

Summary of Business Results for the Third Quarter Ended September 30, 2019 [Japan GAAP] (Consolidated)

November 13, 2019

Company **Sansei Landic Co.,Ltd** Listed on the TSE
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 Expected date of filing of quarterly report: November 13, 2019 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the nine months ended September 2019 (January 1, 2019 through September 30, 2019)

(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	%
Nine months ended Sep. 2019	10,512	-0.2	743	-11.5	676	-7.8	425	13.1
Nine months ended Sep. 2018	10,530	35.6	839	49.0	733	45.9	376	28.3

(Note) Comprehensive income

Nine months ended September 2019: 425 million yen (13.1%)

Nine months ended September 2018: 376 million yen (28.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 2019	50.34	50.24
Nine months ended Sep. 2018	44.75	44.58

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sep. 2019	18,686	9,161	49.0
As of Dec. 2018	16,777	8,907	53.1

(Reference) Shareholders' equity

As of September 2019: 9,157 million yen

As of December 2018: 8,903 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. 2018	-	0.00	-	21.00	21.00
Year ending Dec. 2019	-	0.00	-	-	-
Year ending Dec. 2019 (forecast)	-	-	-	23.00	23.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending December 2019 (January 1, 2019 through December 31, 2019)

(% 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. 2019	18,220	8.2	1,666	-5.6	1,544	-6.0	1,032	2.5	122.17

(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

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

(4) Shares outstanding (common stock)

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

As of September 2019	8,456,300 shares
As of December 2018	8,447,800 shares

② Treasury stock at the end of period

As of September 2019	242 shares
As of December 2018	242 shares

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

Nine months ended September 2019	8,450,111 shares
Nine months ended September 2018	8,403,331 shares

***Quarterly financial summary is not subject to the quarterly review procedures 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 Results for the Current Quarter

(1) Results of Operations

In the third quarter of the current fiscal year, net sales were 10,512 million (down by 0.2% YoY), operating income was 743 million yen (down by 11.5% YoY), ordinary income was 676 million yen (down by 7.8% YoY), and net income attributable to owners of parent was 425 million yen (up by 13.1% 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 9,325 million yen (down by 8.0% YoY) and income of 1,576 million yen (down by 7.8% YoY).

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

i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	227	+12.4	3,521	-14.0
Old unutilized properties	40	+14.3	5,291	+100.3
Freehold	6	-68.4	171	-94.4
Other Real Estate Sales Business	-	-	340	-0.3
Total	273	+6.6	9,325	-8.0

(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.

Sales decreased YoY as sales of leasehold land and freehold decreased, although sales of old unutilized properties increased since sales of large-scale properties, which were scheduled to be sold in the fourth quarter, were moved up to the first half.

ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (million yen)	YoY (%)
Leasehold land	335	-21.5	3,359	-17.9
Old unutilized properties	78	+41.8	4,719	+19.5
Freehold	16	+60.0	1,508	+150.4
Total	429	-12.8	9,587	+10.9

(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 increased thanks to the steady progress in purchase of old unutilized building and freehold, despite the decrease in purchase of leasehold land.

As for the leasehold land, the purchase amount decreased YoY in the nine months period, but it was 1,636 million yen during the third quarter alone.

② Construction Business

In the Construction Business, the segment recorded net sales of 1,186 million yen (up 204.1% YoY) and segment loss of 65 million yen (segment loss of 158 million yen in the same period of the previous fiscal year).

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

i Sales Results

Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
129	+84.3	1,186	+204.1

- (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.

Sales increased substantially YoY, although it fell short of the target.

ii Order Results

Orders Received (million yen)	YoY (%)	Order backlog (million yen)	YoY (%)
1,671	+63.8	1,104	+44.1

- (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 significantly, despite the decline in reaction to the rush demand prior to the consumption tax hike.

(2) Financial Position

(Current assets)

Current assets increased by 1,862 million yen from the end of the previous fiscal year to 17,457 million yen at the end of the third quarter of the current fiscal year. This was mainly due to a decrease of 1,483 million yen in cash and deposits and an increase of 3,211 million yen in property for sale

(Fixed assets)

Fixed assets increased by 46 million yen from the end of the previous fiscal year to 1,228 million yen at the end of the third quarter of the current fiscal year. This was mainly due to an increase of 7 million yen in property, plant and equipment and an increase of 34 million yen in investments and other assets.

(Current liabilities)

Current liabilities increased by 2,975 million yen from the end of the previous fiscal year to 9,135 million yen at the end of the third quarter of the current fiscal year. This was mainly due to an increase of 3,112 million yen in short-term loans payable.

(Fixed liabilities)

Fixed liabilities decreased by 1,320 million yen from the end of the previous fiscal year to 389 million yen at the end of the third quarter of the current fiscal year. This was mainly due to a decrease of 1,319 million yen in long-term loans payable.

(Net assets)

Net assets increased by 254 million yen from the end of the previous fiscal year to 9,161 million yen at the end of the third quarter of the current fiscal year. This was mainly due to an increase of 247 million yen in retained earnings.

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

There are no changes to the financial forecast announced on February 14, 2019.