

Summary of Business Results for the Second Quarter Ended June 30, 2021

[Japan GAAP] (Consolidated)

August 12, 2021

Company **Sansei Landic Co.,Ltd** Listed on the TSE
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 Expected date of filing of quarterly report: August 12, 2021 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the six months ended June 2021 (January 1, 2021 through June 30, 2021)

(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	%
Six months ended Jun. 2021	9,109	9.0	689	74.3	631	116.4	402	120.8
Six months ended Jun. 2020	8,354	8.5	395	-50.0	291	-61.1	182	-61.5

(Note) Comprehensive income

Six months ended June 2021: 402 million yen (120.8%)

Six months ended June 2020: 182 million yen (-61.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Jun. 2021	48.37		48.15	
Six months ended Jun. 2020	21.58		21.52	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Jun. 2021	18,425	10,093	54.8
As of Dec. 2020	20,070	10,066	50.1

(Reference) Shareholders' equity:

As of June 2021: 10,089 million yen

As of December 2020: 10,062 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. 2020	-	0.00	-	25.00	25.00
Year ending Dec. 2021	-	0.00	-	-	-
Year ending Dec. 2021 (forecast)	-	-	-	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 2021

(January 1, 2021 through December 31, 2021) (% 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
Year ending Dec. 2021	18,385	3.4	919	8.5	762	7.5	505	41.3	59.88

(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) Applications of simplified accounting procedures and accounting procedures unique to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies associated with revision of accounting standards: : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of June 2021 8,472,300 shares

As of December 2020 8,468,300 shares

② Treasury stock at the end of period

As of June 2021 229,942 shares

As of December 2020 29,942 shares

③ Average number of stock during period (quarterly cumulative period)

Six months ended June 2021 8,325,832 shares

Six months ended June 2020 8,449,207 shares

***Quarterly financial summary is not subject to the quarterly review procedure 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.

1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

In the second quarter of the current fiscal year, net sales were 9,109 million (up by 9.0% YoY), operating income was 689 million yen (up by 74.3% YoY), ordinary income was 631 million yen (up by 116.4% YoY), and a net income attributable to owners of parent was 402 million yen (up by 120.8% YoY).

Results by business segment are as follows.

① Real Estate Sales Business

In the Real Estate Sales Business, the segment recorded net sales of 8,605 million yen (up by 15.8% YoY) and segment income of 1,279 million yen (up by 34.2% YoY).

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

i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	170	+31.8	4,731	+102.8
Old unutilized properties	27	-27.0	3,444	+11.9
Freehold	3	-62.5	237	-86.6
Other Real Estate Sales Business	-	-	191	-23.5
Total	200	+14.9	8,605	+15.8

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

ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (million yen)	YoY (%)
Leasehold land	213	+10.9	2,126	-33.2
Old unutilized properties	42	+55.6	2,299	-47.9
Freehold	3	-62.5	65	-95.5
Total	258	+13.7	4,491	-50.4

(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 decreased year-on-year due to the decrease in purchases in all categories.

② Construction Business

In the Construction Business, the segment recorded net sales of 503 million yen (down 45.4% YoY) and segment loss of 63 million yen (segment loss of 0 million yen in the same period of the previous fiscal year).

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

i Sales Results

Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
77	-13.5	503	-45.4

- (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 decreased year-on-year due to a decrease in construction work carried over from the beginning of the fiscal year.

ii Order Results

Orders received (million yen)	YoY (%)	Order backlog (million yen)	YoY (%)
847	+54.5	800	+23.2

- (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 increased, despite the decline in order backlog at the beginning of the year.

As described in "4. Impact on Consolidated Financial Statements" in the "Results of Investigation into Inappropriate Transactions by a Subsidiary and Future Response Policy" released on August 12, 2021 (only available in Japanese), the necessary accounting procedures have been taken in the second quarter of the current fiscal year.

(2) Financial Position

① Assets, liabilities and net assets

(Current assets)

Current assets decreased by 1,669 million yen from the end of the previous fiscal year to 17,371 million yen at the end of the second quarter of the current fiscal year. This was mainly due to an increase of 144 million yen in accounts receivable and a decrease of 1,838 million yen in property for sale.

(Fixed assets)

Fixed assets increased by 23 million yen from the end of the previous fiscal year to 1,054 million yen at the end of the second quarter of the current fiscal year. This was due to a decrease of 16 million yen in property, plant and equipment, a decrease of 7 million yen in intangible assets, and an increase of 47 million yen in investments and other assets.

(Current liabilities)

Current liabilities increased by 1,767 million yen from the end of the previous fiscal year to 7,540 million yen at the end of the second quarter of the current fiscal year. This was mainly due to a decrease of 163 million yen in short-term loans payable, a decrease of 61 million yen in current liabilities and others, an increase of 1,805 million yen in current portion of long-term loans payable, and an increase of 193 million yen in income taxes payable.

(Fixed liabilities)

Fixed liabilities decreased by 3,440 million yen from the end of the previous fiscal year to 792 million yen at the end of the second quarter of the current fiscal year. This was mainly due to a decrease of 3,395 million yen in long-term loans payable.

(Net assets)

Net assets increased by 26 million yen from the end of the previous fiscal year to 10,093 million yen at the end of the second quarter of the current fiscal year. This was mainly due to an increase of 191 million yen in retained earnings, and an increase of 167 million yen in treasury stock.

② Cash Flows

Cash and cash equivalents (hereinafter “cash”) decreased by 46 million yen from the end of the previous fiscal year to 3,661 million yen at the end of the second quarter of the current fiscal year.

The status of each cash flow and its factors for the second quarter are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,110 million yen (3,683 million yen was used in the same period of the previous fiscal year).

The main inflows were profit before income taxes and minority interests of 635 million yen, and a decrease in inventory assets of 1,831 million yen. The main outflows were an increase in notes and accounts receivable-trade of 144 million yen, an increase in other assets of 90 million yen, and a decrease in other liabilities of 92 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 26 million yen (up by 17 million yen YoY).

The main inflows were proceeds from withdrawal of time deposits of 22 million yen and proceeds from sales of rental properties of 18 million yen. The main outflows were payments for time deposits of 30 million yen, payments for acquisition of intangible fixed assets of 13 million yen, and payments for guarantee deposits of 17 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,129 million yen (compared with 3,021 million yen provided in the same period of the previous fiscal year).

The main inflows were proceeds from long-term loans payable of 483 million yen. The main outflows were a decrease in short-term loans payable of 163 million yen, cash dividends paid of 210 million yen, repayments of long-term loans payable of 2,073 million yen, and purchase of treasury stock of 167 million yen.

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

There are no changes to the business forecasts announced on February 14, 2021.