

Sansei Landic (TYO: 3277)

Solid start in 1Q FY12/2025 with higher revenue and profit

◆ Highlights of 1Q FY12/2025 results: Smooth start with increased revenue and profits, mainly in terms of profits

Sansei Landic (hereinafter, “the Company”) announced its financial results for 1Q FY12/2025 on May 15, 2025, posting year-on-year increases in both revenue and profit. Specifically, net sales were 8.84 billion yen (+22% YoY), operating income was 1.80 billion yen (+216% YoY), ordinary income was 1.72 billion yen (+250% YoY), and net profit attributable to owners of parent was 1.17 billion yen (+258% YoY).

This set of results is viewed positively as it increases confidence in achieving the Company’s full-year forecast. While the Company’s full-year forecast calls for modest increases in revenue and profit, earnings are expected to be concentrated in the first half (as detailed below). Compared to the 1Q forecast, sales came in approximately 1 billion yen short; however, all profit levels exceeded forecasts, indicating a solid start to the fiscal year.

Breaking down sales by segment: Leasehold land was 5.75 billion yen (+171% YoY), Old unutilized properties were 2.75 billion yen (-43% YoY), and Freehold was 210 million yen (+125% YoY). While total sales fell short of the 1Q plan, this was not due to any change in business conditions, and no revisions have been made to the full-year forecast announced at the start of the period. It is reasonable to assume that the variance was due to timing differences in revenue recognition.

Due to the increased proportion of sales from Leasehold land, the gross profit margin rose to 34%. This indicates the Company’s strength in rights adjustment and sales capabilities for Leasehold land.

Purchases during the quarter totaled 2.82 billion yen (-15% YoY), consisting of 2.12 billion yen for Leasehold land (+111% YoY), 530 million yen for Old unutilized properties (-73% YoY), and 150 million yen for Freehold (-49% YoY). The progress rate toward the full-year purchase plan of 17.6 billion yen was 16%. However, given that the number of deals is steadily increasing, the number of purchase contracts rose to 151 (+155% YoY), Leasehold land purchases are progressing well, and multiple large Old unutilized property acquisitions are expected in 2Q, there is currently little cause for concern.

On the balance sheet, the balance of property for sale decreased by 3 billion yen from the end of the previous fiscal year to 22.3 billion yen due to steady sales. Cash and deposits increased by 700 million yen to 5.7 billion yen, and interest-bearing debt decreased by 2.7 billion yen to 15.7 billion yen. These are all regarded as normal developments.

◆ FY12/2025 earnings forecast: Unchanged; revenue and profit expected to show slight full-year increases with 1H-weighted performance

There are no changes to the Company’s FY12/2025 earnings forecast.

Specifically, the 1H forecast includes sales of 15.46 billion yen (+19% YoY), operating income of 2.05 billion yen (+99% YoY), ordinary income of 1.90 billion yen (+120% YoY), and net profit attributable to owners of parent of 1.25 billion yen (+118% YoY).

The full-year forecast includes sales of 25.65 billion yen (+0.1% YoY), operating income of 1.91 billion yen (+1.4% YoY), ordinary income of 1.60 billion yen (+0.9% YoY), and net profit attributable to owners of parent of 1.07 billion yen (+1.8% YoY).

◆ Strengthened shareholder returns

The dividend forecast has not been changed. The annual dividend per share is projected at 42 yen (17 yen for the first half and 25 yen for the year-end), representing a 1 yen increase from the previous year’s interim dividend. The dividend payout ratio is forecast at 31.9%, remaining nearly unchanged, and this would mark the twelfth consecutive year of dividend increases.

Regarding the share buyback, the Company completed the repurchase of 194,900 shares at a total cost of 200 million yen between February 17 and May 14, 2025.

1Q results update

Real estate

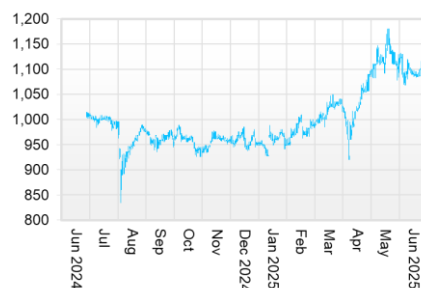
As of July 1, 2025

Share price (6/30)

¥1,096

52weeks high/low	¥834/1,180
Avg Vol (3 month)	18.8 thou shrs
Market Cap	¥9.41 bn
Enterprise Value	¥22.43 bn
PER (25/12 CE)	8.5 X
PBR (24/12 act)	0.7 X
Dividend Yield (25/12 CE)	3.8 %
ROE (24/12 act)	8.5 %
Operating margin (24/12)	7.3 %
Beta (5Y Monthly)	0.18
Shares Outstanding	8.584 mn shrs
Listed market	TSE Standard

Share price



%	1M%	3M%	12M%
Share price	-0.36	6.30	8.95
Japan TSE TOPIX	1.45	3.47	1.54

Points of interest

Trends in the real estate market surrounding the Company’s business; the progress of property acquisitions and earnings for the full year of FY12/2025; disclosure of the progress of the new medium-term management plan (particularly the realization of effects from measures to strengthen the core Leasehold land and Old unutilized properties businesses; results of commercialization assessments for derivative businesses such as Co-ownership, ownership period, and Leasehold rights businesses; and the launch of the regional revitalization business); enhancement of shareholder returns; and improvement in valuation.

This report is made at the request of Sansei Landic. For details, refer to the disclaimer on the last page



◇ Update on regional revitalization business

In conjunction with announcing the financial results, updates were provided on the regional revitalization business. A RIDER'S VILLA targeting female riders will open in Izu Inatori on July 1, 2025. In addition, two facilities related to renovating traditional houses and the effective use of vacant homes will open in Hirado City, Nagasaki Prefecture, in June and July 2025.

Furthermore, to revitalize and utilize lodging facilities and vacation homes, the second facility in Hachimantai City is scheduled for a pre-opening in June 2025 and a grand opening in August. Also, registration for motorcycle storage services began in April 2025.

These initiatives are drawing significant attention as potential long-term drivers of earnings.

◇ Share price trend and future highlights

Following the financial results announcement on February 14, 2025, the Company's share price generally rose, reflecting the FY12/2025 forecast for higher revenue and profit, the twelfth consecutive year of dividend increases, and the execution of a share buyback. The favorable 1Q results announced on May 15 were also well received, and on May 19, the share price reached a year-to-date high of 1,180 yen. As of now, it remains around the 1,090 yen level.

The stock shows no signs of overheating with a valuation of 8 times forecast earnings (PER), 0.7 times book value (PBR), and a projected dividend yield of 3.85%. This suggests that the market recognizes the Company's steady growth trajectory and proactive shareholder return policy.

From this perspective, key points to watch going forward include: trends in the real estate market; progress in full-year purchases and earnings for FY12/2025 (including any potential upward revisions); updates on the new medium-term management plan - particularly the effectiveness of measures to strengthen the core Leasehold land and Old unutilized properties businesses, results of feasibility studies for derivative businesses such as Co-ownership, ownership period, and Leasehold rights, and the initial progress of the regional revitalization business; and any announcement of an additional share buyback.

The real estate market is concerned about rising interest rates, construction costs, and labor shortages. However, the Company's core businesses in Leasehold land and Old unutilized properties appear largely unaffected by these issues. If the Company successfully strengthens its existing core businesses and demonstrates the potential of its derivative businesses, there remains significant room for a valuation re-rating.

Notably, the Company will celebrate its 50th anniversary in February 2026, and expectations for shareholder returns will likely increase accordingly.

Company profile

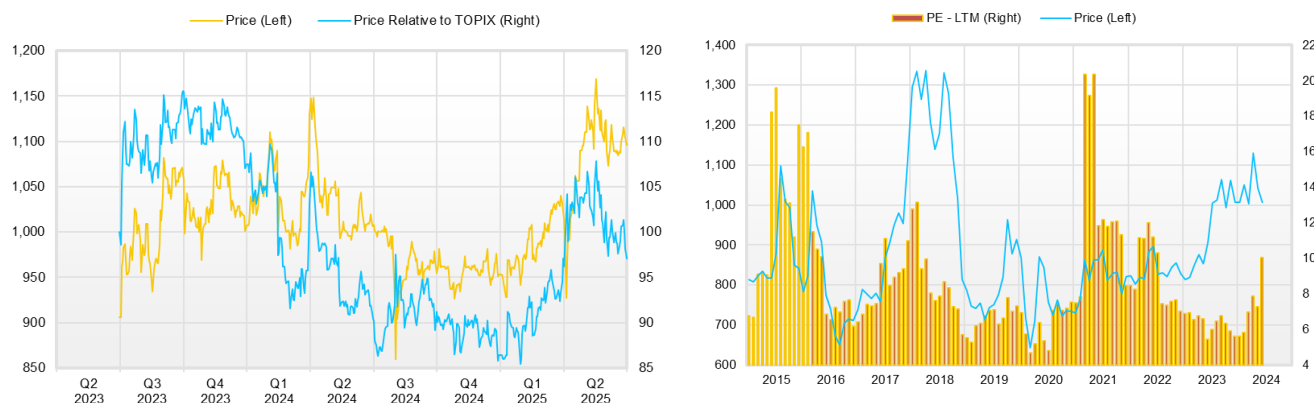
Sansei Landic Co., Ltd. operates a real estate rights adjustment business. The Company makes a profit by adjusting the rights to properties it has purchased, mainly leasehold land and old unutilized properties, and then reselling them. It has captured stable profit opportunities in niche markets. In August 2024, the Company announced a new medium-term plan covering the period from August 2024 to fiscal 2027. ROE and PBR are expected to improve due to the growth strategy and improved capital efficiency.

Key financial data

Unit: million yen	2020/12	2021/12	2022/12	2023/12	2024/12	2025/12 CE
Sales	17,775	16,836	15,533	23,269	25,620	25,650
EBIT (Operating Income)	847	1,118	1,469	2,155	1,883	1,910
Pretax Income	712	1,004	1,270	1,756	1,585	1,600
Net Profit Attributable to Owner of Parent	358	609	1,060	1,183	1,051	1,070
Cash & Short-Term Investments	4,330	5,361	3,837	3,770	5,013	
Total assets	20,071	20,051	28,977	30,976	33,107	
Total Debt	16,879	16,879	16,879	16,879	18,506	
Net Debt	13,109	13,109	13,109	13,109	13,493	
Total liabilities	10,004	9,749	17,921	18,899	20,349	
Total Shareholders' Equity	12,077	12,077	12,077	12,077	12,759	
Net Operating Cash Flow	-917	1,705	-9,268	-12	1,143	
Capital Expenditure	21	40	28	304	138	
Net Investing Cash Flow	-288	-51	-267	-766	-715	
Net Financing Cash Flow	953	-608	7,971	303	1,223	
Free Cash Flow	-291	-291	-291	-291	1,049	
ROA (%)	1.82	3.04	4.32	3.95	3.28	
ROE (%)	3.58	5.98	9.93	10.23	8.46	
EPS (Yen)	42.3	73.6	129.6	143.8	127.2	131.6
BPS (Yen)	1,192.9	1,249.5	1,356.8	1,465.5	1,541.8	
Dividend per Share (Yen)	25.00	26.00	28.00	33.00	41.00	42.00
Shares Outstanding (Million Shares)	8.47	8.47	8.49	8.58	8.58	

Source: Omega Investment from company data, rounded to the nearest whole number.

Share price





FY12/25 1Q financial result

FY12/25 1Q Topics



- Due to an increase in sales of leasehold land, net sales and all levels of profit significantly exceeded the previous year's results
- Although net sales fell short of the plan, profits progressed in line with the plan due to reductions in SG&A expenses
- Purchases of leasehold land increased significantly. Multiple large-scale purchases of old unutilized properties are expected in 2Q
- The interim dividend at the end of 2Q FY12/2025 is planned to be 17 yen per share, representing a 1 yen increase
- The treasury stock acquisition, which began in February 2025, has been completed for 200 million yen

Source: Company materials

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Financial Results



- Although net sales fell short of the plan, profits progressed in line with the plan due to adjustments in the property portfolio and reductions in SG&A expenses

(Unit: Million yen)

	23/1Q	24/1Q	25/1Q		
	Results	Results	Plan	Results	Difference
Net sales	6,486	7,206	9,859	8,848	-1,011
Gross profit	2,166	1,685	3,066	3,005	-60
SG&A	1,048	1,115	1,262	1,199	-62
Operating income	1,118	570	1,803	1,806	+2
Ordinary income	1,045	492	1,727	1,727	+0
Net income attributable to owners of parent	683	328	1,170	1,175	+5

Source: Company materials

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FY12/25 1Q financial result

Sales by Business Segment



(Unit: Million yen)

	23/1 Q	24/1 Q	25/1 Q		
	Results	Results	Plan	Results	Vs. plan
Real Estate Sales business	6,486	7,206	9,859	8,848	-1,011
Leasehold land	2,707	2,120	6,264	5,751	-513
Old unutilized properties	3,571	4,891	2,845	2,751	-94
Freehold	101	93	616	210	-405
Others	106	101	132	134	+2

■ Leasehold land

Net sales and profit significantly exceeded the previous year's results
+171.2% YoY

■ Old unutilized properties

Progress was generally in line with the plan

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Source: Company materials

Purchases by Business Segment



(Unit: Million yen)

	22/1 Q	23/1 Q	24/1 Q	25/1 Q	
	Results	Results	Results	Results	YoY
Real Estate Sales Business	2,956	5,063	3,352	2,823	-15.8%
Leasehold land	1,289	3,486	1,005	2,128	+111.6%
Old unutilized properties	1,383	1,455	2,040	539	-73.5%
Freehold	283	121	306	155	-49.3%

■ Purchasing

Annual purchase plan: 17.6 billion yen

Purchases of leasehold land increased significantly

Purchases of leasehold land have been progressing steadily since the latter half of last year

Multiple large-scale purchases of old unutilized properties are expected in 2Q

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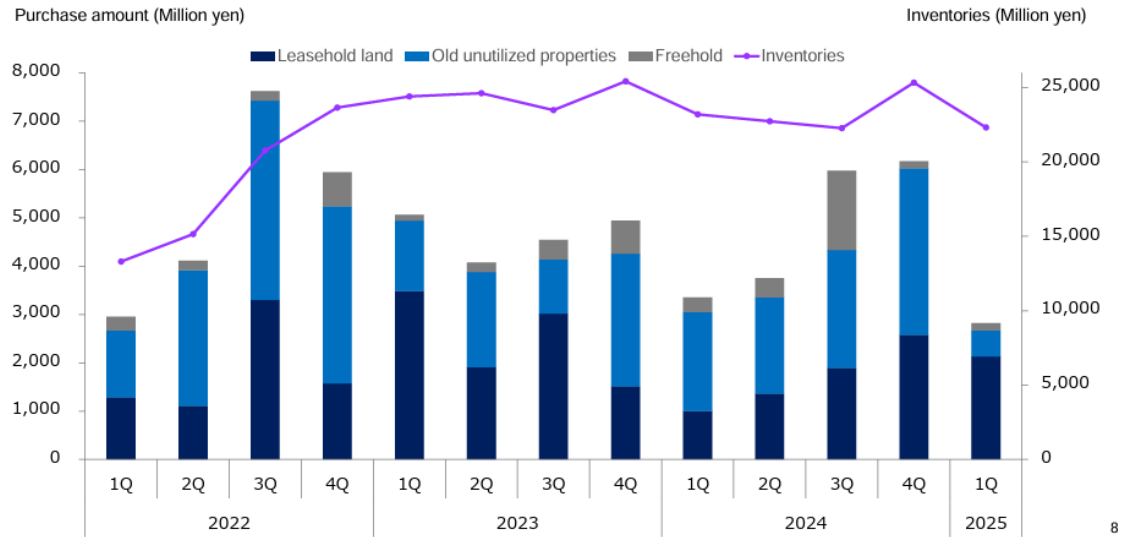
Source: Company materials

FY12/25 1Q financial result (contd.)

Changes in the Amount of Purchases and Inventories

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- Although inventories decreased due to sales progress, they remain at a high level



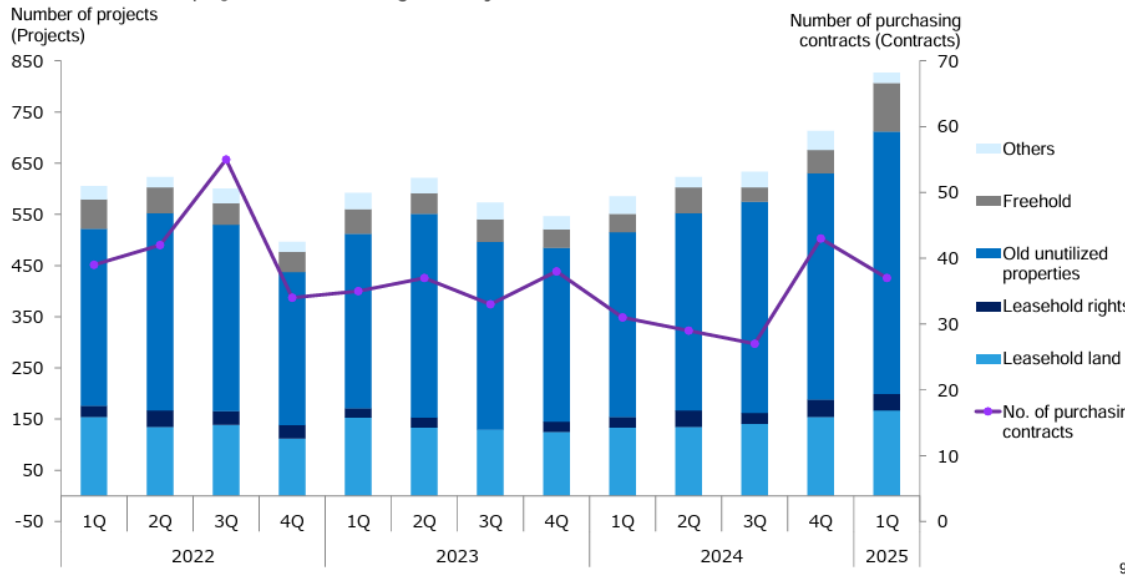
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Source: Company materials

Changes in the Number of Projects and Number of Purchasing Contracts

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- The number of projects increased significantly, and the number of contracts remained stable



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Source: Company materials



Full-year forecast for FY12/2025 (Reposted from FY12/2024 financial results materials)

FY12/25 Business forecasts

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- Consolidated forecasts for FY12/25 (January 1, 2025 - December 31, 2025)

(Unit: million yen)

	2021	2022	2023	2024	2025 (First-half plan)	2025 (Full-year plan)	Pct. Change
Net sales	16,836	15,533	23,269	25,620	15,460	25,650	+0.1%
Operating income	1,117	1,469	2,155	1,882	2,050	1,910	+1.4%
Ordinary income	999	1,283	1,765	1,585	1,900	1,600	+0.9%
Net income attributable to owners of parent	609	1,060	1,182	1,050	1,250	1,070	+1.8%
EPS (Yen)	73.56	129.61	143.79	127.22	153.46	131.68	+3.5%
Dividend (Yen)	26	28	33	41	17	42	—

- Although current procurement is progressing smoothly, the company plans moderate revenue and profit increases due to rising market uncertainty and temporary cost increases. Sales are expected to be weighted toward Q1 and Q2 due to planned sales of large-scale properties acquired in 2022 and 2023
- Today, the Board of Directors resolved to acquire treasury stock as part of the financial strategy under the medium-term management plan
- The plan is to increase dividends for the 12th consecutive year, with an interim dividend of 17 yen (up 1 yen), a year-end dividend of 25 yen, and an annual dividend of 42 yen

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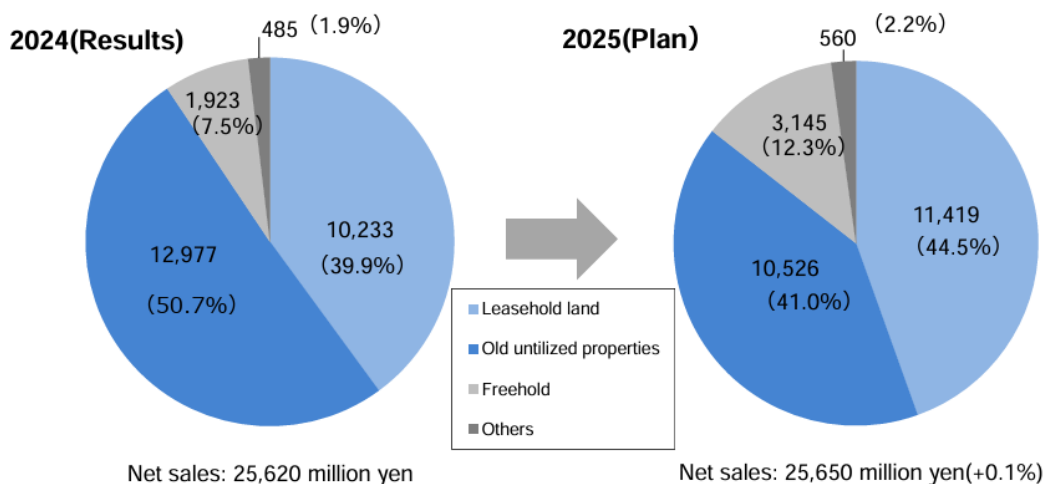
Source: Company materials

Real estate sales business: Sales plan by business

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- Leasehold land: 11,419 million yen, Old unutilized properties: 10,526 million yen, Freehold: 3,145 million yen, Others: 560 million yen

(Unit: million yen)



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Source: Company materials

Financial data (quarterly basis)

Unit: million yen	2023/12				2024/12				2025/12
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
(Income Statement)									
Sales	6,486	5,494	7,485	3,804	7,207	5,785	8,358	4,270	8,848
Year-on-year	45.9%	47.6%	141.8%	-11.0%	11.1%	5.3%	11.7%	12.3%	22.8%
Cost of Goods Sold (COGS)	4,320	3,858	5,681	3,067	5,521	4,228	6,448	3,122	5,842
Gross Income	2,166	1,635	1,803	737	1,686	1,558	1,910	1,149	3,006
Gross Income Margin	33.4%	29.8%	24.1%	19.4%	23.4%	26.9%	22.9%	26.9%	34.0%
SG&A Expense	1,048	1,097	1,128	914	1,115	1,102	1,125	1,077	1,200
EBIT (Operating Income)	1,118	539	676	-177	571	455	785	72	1,806
Year-on-year	150.0%	15.6%	135.5%	-165.8%	-49.0%	-15.5%	16.2%	-140.5%	216.6%
Operating Income Margin	17.2%	9.8%	9.0%	-4.7%	7.9%	7.9%	9.4%	1.7%	20.4%
EBITDA	1,145	559	692	-161	587	476	806	92	1,827
Pretax Income	1,046	378	587	-254	493	369	728	-4	1,728
Consolidated Net Income	684	256	387	-144	328	245	485	-7	1,175
Minority Interest	0	0	0	0	0	0	0	0	0
Net Income ATOP	684	256	387	-144	328	245	485	-7	1,175
Year-on-year	82.2%	-24.4%	97.9%	-195.1%	-52.0%	-4.0%	25.2%	-94.9%	258.2%
Net Income Margin	10.5%	4.7%	5.2%	-3.8%	4.6%	4.2%	5.8%	-0.2%	13.3%
(Balance Sheet)									
Cash & Short-Term Investments	3,569	4,266	5,388	3,770	4,479	4,988	4,728	5,013	5,788
Total assets	29,627	30,777	30,632	30,976	30,487	30,561	29,940	33,107	31,353
Total Debt	16,061	16,520	16,262	16,879	16,787	16,211	15,595	18,506	15,747
Net Debt	12,493	12,254	10,874	13,109	12,308	11,223	10,867	13,493	9,959
Total liabilities	18,064	18,944	18,412	18,899	18,354	18,163	17,173	20,349	17,712
Total Shareholders' Equity	11,563	11,833	12,220	12,077	12,133	12,398	12,768	12,759	13,641
(Profitability %)									
ROA	5.50	4.81	5.08	3.95	2.75	2.66	3.02	3.28	6.14
ROE	12.43	11.42	12.79	10.23	6.98	6.74	7.32	8.46	14.73
(Per-share) Unit: JPY									
EPS	83.5	31.0	47.0	-17.4	39.8	29.7	58.6	-0.9	142.4
BPS	1,406.1	1,435.9	1,482.9	1,465.5	1,472.3	1,501.2	1,542.9	1,541.8	1,665.9
Dividend per Share	0.00	0.00	0.00	33.00	0.00	16.00	0.00	25.00	0.00
Shares Outstanding (Million shares)	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58

Source: Omega Investment from company materials

Financial data (full-year basis)

Unit: million yen	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
(Income Statement)											
Sales	10,446	11,569	12,300	13,099	16,833	18,020	17,775	16,836	15,533	23,269	25,620
Year-on-year	13.7%	10.8%	6.3%	6.5%	28.5%	7.1%	-1.4%	-5.3%	-7.7%	49.8%	10.1%
Cost of Goods Sold	7,055	7,798	8,344	8,566	12,028	12,902	13,788	12,468	10,486	16,927	19,318
Gross Income	3,391	3,770	3,957	4,532	4,805	5,119	3,986	4,368	5,047	6,342	6,302
Gross Income Margin	32.5%	32.6%	32.2%	34.6%	28.5%	28.4%	22.4%	25.9%	32.5%	27.3%	24.6%
SG&A Expense	2,204	2,216	2,295	2,434	2,702	2,891	2,750	2,877	3,031	3,569	4,420
EBIT (Operating Income)	1,187	1,300	1,446	1,762	1,766	1,861	847	1,118	1,469	2,155	1,883
Year-on-year	31.6%	9.6%	11.2%	21.9%	0.2%	5.4%	-54.5%	31.9%	31.5%	46.7%	-12.6%
Operating Income Margin	11.4%	11.2%	11.8%	13.5%	10.5%	10.3%	4.8%	6.6%	9.5%	9.3%	7.3%
EBITDA	1,260	1,406	1,532	1,833	1,822	1,912	896	1,161	1,517	2,236	1,962
Pretax Income	1,044	1,196	1,329	1,672	1,539	1,759	712	1,004	1,270	1,756	1,585
Consolidated Net Income	626	724	854	1,111	1,007	1,159	358	609	1,060	1,183	1,051
Minority Interest	0	0	0	0	0	0	0	0	0	0	0
Net Income ATOP	626	724	854	1,111	1,007	1,159	358	609	1,060	1,183	1,051
Year-on-year	37.5%	15.6%	17.9%	30.2%	-9.4%	15.1%	-69.1%	70.5%	73.9%	11.6%	-11.2%
Net Income Margin	6.0%	6.3%	6.9%	8.5%	6.0%	6.4%	2.0%	3.6%	6.8%	5.1%	4.1%
(Balance Sheet)											
Cash & Short-Term Investments	2,276	2,254	2,435	3,558	3,594	4,134	4,330	5,361	3,837	3,770	5,013
Total assets	8,793	11,398	10,833	16,916	16,777	19,294	20,071	20,051	28,977	30,976	33,107
Total Debt	2,414	3,958	2,712	7,439	6,048	7,203	8,342	8,108	16,399	16,879	18,506
Net Debt	139	1,704	277	3,881	2,454	3,069	4,012	2,747	12,562	13,109	13,493
Total liabilities	3,531	5,363	3,977	8,909	7,869	9,399	10,004	9,749	17,921	18,899	20,349
Total Shareholders' Equity	5,262	6,034	6,856	8,006	8,908	9,895	10,067	10,302	11,056	12,077	12,759
(Cash Flow)											
Net Operating Cash Flow	1,761	-1,451	1,611	-3,666	1,617	-420	-917	1,705	-9,268	-12	1,143
Capital Expenditure	91	58	111	57	66	61	21	40	28	304	138
Net Investing Cash Flow	-111	-116	-184	107	-64	-71	-288	-51	-267	-766	-715
Net Financing Cash Flow	-612	1,588	-1,278	4,667	-1,495	984	953	-608	7,971	303	1,223
Free Cash Flow	1,697	-1,491	1,536	-3,692	1,572	-446	-923	1,682	-9,282	-291	1,049
(Profitability %)											
ROA	7.07	7.17	7.68	8.01	5.98	6.42	1.82	3.04	4.32	3.95	3.28
ROE	13.72	12.82	13.24	14.96	11.90	12.32	3.58	5.98	9.93	10.23	8.46
(Per-share) Unit: JPY											
EPS	90.2	90.1	104.9	134.4	119.6	137.1	42.3	73.6	129.6	143.8	127.2
BPS	664.8	744.2	841.3	958.0	1,054.5	1,170.2	1,192.9	1,249.5	1,356.8	1,465.5	1,541.8
Dividend per Share	6.00	10.00	12.00	18.00	21.00	23.00	25.00	26.00	28.00	33.00	41.00
Shares Outstanding (Million shares)	7.91	8.11	8.15	8.35	8.45	8.46	8.47	8.47	8.49	8.58	8.58

Source: Omega Investment from company materials



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