

# Summary of Business Results for the Year Ended December 31, 2022

## [Japan GAAP] (Consolidated)

February 14, 2023

Company Sansei Landic Co.,Ltd Listed on the TSE  
 Stock Code 3277 URL: <https://www.sansei-l.co.jp>  
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 Expected date of annual shareholders' meeting: March 29, 2023 Expected starting date of dividend payment: March 30, 2023  
 Expected date of filing of annual securities report: March 29, 2023  
 Preparation of supplementary financial document: Yes  
 Results briefing: Yes (for institutional investors and analysts)

*(Rounded down to million yen)*

### 1. Consolidated business results for the fiscal year ended December 2022 (January 1, 2022 through December 31, 2022)

(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	%
Year ended Dec. 2022	15,533	-7.7	1,469	31.5	1,283	28.4	1,060	73.9
Year ended Dec. 2021	16,836	-5.3	1,117	31.9	999	40.9	609	70.5

(Note) Comprehensive income:

Year ended December 2022: 1,060 million yen (73.9%)

Year ended December 2021: 609 million yen (70.5%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2022	129.61	129.01	9.9	5.2	9.5
Year ended Dec. 2021	73.56	73.22	6.0	5.0	6.6

(Reference) Investment earnings/loss on equity-method:

Year ended December 2022: -million yen

Year ended December 2021: -million yen

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2022	28,976	11,056	38.1	1,356.38
As of Dec. 2021	20,050	10,301	51.4	1,248.99

(Reference) Shareholders' equity:

As of December 2022: 11,052 million yen

As of December 2021: 10,298 million yen

### (3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2022	-9,267	-266	7,971	3,188
Year ended Dec. 2021	1,704	-51	-608	4,752

## 2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2021	-	0.00	-	26.00	26.00	214	35.3	2.1
Year ended Dec. 2022	-	0.00	-	28.00	28.00	228	21.6	2.1
Year ending Dec. 2023 (forecast)	-	0.00	-	29.00	29.00		28.2	

**3. Forecast of consolidated business results for the year ending December 2023  
(January 1, 2023 through December 31, 2023)**

(% 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
For the six months ending June 30, 2023	8,649	5.9	913	0.1	747	-10.3	484	-32.1	59.44
Year ending Dec. 2023	17,119	10.2	1,594	8.5	1,305	1.7	836	-21.1	102.68

**\*Notes**

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

(Note) Although not a change in specified subsidiaries, One's Life Home, Inc. was excluded from the scope of consolidation due to the sale of all shares of One's Life Home Inc., which was a consolidated subsidiary of the Company.

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

- ① Changes in accounting policies associated with revision of accounting standards: : Yes
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(3) Shares outstanding (common stock)

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

As of December 2022 8,510,300 shares

As of December 2021 8,474,800 shares

② Treasury stock at the end of period:

As of December 2022 361,542 shares

As of December 2021 229,942 shares

③ Average number of stock during period (cumulative period)

Year ended December 2022 8,178,238 shares

Year ended December 2021 8,284,882 shares

**(Reference) Summary of non-consolidated business results**

**1. Non-consolidated business results for the fiscal year ended December 2022**

**(January 1, 2022 through December 31, 2022)**

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2022	15,309	-1.4	1,489	17.9	1,303	31.3	1,053	74.5
Year ended Dec. 2021	15,529	-3.6	1,263	49.4	993	48.0	603	240.3

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2022	128.80	128.20
Year ended Dec. 2021	72.85	72.51

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2022	28,981	11,061	38.2	1,356.96
As of Dec. 2021	19,674	10,313	52.4	1,250.37

(Reference) Shareholders' equity:

As of December 2022: 11,057 million yen

As of December 2021: 10,309 million yen

**2. Forecast of non-consolidated business results for the fiscal year ending December 2023  
(January 1, 2023 through December 31, 2023)**

(% change from the previous corresponding period)

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending June 30, 2023	8,647	8.9	748	-12.1	485	-31.1	59.53
Year ending Dec. 2023	17,114	11.8	1,306	0.2	838	-20.4	102.91

**\*Financial summary is not subject to the review procedures by certified public accountants or auditing firms.**

**\*Explanation regarding appropriate use of business forecasts and other special instructions**

The forecasts regarding future performance in this report are based on information available at the time this report was prepared. However, actual results may differ from the forecasts due to various factors.

## 1. Summary of Results of Operations

### (1) Summary of results of operations for the fiscal year under review

#### ① Results of operations for the fiscal year under review

In the fiscal year under review, net sales were 15,533 million yen (down by 7.7% YoY), operating income was 1,469 million yen (up by 31.5% YoY), ordinary income was 1,283 million yen (up by 28.4% YoY), and a net income attributable to owners of parent was 1,060 million yen (up by 73.9% YoY).

Results by business segment are as follows.

#### I Real Estate Sales Business

In the Real Estate Sales Business, the segment recorded net sales of 15,311 million yen (down by 1.4% YoY) and segment income of 2,797 million yen (up by 19.9% YoY).

Sales and purchase results for the fiscal year under review are as follows.

##### i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	294	-14.5	5,703	-30.5
Old unutilized properties	42	-26.3	8,399	+38.1
Freehold	18	+125.0	787	-8.9
Other real estate sales business	-	-	420	+12.8
Total	354	-13.4	15,311	-1.4

- (Note) 1. Inter-segment transactions have been eliminated.  
2. "Number of contracts" indicates the number of transactions.  
3. "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."  
4. "Other Real Estate Sales Business" consists of rent income, income from brokerage fees, and commission income from outsourcing.

Although sales of old unutilized properties increased, sales decreased year-on-year due to a decrease in sales of leasehold land and freehold.

##### ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (Million yen)	YoY (%)
Leasehold land	326	-11.2	7,274	+62.6
Old unutilized properties	110	+48.6	11,979	+155.5
Freehold	42	+110.0	1,383	+44.8
Total	478	+3.7	20,636	+104.0

- (Note) 1. "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.  
2. 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."

In purchasing, there was an increase in purchases in all categories, with purchases increasing year-on-year.

#### II Construction Business

Following the transfer of all shares of One's Life Home, Inc., which was a consolidated subsidiary of the company, on 31

March 2022, One's Life Home was excluded from the scope of consolidation and ceased to operate as part of a company group. Sales of the Construction business for the current fiscal year under review amounted to 222 million yen (down 83.1% year-on-year), with a segment loss of 16 million yen (loss of 145 million yen for the same period last year).

## ② Outlook for the next fiscal year

With regard to the outlook for the future, while the transition to a new phase of with-corona is under way, and although it is necessary to pay close attention to trends in the property market against the background of fluctuations in the interest rate environment, the market is expected to remain generally firm in the residential areas that are our main focus, partly thanks to the effects of various measures taken by the government.

In this business environment, the Group will continue to expand its existing businesses, expand its business areas and strengthen its management base for growth beyond 2025 in order to achieve the objectives of its medium-term management plan, which begins in 2022. With regard to the expansion of business areas, the group plans to expand the peripheral facilities of the accommodation it operates in Hachimantai Onsenkyo and to commercialise accommodation facilities for motorbike riders, which were conceived by a female employee.

In the Real Estate Sales business, the business will be expanded by further strengthening sales activities for properties purchased in the current fiscal year and purchasing activities going forward. In addition, personnel costs are expected to increase due to an increase in the number of personnel for future growth, and expenses are expected to increase in line with data-based sales activities and the strengthening of web marketing.

As a result of the above, the consolidated forecasts for the next fiscal year are: net sales of 17,119 million yen (up 10.2% YoY), operating income of 1,594 million yen (up 8.5% YoY), ordinary income of 1,305 million yen (up 1.7% YoY) and net income attributable to owners of the parent of 836 million yen (down 21.1% YoY). net income attributable to owners of the parent for the next fiscal year is expected to decrease year-on-year due to a decrease in income taxes following the transfer of shares in a consolidated subsidiary that occurred in the current fiscal year, but excluding this special factor, the company expects an increase in profit year-on-year.

## (2) Summary of Financial Position

Total assets at the end of the fiscal year under review increased by 8,926 million yen from the end of the previous fiscal year to 28,976 million yen (+44.5% YoY). The main reasons for this increase were an increase of 10,356 million yen in real estate for sale and a decrease of 1,523 million yen in cash and deposits.

Total liabilities increased by 8,171 million yen to 17,920 million yen (up 83.8% YoY). The main reasons for this increase were an increase of 4,648 million yen in short-term loans payable, an increase of 4,293 million yen in long-term loans payable and a decrease of 650 million yen in the current portion of long-term loans payable.

Net assets increased by 754 million yen from the end of the previous fiscal year to 11,056 million yen (+7.3% YoY). The main reasons for this increase were an increase in retained earnings of 845 million yen and an increase in treasury shares of 118 million yen. As a result, the equity ratio was 38.1%, a decrease of 13.3 percentage points compared to the end of the previous fiscal year.

## (3) Summary of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review were 3,188 million yen (down by 32.9% YoY).

The status of each cash flow and its factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash used in operating activities for the fiscal year under review was 9,267 million yen. The main factors were income before income taxes and minority interests of 1,269 million yen, an increase in inventories of 10,356 million yen, income from an increase in contract liabilities of 321 million yen and income taxes paid of 426 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year under review was 266 million yen. The main factors were payments into time deposits of 48 million yen, purchase of property, plant and equipment of 13 million yen, purchase of intangible assets of 13 million yen and sales of shares in affiliated companies resulting in a change in the scope of consolidation of 175 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities for the fiscal year under review was 7,971 million yen. The main factors were proceeds from an increase in short-term borrowings of 4,648 million yen, proceeds from long-term borrowings of 5,896 million yen, repayments of long-term borrowings of 2,253 million yen, purchase of treasury shares of 131 million yen and cash dividends paid of 214 million yen.

(Ref.) Changes in cash flow indicators

	FY12/18	FY12/19	FY12/20	FY12/21	FY12/22
Shareholders' equity ratio	53.1	51.3	50.1	51.4	38.1
Shareholders' equity ratio based on market value	40.9	40.0	30.8	33.8	23.3
Interest-bearing debt/cash flow	374.1	-	-	475.6	-
Interest coverage ratio	12.9	-	-	14.4	-

Equity ratio: Equity/Total assets

Market value equity ratio: Total market capitalization/Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt/cash flow

Interest coverage ratio: Operating cash flow/Interest payment

(Note) 1. All figures are calculated based on the consolidated financial data.

2. Total market capitalization is calculated based on the total number of shares issued excluding treasury stock.
3. Cash flows is taken from operating cash flow.
4. The interest-bearing debt refers to the debts posted in the consolidated balance sheets for which we are paying interests.
5. The ratio of cash flow to interest-bearing debt and interest coverage ratio for FY12/19, FY12/20 and FY12/22 are not presented because operating cash flow was negative.

(4) Basic policy on distribution of profits and dividends for the current and next fiscal years

Our basic dividend policy is to continuously and stably pay dividends and to actively return profits to shareholders in accordance with our business performance by improving profitability and securing dividend sources. As we recognize that returning profits to shareholders is an important management issue, we will strive to improve profitability and expand our business base with promoting management strategies aimed at maximizing shareholder profits. With regard to the use of internal reserves, the Company will make effective investments to respond to anticipated changes in the business environment, such as expanding its business base by strengthening its management structure. In addition, the Articles of Incorporation stipulates that the Company may pay an interim dividend upon resolution of the Board of Directors, but the Company's basic policy is to pay a year-end dividend from surplus once a year.

For the fiscal year under review, the Company plans to propose to pay a year-end dividend of 28.00 yen per share to the Ordinary General Meeting of Shareholders to be held on March 29, 2023. The annual dividend for the fiscal year under review is expected to be 28.00 yen per share.

For the next fiscal year, the Company plans to pay a year-end dividend of 29.00 yen per share based on the above policy.

2. Basic policy regarding selection of accounting standards

Considering the comparability of consolidated financial statements between periods and among companies, the Group will continue to prepare its consolidated financial statements under Japanese GAAP for the time being.

The Group considers to adopt the International Financial Reporting Standards (IFRS) appropriately, taking into account future business developments and various conditions in Japan and overseas.