

Summary of Business Results for the Second Quarter Ended June 30, 2022 [Japan GAAP] (Consolidated)

August 12, 2022

Company **Sansei Landic Co.,Ltd** Listed on the TSE
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 Expected date of filing of quarterly report: August 12, 2022 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: Yes

(Rounded down to million yen)

1. Consolidated business results for the six months ended June 2022

(January 1, 2022 through June 30, 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	%
Six months ended Jun. 2022	8,165	-10.4	913	32.5	832	31.9	713	77.2
Six months ended Jun. 2021	9,109	9.0	689	74.3	631	116.4	402	120.8

(Note) Comprehensive income

Six months ended June 2022: 713 million yen (77.2%)

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

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Jun. 2022	86.67		86.27	
Six months ended Jun. 2021	48.37		48.15	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Jun. 2022	22,678	10,692	47.1
As of Dec. 2021	20,050	10,301	51.4

(Reference) Shareholders' equity

As of June 2022: 10,688 million yen

As of December 2021: 10,298 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. 2021	-	0.00	-	26.00	26.00
Year ending Dec. 2022	-	0.00	-	-	-
Year ending Dec. 2022 (forecast)	-	-	-	27.00	27.00

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

3. Forecast of consolidated business results for the fiscal year ending December 2022

(January 1, 2022 through December 31, 2022)

(% 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. 2022	17,103	1.6	1,402	25.5	1,226	22.7	1,058	73.7	128.40

(Note) Revisions to business forecast for the current quarter: No

*** 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) Application of accounting procedures specific to preparation of the consolidated quarterly 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)

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

As of June 2022	8,480,300 shares
As of December 2021	8,474,800 shares

②Treasury stock at the end of period

As of June 2022	356,542 shares
As of December 2021	229,942 shares

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

Six months ended June 2022	8,231,646 shares
Six months ended June 2021	8,325,832 shares

***Quarterly financial summary is not subject to auditing 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.

I. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

In the second quarter of the current fiscal year, net sales were 8,165 million yen (down by 10.4% YoY), operating income was 913 million yen (up by 32.5% YoY), ordinary income was 832 million yen (up by 31.9% YoY), and net income attributable to owners of parent was 713 million yen (up by 77.2% 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 7,943 million yen (down by 7.7% YoY) and segment income of 1,540 million yen (up by 20.4% 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	171	+0.6	3,587	-24.2
Old unutilized properties	22	-18.5	3,580	+3.9
Freehold	11	+266.7	581	+145.1
Other real estate sales business	-	-	194	+1.2
Total	204	+2.0	7,943	-7.7

(Note) 1. Inter-segment transactions have been eliminated.

- "Number of contracts" indicates the number of transactions.
- "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."
- "Other Real Estate Sales Business" consists of rent income, income from brokerage fees, and commission income from outsourcing.

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

ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (Million yen)	YoY (%)
Leasehold land	204	-4.2	2,398	+12.8
Old unutilized properties	46	+9.5	4,192	+82.3
Freehold	24	+700.0	479	+634.5
Total	274	+6.2	7,070	+57.4

(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.

- 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."

Purchasing increased in all categories and rose year-on-year.

② Construction Business

Following the sales of all shares in One's Life Home, which was a consolidated subsidiary of the Company, on 31 March 2022, One's Life Home was excluded from the scope of consolidation, and the Company ceased to operate One's Life Home as a group company. In the first quarter of the year under review, sales in the Construction Business recorded

222 million yen (up 14.0% YoY), with a segment loss of 16 million yen (segment loss of 38 million yen in the same period of the previous year).

(2) Financial Position

① Assets, liabilities and net assets

(Current assets)

Current assets at the end of the second quarter increased by 2,611 million yen to 21,579 million yen compared with the end of the previous fiscal year. This was mainly due to a 426 million yen increase in cash and deposits, a 1,851 million yen increase in real estate for sale and a 431 million yen increase in other current assets.

(Fixed assets)

Fixed assets at the end of the second quarter of the current fiscal year increased by 17 million yen compared with the end of the previous fiscal year to 1,099 million yen. This was due to a 12 million yen increase in property, plant and equipment, an 8 million yen decrease in intangible assets and a 12 million yen increase yen in investments and other assets.

(Current liabilities)

Current liabilities at the end of the second quarter increased by 139 million yen to 8,871 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease of 220 million yen in accounts payable, a decrease of 1,129 million yen in short-term loans payable, a decrease of 1,180 million yen in the current portion of long-term loans payable, a decrease of 107 million yen in income taxes payable, an increase of 2,835 million yen in contract liabilities and a decrease of 88 million yen in provision for construction losses.

(Fixed liabilities)

Long-term liabilities at the end of the second quarter increased by 2,097 million yen to 3,114 million yen compared with the end of the previous fiscal year. This was mainly due to an increase in long-term loans payable of 2,087 million yen.

(Net assets)

Net assets at the end of the second quarter increased by 391 million yen to 10,692 million yen compared with the end of the previous fiscal year. This was mainly due to a 499 million yen increase in retained earnings and a 113 million yen increase in treasury shares.

② Cash Flows

Cash and cash equivalents (hereinafter referred to as 'funds') at the end of the second quarter of the current fiscal year increased by 420 million yen compared to the end of the previous fiscal year to 5,173 million yen.

The status of each cash flow and the main factors during the first half of the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,184 million yen (down 925 million yen YoY). The main cash inflows were net income before income taxes and minority interests of 833 million yen, an increase in contract liabilities of 2,874 million yen and an increase in other liabilities of 44 million yen. The main cash outflows were an increase in inventories of 1,852 million yen, an increase in other assets of 426 million yen, interest paid of 75 million yen, and income taxes paid of 229 million yen.

(Cash flows from investing activities)

As a result of investing activities, funds used amounted to 205 million yen (up 178 million yen YoY). The main cash inflow was the proceeds from the withdrawal of time deposits of 12 million yen. The main cash outflows were payments into time deposits of 31 million yen, purchase of property, plant and equipment of 7 million yen, purchase of intangible assets of 2 million yen and expenditure of 175 million yen for the sale of shares in subsidiaries and affiliates, which resulted in a change in scope of consolidation.

(Cash flows from financing activities)

As a result of financing activities, funds used amounted to 559 million yen (down 1,570 million yen YoY). The main cash inflows were proceeds from long-term borrowings of 2,785 million yen. The main cash outflows were a decrease in short-term borrowings of 1,129 million yen, cash dividends paid of 214 million yen, repayment of long-term borrowings of 1,877 million yen and purchase of treasury shares of 127 million yen.

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

The forecasts announced on 13 May 2022 remain unchanged at present.