

Summary of Business Results for the Second Quarter Ended June 30, 2023 [Japan GAAP] (Consolidated)

August 10, 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 filing of quarterly report: August 10, 2023 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the six months ended June 2023 (January 1, 2023 through June 30, 2023)

(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. 2023	11,980	46.7	1,656	81.4	1,423	70.9	939	31.7
Six months ended Jun. 2022	8,165	-10.4	913	32.5	832	31.9	713	77.2

(Note) Comprehensive income

Six months ended June 2023: 939 million yen (31.7%)

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

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Six months ended Jun. 2023	114.38		114.26	
Six months ended Jun. 2022	86.67		86.27	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Jun. 2023	30,777	11,833	38.4
As of Dec. 2022	28,976	11,056	38.1

(Reference) Shareholders' equity

As of June 2023: 11,833 million yen

As of December 2022: 11,052 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. 2022	-	0.00	-	28.00	28.00
Year ending Dec. 2023	-	0.00	-	-	-
Year ending Dec. 2023 (forecast)	-	-	-	33.00	33.00

(Note) Revisions to dividend forecast for the current quarter: Yes

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

(Figures shown in % are the YoY percentage change)

	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. 2023	23,500	51.3	2,150	46.3	1,800	40.2	1,180	11.3	143.44

(Note) Revisions to business forecast for the current quarter: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries accompanying changes in the scope of consolidation): None
- (2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:
Yes
- (3) 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 |
- (4) Shares outstanding (common stock)
- | | |
|---|------------------|
| ① Number of shares outstanding at the end of period (treasury stock included) | |
| As of June 2023 | 8,584,900 shares |
| As of December 2022 | 8,510,300 shares |
| ② Treasury stock at the end of period | |
| As of June 2023 | 343,942 shares |
| As of December 2022 | 361,542 shares |
| ③ Average number of stock during period (quarterly cumulative period) | |
| Six months ended June 2023 | 8,212,220 shares |
| Six months ended June 2022 | 8,231,646 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.

1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

In the second quarter of the current fiscal year, net sales were 11,980 million yen (up by 46.7% YoY), operating income was 1,656 million yen (up by 81.4% YoY), ordinary income was 1,423 million yen (up by 70.9% YoY), and net income attributable to owners of parent was 939 million yen (up by 31.7% YoY).

As the Group became a single segment of the 'Real Estate Sales business' in the previous fiscal year following the transfer of all shares in One's Life Home Inc., a construction business, segment information has been omitted from the first quarter of the current financial year.

Sales and purchases within the single segment in the second quarter under review were as follows.

① Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	168	-1.8	4,966	+38.4
Old unutilized properties	47	+113.6	6,204	+73.3
Freehold	10	-9.1	605	+4.2
Other real estate sales business	-	-	202	+4.4
Total	225	+10.3	11,980	+50.8

(Note) 1. "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.

In terms of sales, YoY growth was driven by higher sales in all categories.

② Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (Million yen)	YoY (%)
Leasehold land	187	-8.3	5,393	+124.9
Old unutilized properties	46	±0.0	3,427	-18.3
Freehold	8	-66.7	315	-34.2
Total	241	-12.0	9,136	+29.2

(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."

In purchasing, purchases increased YoY due to an increase in the purchase of Leasehold land.

(2) Financial Position

① Assets, liabilities and assets

(Current assets)

Current assets at the end of the second quarter increased by 1,453 million yen to 29,382 million yen compared with the end of the previous fiscal year. The main factors were a decrease of 428 million yen in cash and deposits and an increase of 965 million yen in property for sale.

(Fixed assets)

Fixed assets at the end of the second quarter were 1,394 million yen, an increase of 346 million yen compared with the end of the previous fiscal year. This was due to a 229 million yen increase in property, plant and equipment and a 116 million increase in investments and other assets.

(Current liabilities)

Current liabilities at the end of the second quarter increased by 3,526 million yen compared with the end of the previous fiscal year to 16,133 million yen. The increase was mainly due to a 2,005 million yen increase in short-term loans, a 603 million yen increase in the current portion of long-term borrowings, a 504 million yen increase in income taxes payable and an increase of 523 million yen in other current liabilities.

(Fixed liabilities)

Fixed liabilities at the end of the second quarter decreased by 2,503 million yen to 2,810 million yen compared with the end of the previous fiscal year. This was mainly due to a 2,488 million yen decrease in long-term loans.

(Net assets)

Net assets at the end of the second quarter amounted to 11,833 million yen, an increase of 777 million yen compared with the end of the previous fiscal year. This was mainly due to a 711 million yen increase in retained earnings.

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 200 million yen compared to the end of the previous fiscal year to 3,389 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 911 million yen (down 272 million yen YoY).

The main cash inflows were net income before income taxes and minority interests of 1,423 million yen and an increase in other liabilities of 495 million yen. The main cash outflows were an increase in inventories of 965 million yen.

(Cash flows from investing activities)

As a result of investing activities, funds used amounted to 655 million yen (up 450 million yen YoY).

The main cash inflow was the proceeds from the withdrawal of time deposits of 30 million yen. The main cash outflows were 243 million yen for the acquisition of property, plant and equipment, 219 million yen for the increase in restricted deposits and 177 million yen for the payment of guaranteed deposits.

(Cash flows from financing activities)

As a result of financing activities, funds used amounted to 56 million yen (down 503 million yen YoY).

The main cash inflows were an increase in short-term borrowings of 2,005 million yen, while the main cash outflows were repayments of long-term borrowings of 1,884 million yen and cash dividends paid of 227 million yen.

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

The forecasts announced on May 15, 2023 have been revised. For details, please refer to the "Announcement of revisions of full-year earnings forecasts and year-end dividend forecasts for the fiscal year ending December 31, 2023" released today (August 10, 2023).