we are maintaining our full-year forecasts.



# Selection of a category in the new market segmentation of the Tokyo Stock Exchange

The Company has been discussing the new market classification of the Tokyo Stock Exchange with a transition date of 4 April 2022, considering the outline of the new market classification, the Company's business policy, and the impact on shareholders. At the Board of Directors meeting held today, we have resolved to select the "Standard Market".

	Standard Market	Prime Market	Our Current Status (Initial Assessment)
Number of shareholders	Achieved	Achieved	12,099 shareholders
Number of shares issued	Achieved	Achieved	64,362 units
Total market capitalization of shares issued	Achieved	Not achieved	5.60 billion yen
Ratio of shares issued	Achieved	Achieved	76.0%
Trading value		Not achieved	15.5 million yen

We have confirmed that, although we meet the criteria for maintaining a listing in the new "Standard Market" category, we do not meet the criteria for maintaining a listing on the "Prime Market" for "Total Market Value of Shares in Circulation" and "Trading Value".

We believe that, to improve our corporate value over the medium to long term, it is necessary to build a structure that enables us to achieve sustainable growth, rather than to aim for rapid growth. In addition, by further improving our corporate governance, we aim to be listed on the "Prime Market" in the future.

- 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.

<<Contact>>  
Corporate Planning Office, Sansei Landic Co., Ltd  
TEL : 03-5252-7511  
E-mail : keiki@sansei-l.co.jp

