



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

## **Financial Results for the Second Quarter of the Fiscal Year Ending December 2022**

**August 23, 2022**

**Overview of Financial Results for the**  
**Second Quarter of the Fiscal Year**  
**Ending December 2022**

# 2Q Topics



- Sales were slightly lower than planned due to the change in sales of some old unutilised properties to the 3Q, but profits were higher than planned
- Purchasing remained steady, significantly higher than in the same period of the previous year

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|           |                          |                       |
|-----------|--------------------------|-----------------------|
| Net sales | <b>8,165</b> million yen | <b>Down 10.4%</b> YoY |
|-----------|--------------------------|-----------------------|

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|                  |                        |                     |
|------------------|------------------------|---------------------|
| Operating income | <b>913</b> million yen | <b>Up 32.5%</b> YoY |
|------------------|------------------------|---------------------|

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|                 |                        |                     |
|-----------------|------------------------|---------------------|
| Ordinary income | <b>832</b> million yen | <b>Up 31.9%</b> YoY |
|-----------------|------------------------|---------------------|

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|            |                        |                     |
|------------|------------------------|---------------------|
| Net income | <b>713</b> million yen | <b>Up 77.2%</b> YoY |
|------------|------------------------|---------------------|

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|---------------------|--------------------------|---------------------|
| Amount of purchases | <b>7,070</b> million yen | <b>Up 57.4%</b> YoY |
|---------------------|--------------------------|---------------------|

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\* The construction business segment was excluded from the scope of consolidation from 2Q following the transfer of all shares in the consolidated One's Life Home, Inc.

# Comparison of consolidated income statement



- Sales of leasehold land and freehold exceeded the plan. However, the overall sales fell short of the plan due to a change in the timing of the booking of the sales of old unutilised properties
- Profits were higher than planned. This was due to better-than-planned sales of leasehold land, as well as cost reductions

(Unit: Million yen)

|                  | 20/2Q   | 21/2Q   | 22/2Q |         |          |
|------------------|---------|---------|-------|---------|----------|
|                  | Results | Results | Plan  | Results | Vs. plan |
| Net sales        | 8,354   | 9,109   | 8,290 | 8,165   | -124     |
| Gross profit     | 1,931   | 2,331   | 2,560 | 2,708   | +148     |
| SG&A             | 1,535   | 1,642   | 1,720 | 1,795   | +75      |
| Operating income | 395     | 689     | 839   | 913     | +73      |
| Ordinary income  | 291     | 631     | 761   | 832     | +70      |
| Income taxes     | 109     | 232     | 112   | 120     | +8       |
| Net income       | 182     | 402     | 669   | 713     | +44      |

# Summary of consolidated balance sheet



- Property for sale increased due to good progress in purchasing

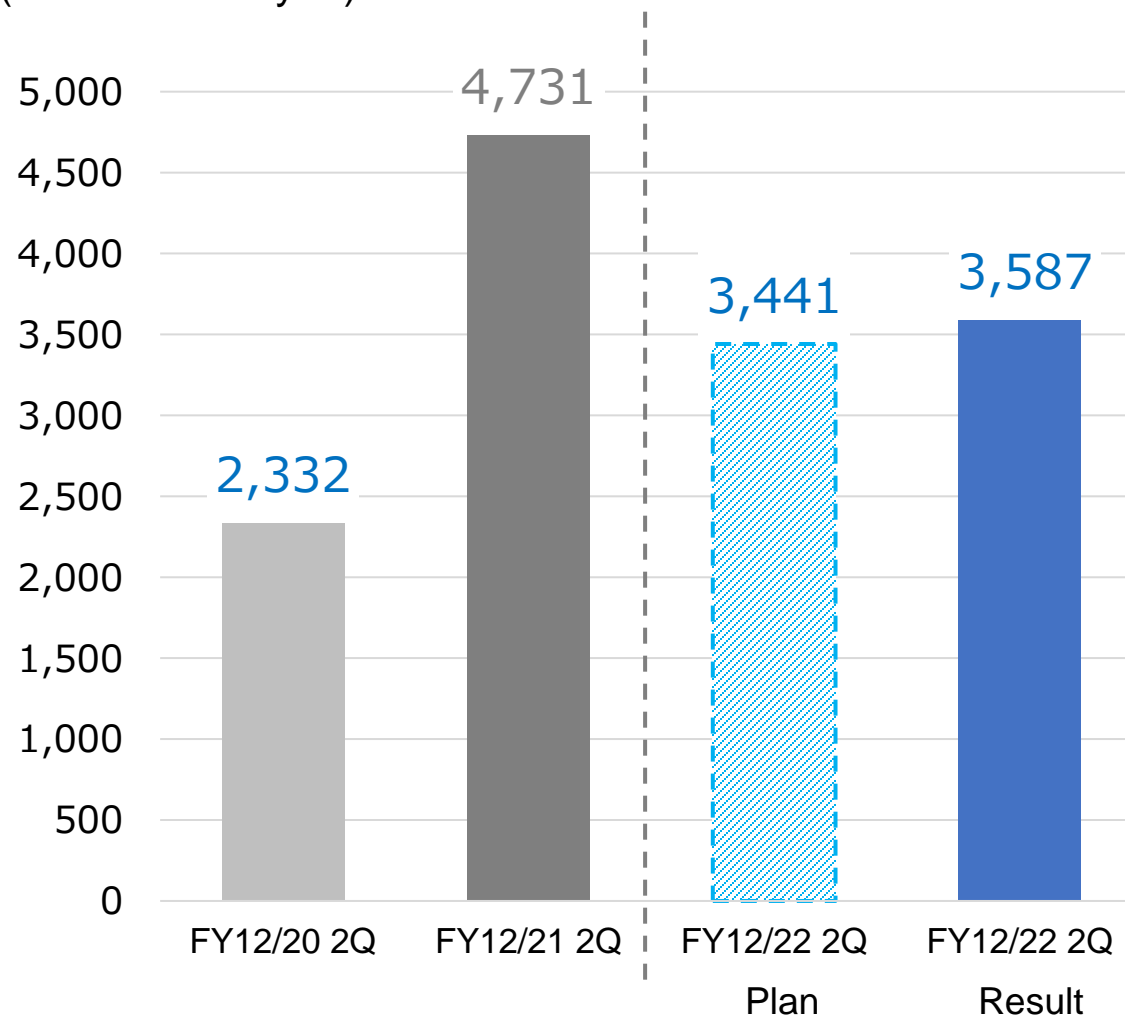
(Unit: Million yen)

|                              | FY12/21 | 22/2Q  |                          |             |
|------------------------------|---------|--------|--------------------------|-------------|
|                              | Amount  | Amount | Vs. end of previous term | Pct. change |
| Cash and deposits            | 5,360   | 5,787  | +426                     | +8.0%       |
| Property for sale            | 13,301  | 15,152 | +1,851                   | +13.9%      |
| Interest-bearing liabilities | 8,107   | 7,885  | -222                     | -2.7%       |
| Net assets                   | 10,301  | 10,692 | +391                     | +3.8%       |
| Total assets                 | 20,050  | 22,678 | +2,628                   | +13.1%      |
| Shareholders' equity ratio   | 51.4%   | 47.1%  | -4.3pt                   | -           |

# Results by business: Leasehold land

- Sales down **24.2%** YoY, but **4.2%** above plan

(Sales: Million yen)

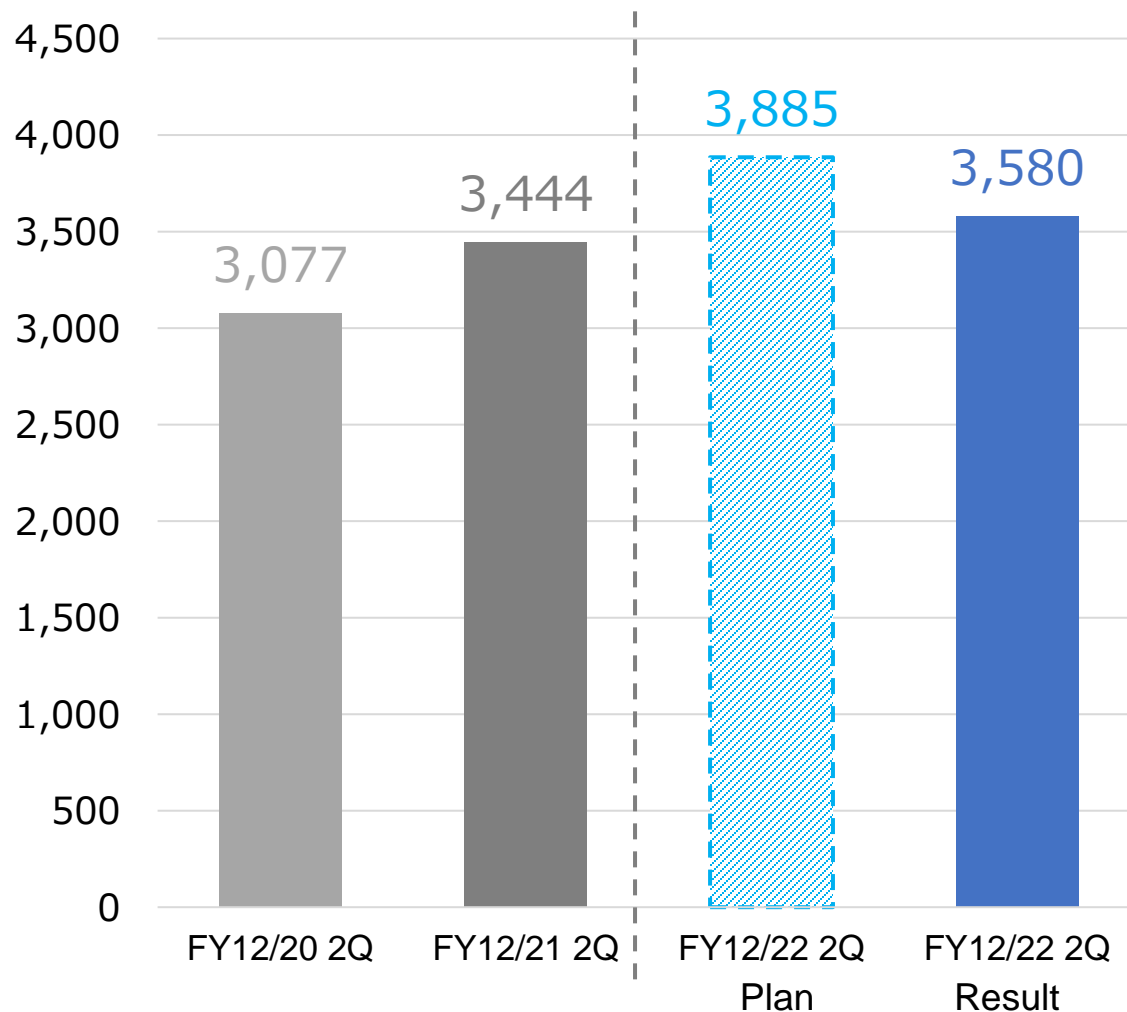


- Both sales and profits above plan
- Sales were lower YoY due to the inclusion of real estate sales mixed with old unutilised properties in 2021, but profits were higher than in 2021
- Full-year sales are planned at **6.3 billion yen**

# Results by business: Old unutilized properties

- Sales up **3.9%** YoY, but **7.9%** below plan

(Sales: Million yen)

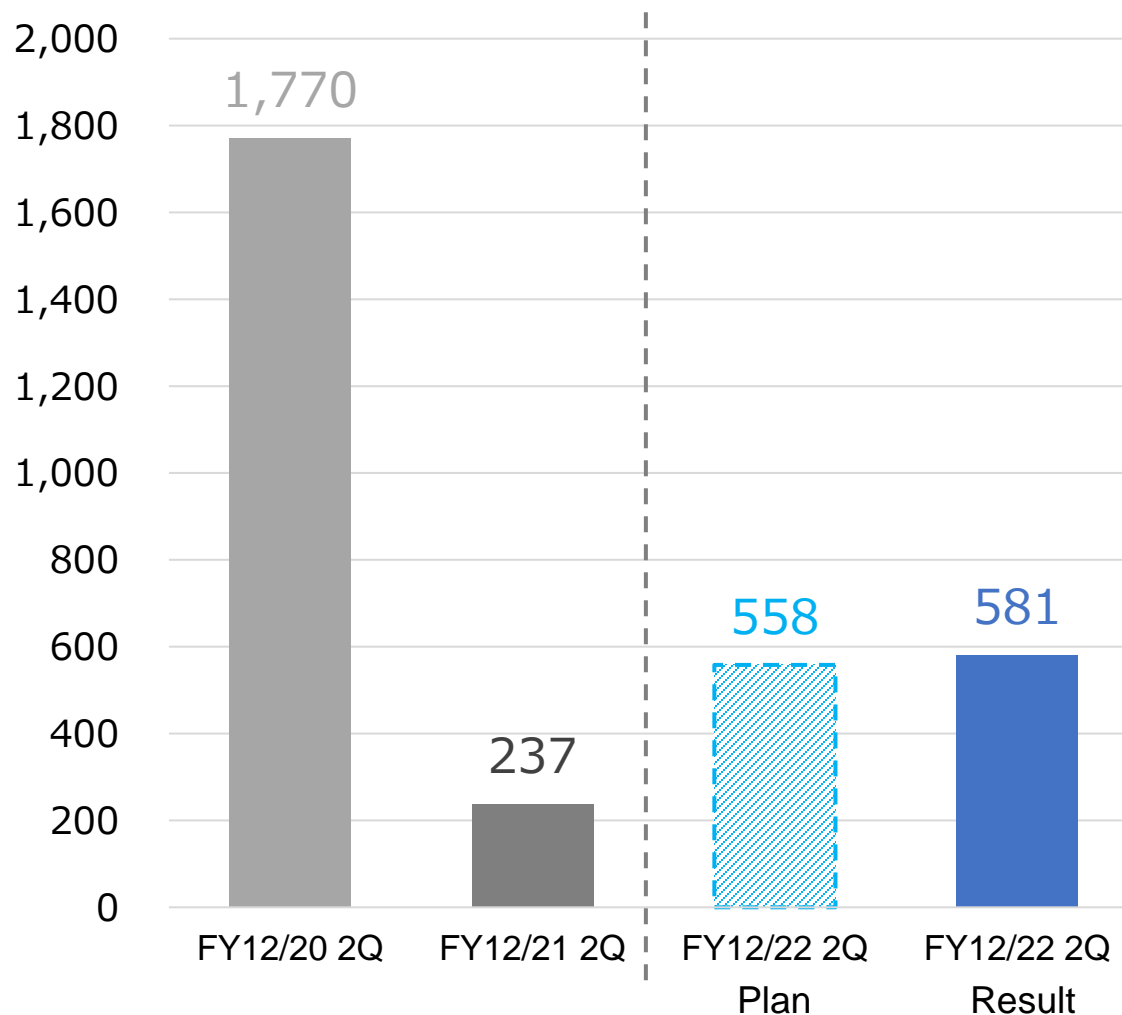


- Although sales fell short of the plan, profit margins increased and profits were higher than in the same period last year
- Full-year sales planned at **9.3 billion yen**

# Results by business: Freehold

- Significantly higher than in the same period last year, and **4.1%** higher than planned

(Sales: Million yen)



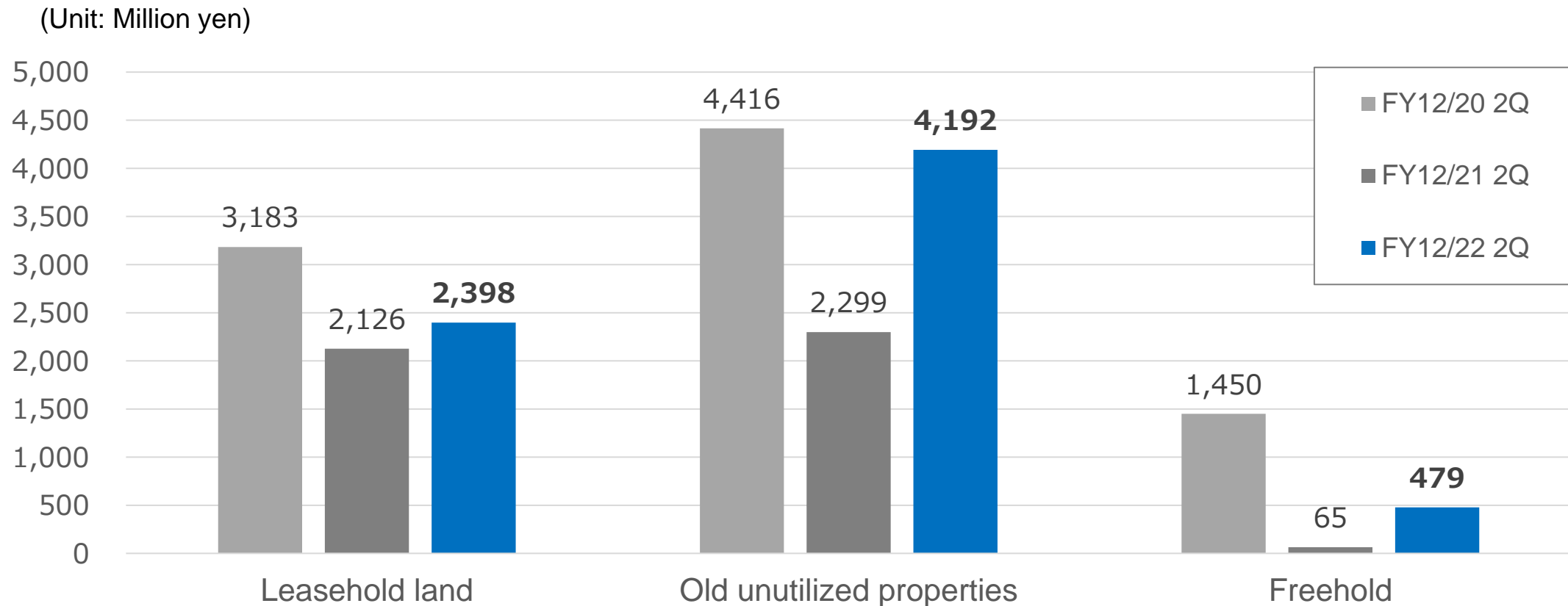
- Both sales and profits exceeded the plan
- Full-year sales planned at **0.8 billion yen**



# Purchases by business

## Purchases up 57.4% YoY to **7,070 million yen**

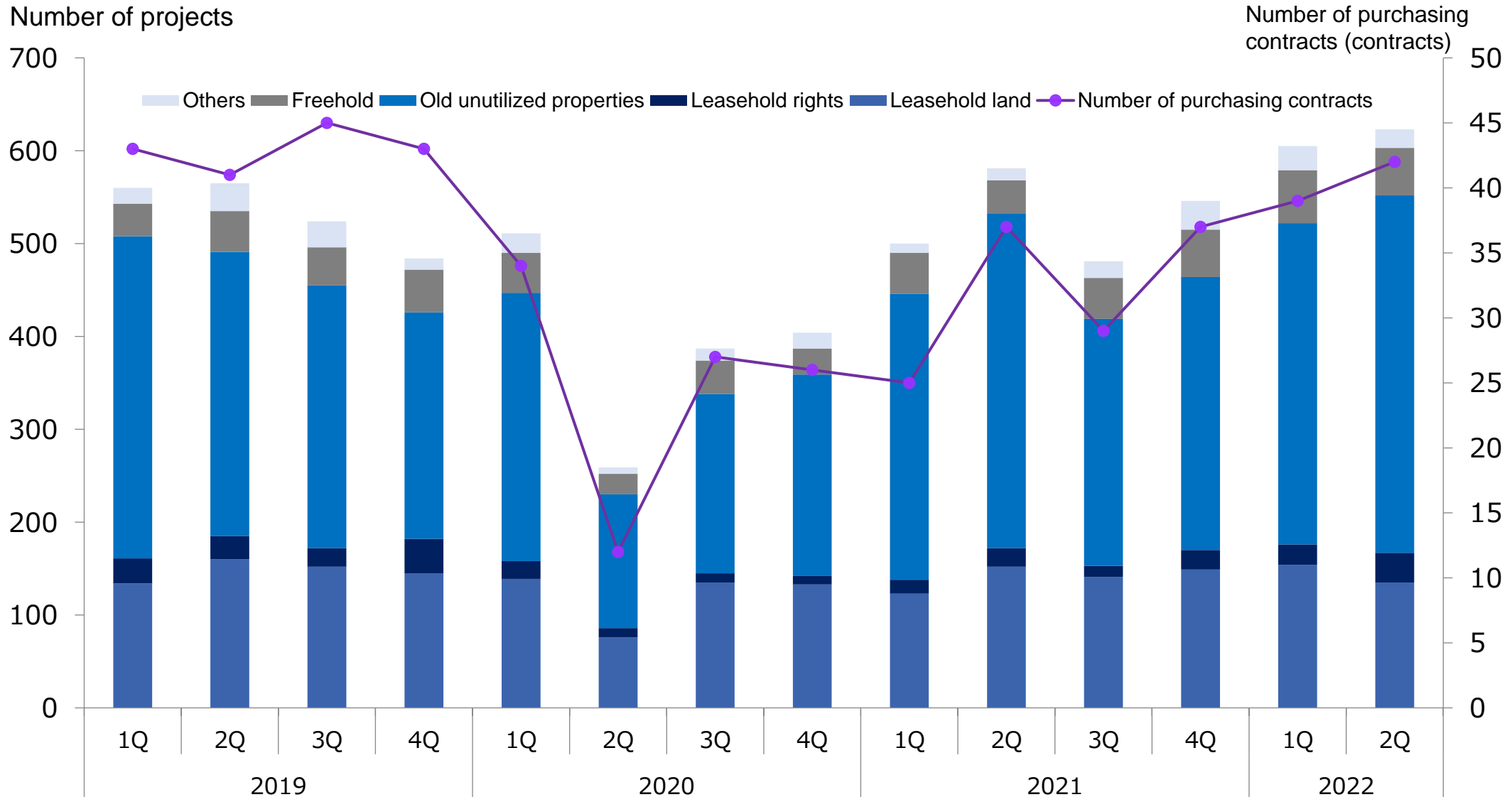
- Purchasing has increased significantly YoY, with the number of projects exceeding pre-pandemic levels, and the number of contracts are on an upward trend



# Changes in the number of projects and number of purchasing contracts



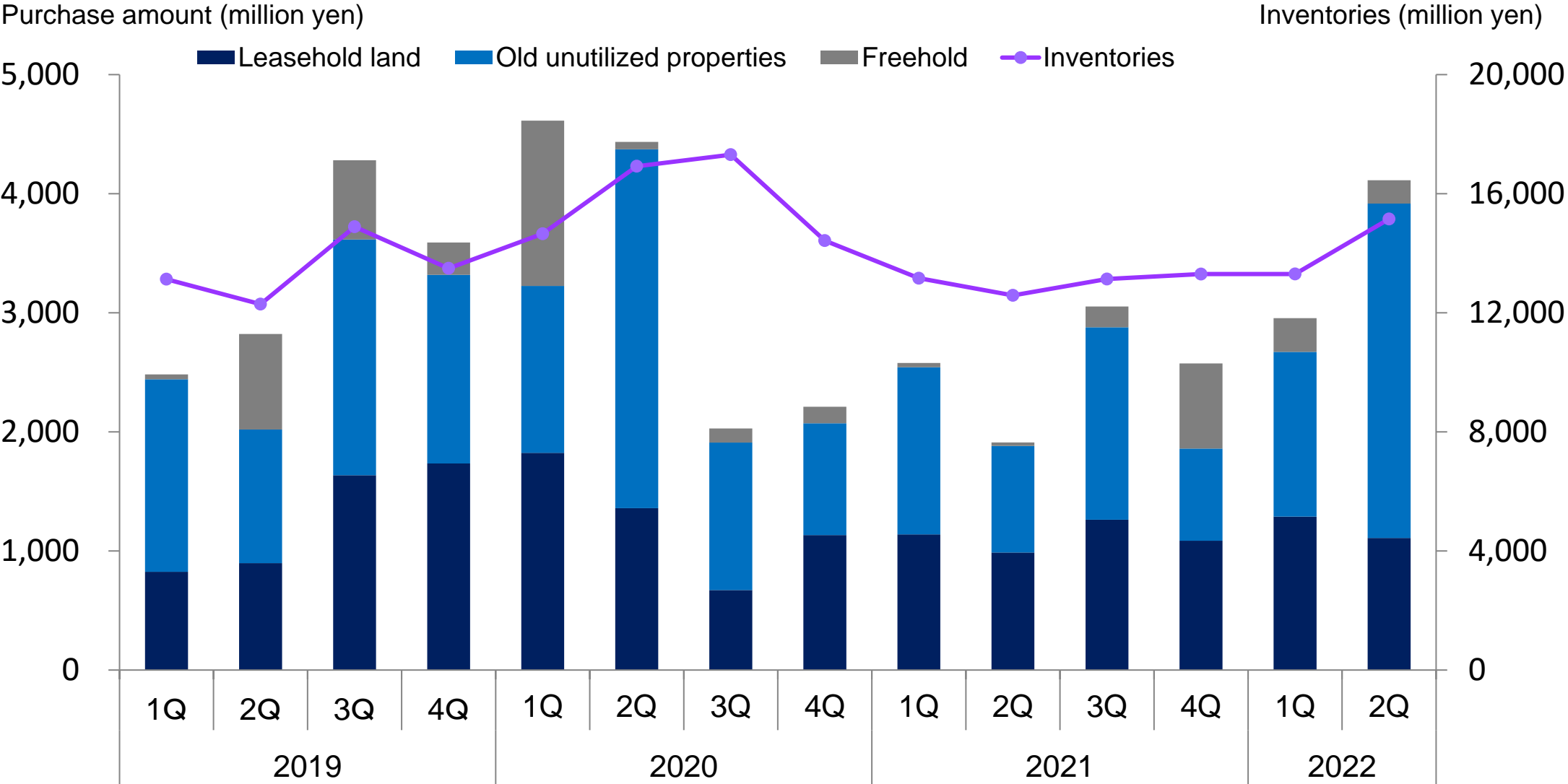
- The number of projects has exceeded the pre-pandemic level and the number of contracts is also on an upward trend



# Changes in the amount of purchases and inventories



- Purchasing is progressing better than planned and inventories have increased significantly



- The impact of the COVID-19 has largely disappeared and the business is returning to pre-pandemic levels

## Purchasing

- Increased volume of information received by the Company
- Demand for real estate is high, and purchase prices for old unutilised properties are rising
- Concerns about the impact on COGS, including an expected increase in demolition costs in the future

**Purchasing is strong at present, partly due to increased real estate demand.**  
**Real estate market is firm, but we would maintain a cautious approach to purchasing**

## Sales

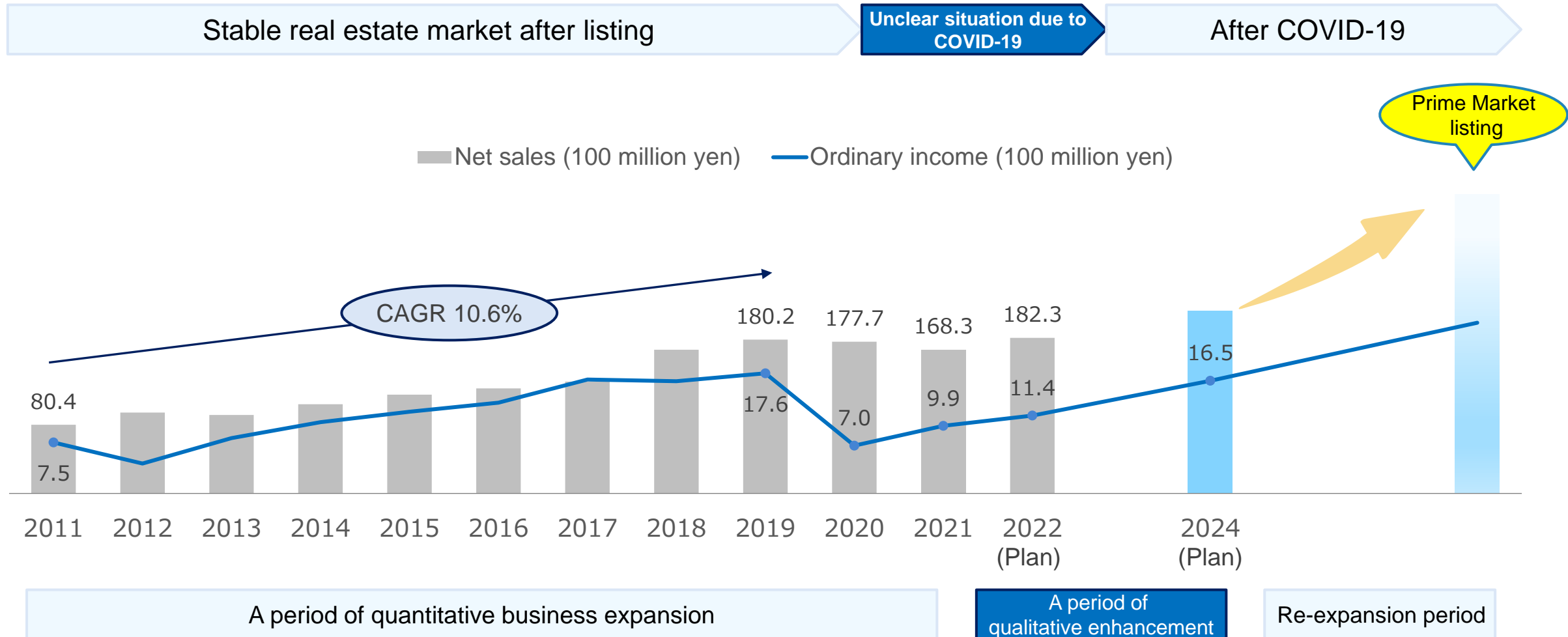
- Sales prices are increasing due to rising real estate demand
- Profit margins improving thanks to higher unit sales prices and cost reductions
- Leaseholders' purchasing sentiment has recovered

**Sales environment remains favourable.**  
**Ensure early completion of sales within the designated project period**

# Positioning of the medium-term management plan



- 2022-24 will be a period of qualitative enhancement, with a focus on growth initiatives aiming at TSE Prime listing from 2025 onwards



**Build a solid business foundation that can realize a stable business growth even after the COVID-19 ends**

**Expansion of existing businesses**

- Strengthening of organizational capability
- Creation of opportunity for business expansion due to the promotion of new initiatives
- Human resources development

**Expansion of business domain**

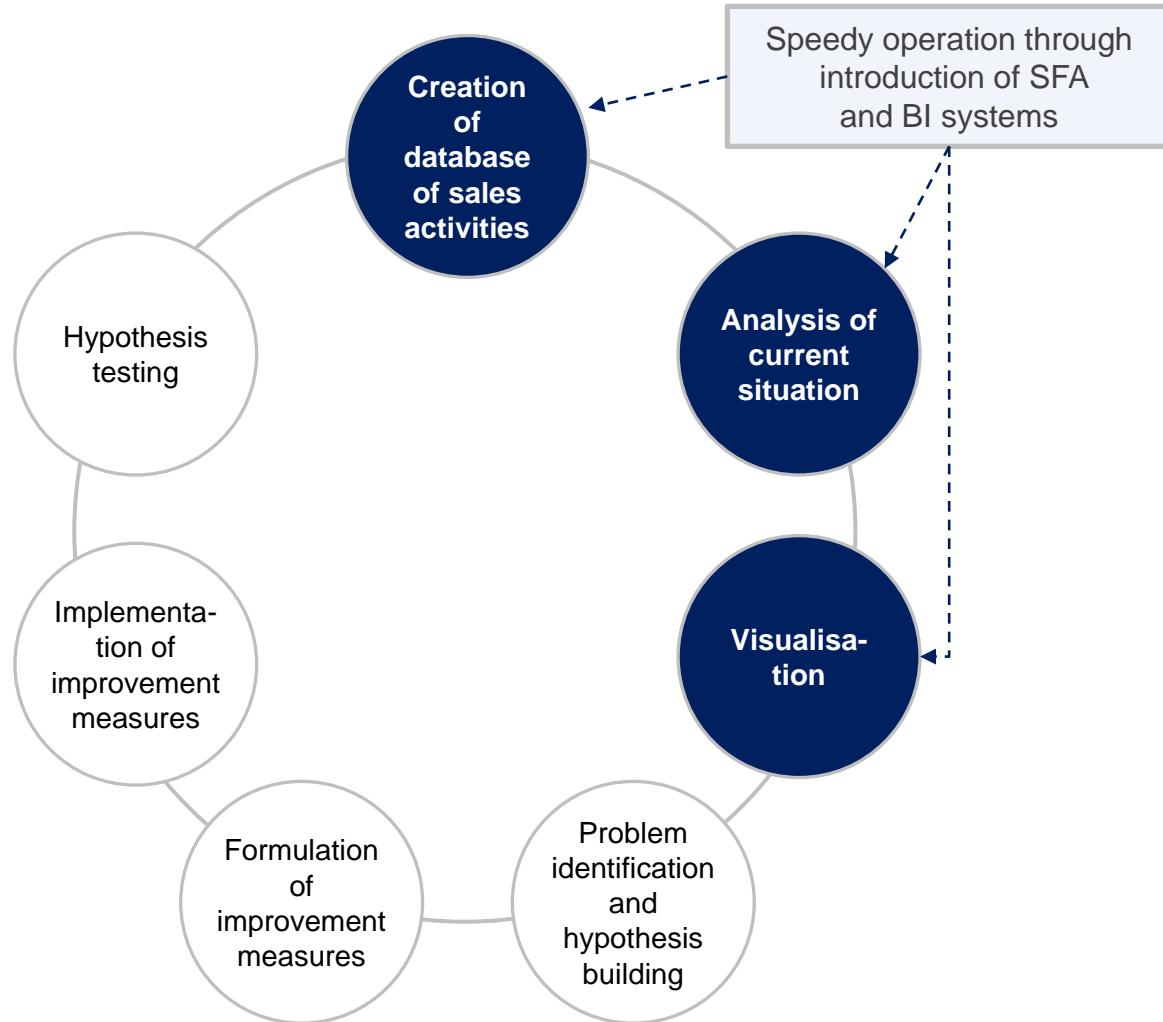
- Efforts toward new businesses
- Implementation of M&As and alliances

**Strengthening of management base**

- Strengthening of governance system
- Review of back-office capable of responding to organizational growth
- Strengthening of financial foundation
- Personnel reform

# Expanding existing businesses: Priority areas where marketing will be strengthened

[So far] Strengthen improvement processes through the use of IT



[From now] Initiatives in priority areas where marketing will be reinforced

**Upgrading of procurement and sales strategies**

- Upgrading of area and channel strategies
- Diversification of sales methods
- Consideration of business schemes to optimise profits and turnover

**Strengthen company-wide information sharing mechanism**

- Promotion of the development and sharing of information on sales destinations
- Knowledge management at company-wide level

**Strengthen individual sales capabilities**

- Revise the sales education system
- Initiatives to strengthen purchasing and sales capabilities in line with each individual's sales characteristics



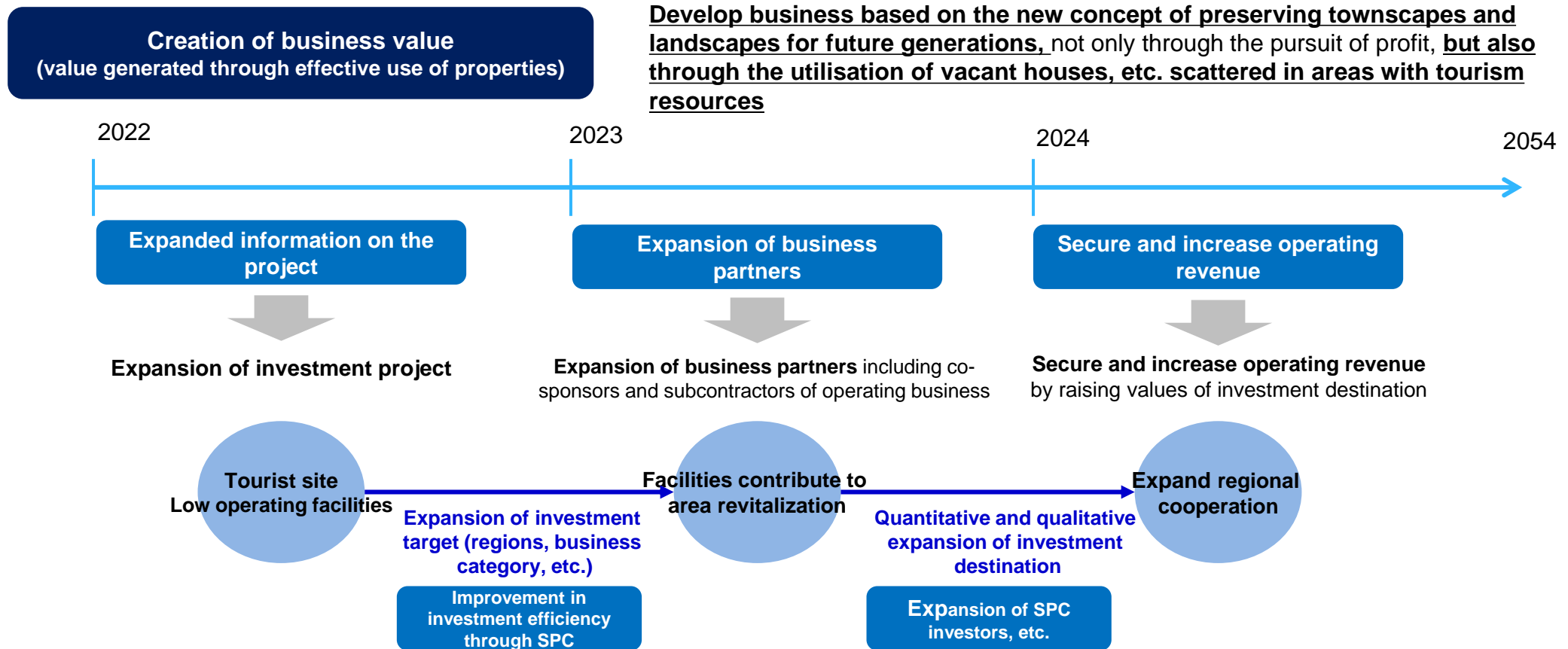
# Expansion of business domain: Starting business in Hachimantai

Pension Hinode (Matsuo Yoriki acreage, Hachimantai City, Iwate Prefecture) Start of operations: Apr 2022





# Expansion of business domain: Regional revitalization business



## 【Promotion of the commercialisation of specific projects】

- (1) Tourism revitalisation project in Hachimantai Onsen-kyo area, Iwate Prefecture.  
(Renovation of existing pensions to add value) (Establishment of SPC "Hachimantai Tourism Revitalisation Godo Kaisha")
- (3) PJ on the use of registered cultural properties and vacant houses in a certain city in Mie Prefecture
- (2) PJ on the use of samurai residences and vacant houses in a certain city in Oita Prefecture

Review back-office system

- Progress of studies aimed at improving back-office operational efficiency
  - ⇒ Current situation identified and analysed beyond each department
  - Aiming at qualitative improvements in anticipation of future increases in workload

Strengthening of financial foundation

- Cash position further improved and financial soundness improved
  - ⇒ Strengthen shareholder returns while maintaining an appropriate cash level

Personnel reform

- A study team has been set up for medium- and long-term personnel reform
  - ⇒ Aim to complete by the end of next financial year

# Strengthening the management infrastructure: Crowdfunding

- First to fifth offering: Raised 400 million yen in total.
- Sixth offering: 100 million yen was raised in July 2022. The interest rate : 1.7%.

### 底地くんファンド#1

株式会社サンセイランディック

募集成立

投資受付金額  
50,000,000円/50,000,000円

100%

このファンドは先着順で募集を行います

投資ガイド  
このファンドの募集スケジュール

先着

先着での申込受付は終了いたしました。

|             |                                  |             |
|-------------|----------------------------------|-------------|
| 予定利率(年率・複利) | 予定運用期間                           | 募集金額        |
| 3.0%        | 約11ヶ月<br>2019/12/20~2020/1/30*予定 | 50,000,000円 |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 20,000,000円 |

このファンドでは抽選は実施しません

先着方式受付期間  
2019/12/6 19:00 ~ 2019/12/13 15:00

先着方式受付期間  
2019/12/6 19:00 ~ 2019/12/13 15:00

募集条件の解除

### 底地くんファンド#2

株式会社サンセイランディック

募集中

投資受付金額  
50,000,000円/50,000,000円

100%

1. 抽選 2. 先着

先着での申込受付は終了いたしました。

投資申込の前に取引書の内容を必ずご確認ください。  
重要事項説明書、匿名組合契約約款

|             |                                 |                                    |
|-------------|---------------------------------|------------------------------------|
| 予定利率(年率・複利) | 予定運用期間                          | 募集金額                               |
| 2.50%       | 約8ヶ月<br>2022/12/24~2023/1/31*予定 | 50,000,000円<br>うち2500万円を抽選方式で募集します |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 20,000,000円 |

### 底地くんファンド#3

株式会社サンセイランディック

募集中

投資受付金額  
100,000,000円/100,000,000円

100%

1. 抽選 2. 先着

先着での申込受付は終了いたしました。

投資申込の前に取引書の内容を必ずご確認ください。  
重要事項説明書、匿名組合契約約款

|             |                                 |                                     |
|-------------|---------------------------------|-------------------------------------|
| 予定利率(年率・複利) | 予定運用期間                          | 募集金額                                |
| 2.00%       | 約11ヶ月<br>2022/1/24~2023/1/30*予定 | 100,000,000円<br>うち8000万円を抽選方式で募集します |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 30,000,000円 |

### 底地くんファンド#4

株式会社サンセイランディック

募集中

投資受付金額  
100,000,000円/100,000,000円

100%

先着

先着での申込受付は終了いたしました。

投資申込の前に取引書の内容を必ずご確認ください。  
重要事項説明書、匿名組合契約約款

|             |                                |              |
|-------------|--------------------------------|--------------|
| 予定利率(年率・複利) | 予定運用期間                         | 募集金額         |
| 1.80%       | 約7ヶ月<br>2021/6/30~2022/1/31*予定 | 100,000,000円 |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 30,000,000円 |

### 底地くんファンド#5

株式会社サンセイランディック

募集中

投資受付金額  
100,000,000円/100,000,000円

100%

先着

先着での申込受付は終了いたしました。

投資申込の前に取引書の内容を必ずご確認ください。  
重要事項説明書、匿名組合契約約款

|             |                                |              |
|-------------|--------------------------------|--------------|
| 予定利率(年率・複利) | 予定運用期間                         | 募集金額         |
| 1.70%       | 約7ヶ月<br>2022/1/31~2022/8/31*予定 | 100,000,000円 |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 30,000,000円 |

### 底地くんファンド#6

株式会社サンセイランディック

募集中

投資受付金額  
100,000,000円/100,000,000円

100%

先着

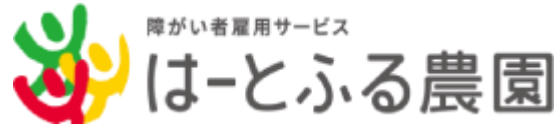
先着での申込受付は終了いたしました。

投資申込の前に取引書の内容を必ずご確認ください。  
重要事項説明書、匿名組合契約約款

|             |                                |              |
|-------------|--------------------------------|--------------|
| 予定利率(年率・複利) | 予定運用期間                         | 募集金額         |
| 1.70%       | 約7ヶ月<br>2022/7/11~2023/1/31*予定 | 100,000,000円 |

|        |        |           |             |
|--------|--------|-----------|-------------|
| 元本償還方法 | 利息配当方法 | 担保・保証     | 最低成立金額      |
| 満期一括   | 毎四半期   | 担保なし・保証なし | 30,000,000円 |

# ESG initiatives: Report on Heartfull Farm



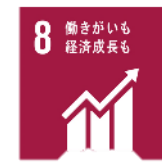
A new initiative in which we directly employ people with disabilities and have them engage in farming at the farm, with the harvested produce being returned to employees or envisaged as a donation



- Safe and secure farming in robust plastic greenhouses
- The vinyl greenhouses, which allow year-round cultivation and harvesting regardless of weather conditions, employ the 'sand cultivation on stilts' farming method, and are full-fledged agricultural facilities that are ideal for people with disabilities

[Heartfull Farm Aikawa]

(Location) 1992 Sumida-aza Nishimine, Aikawa-cho,  
Aiko-gun, Kanagawa Prefecture





# ESG initiatives: Report on Heartful Farm



**Our greenhouses**



**Our greenhouses are hot in summer**



**We work in polo shirts with Sokochi-kun**



**Water and nutrients are supplied through pipes**



**Pinot green is growing**

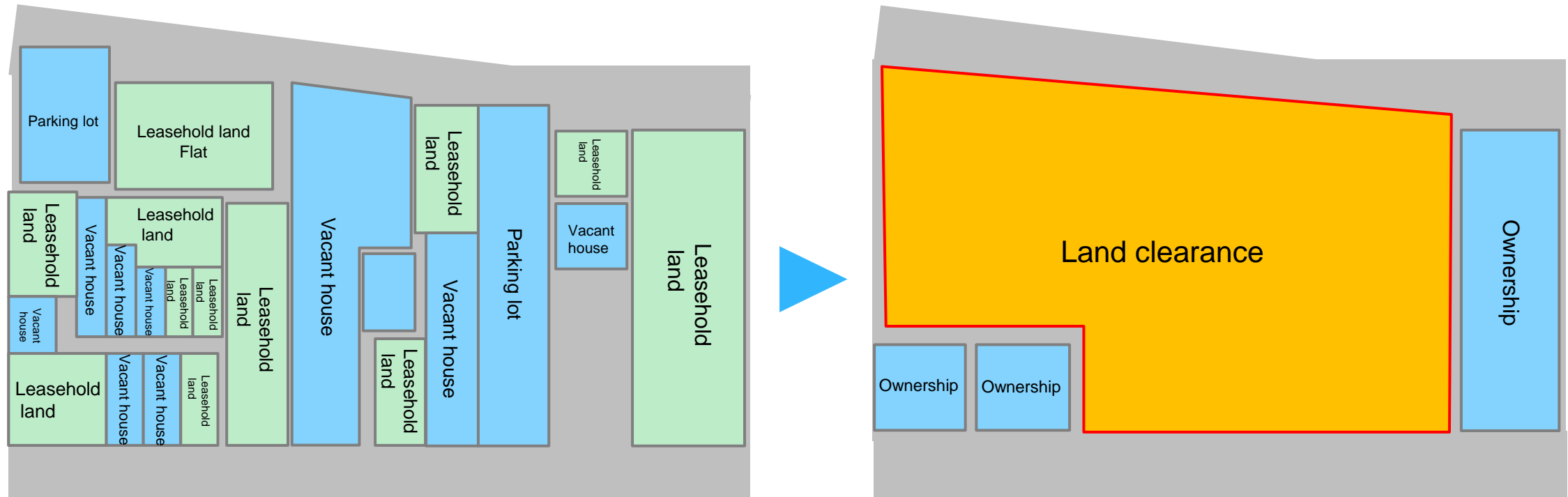


**All the employees are enjoying the food**



# ESG initiatives: Real estate rights adjustment example

Location: Osaka City, Osaka Prefecture, Land area: approx. 1,100 tsubo  
Land leaseholders: 12, Leasehold holders: 2



The landowner consulted us as part of an inheritance strategy and decided to sell the property as it stands, as it is in a densely built-up area of dilapidated wooden buildings. The land was cleared by incorporating the purchase of part of the leasehold

# ESG initiatives: Real estate rights adjustment example

- Elimination of a densely built-up area of dilapidated wooden buildings, and after clearing the land, transformation into a nursing home for the elderly, contributing to disaster prevention measures in the area

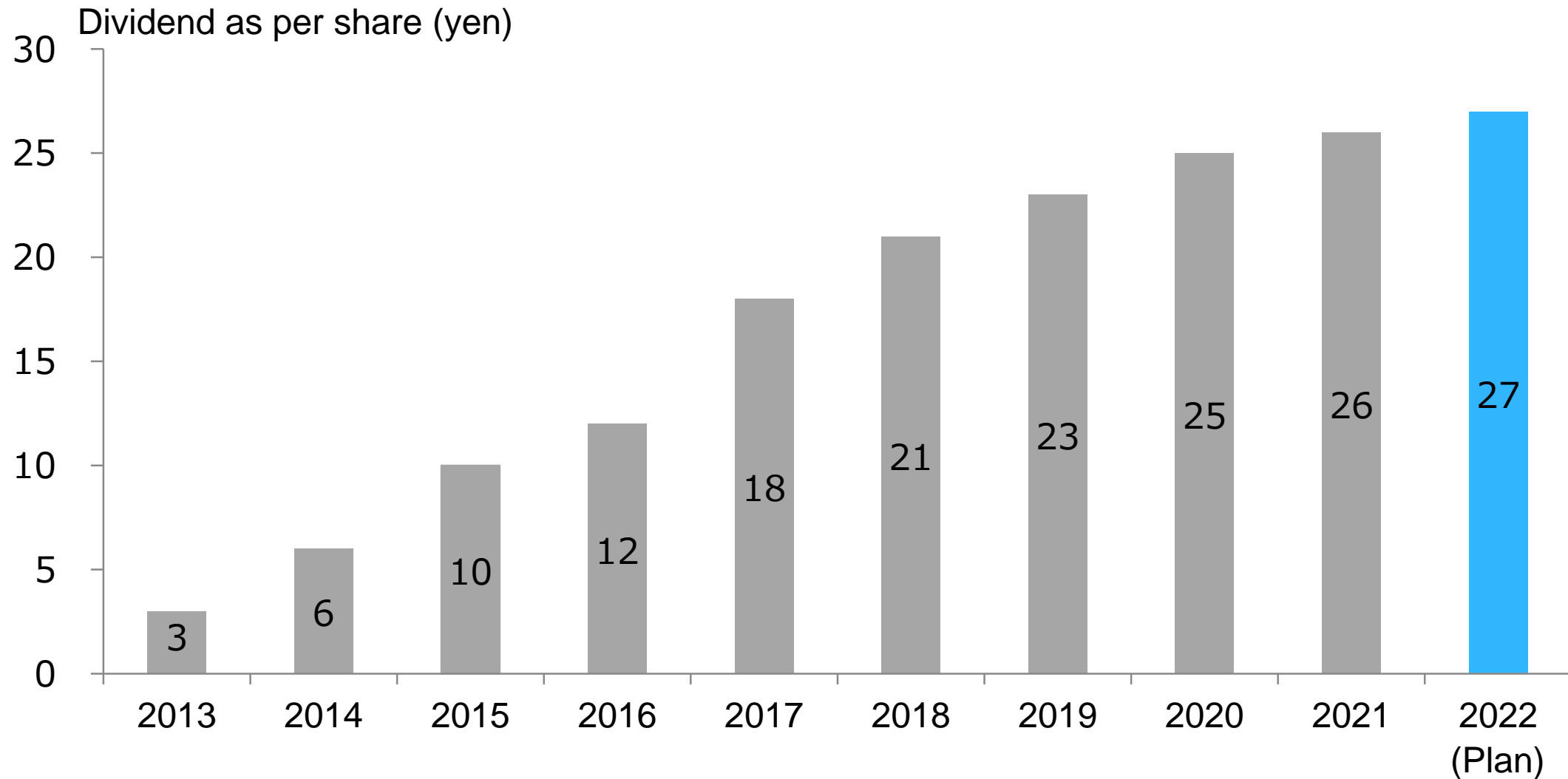




# Shareholder returns: Dividends



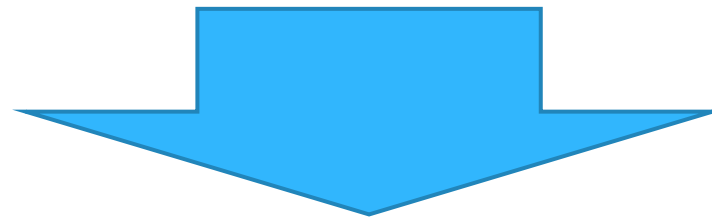
- Plans to increase the dividend to 27 yen a share at the end of the financial year ending December 2022, which will be the ninth consecutive year of dividend increase





- First share buyback in February 2021, second in May 2022

| Repurchase period    | Value of shares repurchased | Number of shares repurchased |
|----------------------|-----------------------------|------------------------------|
| May 2022 - July 2022 | 131 million yen             | 150 thousand shares          |
| Feb 2021 - May 2021  | 167 million yen             | 200 thousand shares          |



## **Use of shares acquired**

- To fund mergers and acquisitions, which are planned to be actively pursued in the medium-term management plan
- To be utilised to return profits to executives and employees

# Shareholder returns: Shareholder benefit program

- Introduced gift catalog system from 2021.

**Upgraded benefits for long-term shareholders** in order to encourage more shareholders to hold our shares over the long term.

| Holding period<br>Number of shares held | Less than 1 year     | 1 year or more     |
|---|----------------------|--------------------|
| 100 shares                              | Not eligible         | QUO Card (500 yen) |
| 200 to<br>less than 500 shares          | QUO Card (500 yen)   | Gift catalog ①     |
| 500 shares or more                      | QUO Card (1,000 yen) | Gift catalog ②     |



## Sansei Landic Original 'Catalogue Gift'

For long-term shareholders, two courses are available, depending on the number of shares held. In addition to meat, rice and social contributions (donations), there is also a playful treat for shareholders, including the original Sokochi-kun soft toy catalogue gift, which is a must-have for Sokochi-kun fans.



\*The catalog gift includes canned bread, which was a shareholder benefit until last year.

# FY12/22 Business forecasts



- Consolidated Forecasts for FY12/22 (January 1, 2022 - December 31, 2022)

(Unit: million yen)

|                             | <b>FY12/22</b> | <b>Pct. change</b> |
|-----------------------------|----------------|--------------------|
| Net sales                   | 17,103         | +1.6%              |
| Operating income            | 1,402          | +25.5%             |
| Ordinary income             | 1,226          | +22.7%             |
| Net income                  | 1,058          | +73.7%             |
| EPS (Yen)                   | 128.40         | +74.6%             |
| Dividend as per share (Yen) | 27             | -                  |

- Sales and profits planned to exceed those in FY2021
- Sales slightly underachieved in 1H, but profits at all levels achieved the plan.  
Assumption is that the second half of the year will be largely in line with forecasts, and the revised earnings guidance announced on 13 May 2022 remains unchanged.
- Dividend as per share is expected to increase by 1 yen to 27 yen at the end of the current fiscal year

|                     |  |
|---------------------|--|
| Company name        | <b>Sansei Landic Co., Ltd</b>  |
| Representative      | Takashi Matsuzaki, President and CEO   |
| Established         | <b>February 1976</b>   |
| Capital stock       | <b>822,803,600</b> yen (As of the end of June 2022)  |
| Listing             | Standard Market of the Tokyo Stock Exchange    Securities Code : <b>3277</b><br>*Listed on the JASDAQ Stock Exchange on 2011,<br>First Section of the Tokyo Stock Exchange on 2014 |
| Head office         | 5-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo   |
| Branch              | Sapporo, Sendai, Musashino, Nagoya, Kyoto, Kansai, Fukuoka   |
| Number of employees | 176···As of the end of June 2022   |

## 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.
- 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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