

# Summary of Business Results for the Year Ended December 31, 2023 [Japan GAAP] (Consolidated)

February 14, 2024

Company Sansei Landic Co.,Ltd Listed on the TSE  
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 Expected date of annual shareholders' meeting: March 27, 2024 Expected starting date of dividend payment: March 28, 2024  
 Expected date of filing of annual securities report: March 27, 2024  
 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 2023 (January 1, 2023 through December 31, 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	%
Year ended Dec. 2023	23,269	49.8	2,155	46.7	1,765	37.5	1,182	11.6
Year ended Dec. 2022	15,533	-7.7	1,469	31.5	1,283	28.4	1,060	73.9

(Note) Comprehensive income:

Year ended December 2023: 1,182 million yen (11.6%)

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

	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. 2023	143.79	143.72	10.2	5.9	9.3
Year ended Dec. 2022	129.61	129.01	9.9	5.2	9.5

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

Year ended December 2023: -million yen

Year ended December 2022: -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. 2023	30,976	12,076	39.0	1,465.49
As of Dec. 2022	28,976	11,056	38.1	1,356.38

(Reference) Shareholders' equity:

As of December 2023: 12,076 million yen

As of December 2022: 11,052 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. 2023	-11	-765	302	2,714
Year ended Dec. 2022	-9,267	-266	7,971	3,188

## 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. 2022	-	0.00	-	28.00	28.00	228	21.6	2.1
Year ended Dec. 2023	-	0.00	-	33.00	33.00	271	22.9	2.3
Year ending Dec. 2024 (forecast)	-	15.00	-	25.00	40.00		33.0	

**3. Forecast of consolidated business results for the fiscal year ending December 2024  
(January 1, 2024 through December 31, 2024)**

(% 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, 2024	11,700	-2.3	1,000	-39.6	830	-41.7	550	-41.4	66.74
Year ending Dec. 2024	23,700	1.9	1,800	-16.5	1,500	-15.0	1,000	-15.5	121.35

**\*Notes**

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(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 2023 8,584,900 shares

As of December 2022 8,510,300 shares

② Treasury stock at the end of period:

As of December 2023 343,992 shares

As of December 2022 361,542 shares

③ Average number of stock during period (cumulative period)

Year ended December 2023 8,226,683 shares

Year ended December 2022 8,178,238 shares

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

**1. Non-consolidated business results for the fiscal year ended December 2023**

**(January 1, 2023 through December 31, 2023)**

(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. 2023	23,265	52.0	2,160	45.0	1,767	35.6	1,186	12.6
Year ended Dec. 2022	15,309	-1.4	1,489	17.9	1,303	31.3	1,053	74.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2023	144.18	144.11
Year ended Dec. 2022	128.80	128.20

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2023	30,983	12,084	39.0	1,466.45
As of Dec. 2022	28,981	11,061	38.2	1,356.96

(Reference) Shareholders' equity:

As of December 2023: 12,084 million yen

As of December 2022: 11,057 million yen

**2. Forecast of non-consolidated business results for the fiscal year ending December 2024  
(January 1, 2024 through December 31, 2024)**

(% 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, 2024	11,700	-2.3	830	-41.7	550	-41.5	66.74
Year ending Dec. 2024	23,700	1.9	1,500	-15.1	1,000	-15.7	121.35

**\*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

For the current consolidated fiscal year, net sales increased 49.8% YoY to 23,269 million yen, operating income increased 46.7% YoY to 2,155 million yen, ordinary income increased 37.5% YoY to 1,765 million yen, and net income attributable to owners of parent to 1,182 million yen (up 11.6% YoY).

Since the Group became a single segment of "Real Estate Sales business" in the previous consolidated fiscal year due to the transfer of all shares of One's Life Home Inc., a construction business, segment information has been omitted from the first quarter of the consolidated fiscal year.

Sales and purchases within each segment for the current fiscal year are as follows.

#### i Sales Results

Classification	Number of contracts	YoY (%)	Sales (million yen)	YoY (%)
Leasehold land	292	-0.7	8,253	+44.7
Old unutilized properties	89	+111.9	13,138	+56.4
Freehold	20	+11.1	1,487	+88.8
Other real estate sales business	—	—	388	-7.8
Total	401	+13.3	23,269	+52.0

- (Note) 1. "Number of contracts" indicates the number of transactions.  
 2. "Classification" of Leasehold land, Old unutilized properties, and Freehold is stated according to the classification at the time of purchase. When leasehold land changes 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."  
 3. "Other Real Estate Sales Business" consists of rent income, income from brokerage fees, and commission income from outsourcing.

Sales increased YoY due to increased sales in the Leasehold land, Old unutilized properties and Freehold.

#### ii Purchase Results

Classification	Number of lots	YoY (%)	Purchase amount (million yen)	YoY (%)
Leasehold land	439	+34.7	9,924	+36.4
Old unutilized properties	84	-23.6	7,287	-39.2
Freehold	21	-50.0	1,406	+1.7
Total	544	+13.8	18,617	-9.8

- (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."

Purchases decreased YoY. This was due to a combination of an increased purchases of Leasehold land and Freehold properties and decreased purchases of Old unutilized properties.

## (2) Summary of Financial Position

Total assets as of the end of the current consolidated fiscal year were 30,976 million yen (up 6.9% YoY), an increase of 1,999 million yen from the end of the previous consolidated fiscal year. The main reasons for this increase were a 1,707 million yen increase in property for sale and a 216 million yen increase in tangible fixed assets. Total liabilities increased by 978 million yen from the end of the previous fiscal year to 18,899 million yen (up 5.5% YoY). The main factors were an increase of 1,117 million yen in short-term loans payable, an increase of 1,490 million yen in current portion of long-term loans payable, an increase of 589 million yen in income taxes payable, and a decrease of 2,127 million yen in long-term loans payable.

Net assets increased by 1,020 million yen from the end of the previous fiscal year to 12,076 million yen (up 9.2% YoY). The main reason for this increase was a 954 million yen increase in retained earnings.

As a result, the equity ratio was 39.0%, up 0.9 percentage points from the end of the previous fiscal year.

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

Cash and cash equivalents (hereinafter referred to as "cash") for the current fiscal year amounted to 2,714 million yen (down 14.9% from the same period of the previous fiscal year).

The status of each cash flow and its factors during the current consolidated fiscal year are as follows.

### (Cash flows from operating activities)

Net cash used in operating activities amounted to 11 million yen. Profit before income taxes of 1,756 million yen and an increase in inventories of 1,707 million yen were the main cash outflows.

### (Cash Flows from Investing Activities)

Net cash in investing activities amounted to 765 million yen during the current fiscal year. The main factors were payments into time deposits of 657 million yen, proceeds from the withdrawal of time deposits of 657 million yen, purchase of property, plant and equipment of 279 million yen, payments for guaranteed deposits of 178 million yen, collection of guarantee deposits of 109 million yen, and increase in restricted deposits of 391 million yen.

### (Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 302 million yen during the current fiscal year. The main factors were proceeds from an increase in short-term loans payable of 1,117 million yen, proceeds from long-term loans payable of 3,000 million yen, repayment of long-term loans payable of 3,637 million yen, and cash dividends paid of 227 million yen.

(Ref.) Changes in cash flow indicators

	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23
Shareholders' equity ratio	51.3	50.1	51.4	38.1	39.0
Shareholders' equity ratio based on market value	40.0	30.8	33.8	23.3	26.8
Interest-bearing debt/cash flow	-	-	475.6	-	-
Interest coverage ratio	-	-	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 the Company are paying interests.
5. The ratio of cash flow to interest-bearing debt and interest coverage ratio for FY12/19, FY12/20, FY12/22 and FY12/23 are not presented because operating cash flow was negative.

#### (4) Outlook

As for the outlook for the next fiscal year, while a gradual economic recovery is expected due to the normalization of domestic demand, inbound demand, and other factors as a result of the easing of behavioral restrictions caused by COVID-19, energy and resource prices are expected to remain high due to the prolonged situation in Ukraine and heightened geopolitical risks surrounding the Middle East region. In addition, the outlook for the real estate market is expected to remain uncertain, given the risk of rising interest rates due to the Bank of Japan's change in monetary policy, in addition to the negative factors that will continue to affect real wages due to high prices.

Under these circumstances, our group has promoted a three-year medium-term plan ending in FY2024. In the current consolidated fiscal year, the Company achieved the quantitative targets of consolidated operating income of 1.80 billion yen, consolidated ordinary income of 1.65 billion yen, and ROE of 9.0% one year ahead of schedule, as the advanced sales of properties for sales progressed better than expected in the current fiscal year. The new medium-term plan for 2024 and beyond is being formulated and will be announced in mid-2024 or later.

Due to the stronger-than-expected performance in the current consolidated fiscal year against the backdrop of favorable market conditions, as well as a conservative projection of the profit margin of some Old unutilised properties in the consolidated earnings forecast for the full year 2024 in anticipation of changes in the real estate market, operating income, ordinary income, and net income attributable to owners of parent are expected to be lower than the current consolidated fiscal year. However, the profit margin for Leasehold land, Old unutilised properties, and Freehold properties, excluding the abovementioned properties, is expected to be generally in line with the assumption at the time of purchase. In addition, real estate for sale, which used to rotate within one year from purchase to sale, can now be purchased with an eye toward the next fiscal year or two, backed by solid purchases. The Company are gradually converting from a flow business with a turnover period of within one year to a medium-term business period, and the Company believe that this will contribute to stable growth in the future, as the Company can maximize profits by proceeding with more careful adjustment of rights than before. Thus, although the Company expect to see an increase in sales and a decrease in profit in the next fiscal year, the Company have amassed enough real estate for sale that the Company plan to sell in the next fiscal year and beyond, and the Company believe that the Group is on a steady growth path, barring any transitory factors.

In this business environment, the Group will continue to purchase properties with a cautious eye and conduct aggressive sales activities while closely monitoring market trends. In addition, since interest-bearing debt has been increasing along with the increase in real estate for sale, the Group will diversify fund procurement, manage property for sale, and thoroughly implement a sales schedule to strengthen its financial base.

As a result of the above, for the next consolidated fiscal year, the Company forecasts net sales of 23,700 million yen (up 1.9% YoY), operating income of 1,800 million yen (down 16.5% YoY), ordinary income of 1,500 million yen (down 15.0% YoY), and net income attributable to owners of parent of 1,000 million yen (down 15.5% YoY).

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

① Basic policy

The Company regards the return of profits to shareholders as one of its most important management issues. Our basic policy for returning profits to shareholders is to pay continuous and stable dividends by improving profitability and securing dividend resources and to return profits to shareholders in accordance with business performance actively. The Company will strive to improve profitability and expand our business base by promoting management strategies aimed at maximizing shareholder returns. Regarding the use of retained earnings, the Company intends to make effective investments to grow its business base by strengthening its management structure to respond to anticipated changes in the business environment.

② Year-end dividend for the fiscal year ended December 31, 2023

For the current fiscal year, the Company plans to propose a year-end dividend of 33 yen per share to the ordinary general meeting of shareholders scheduled to be held on March 27, 2024, resulting in an annual dividend of 33 yen per share for the current fiscal year (an increase of 5 yen from the previous year).

③ Year-end dividend for the fiscal year ending December 31, 2024

For the next fiscal year, the Company plans to pay an interim dividend of 15 yen per share and a year-end dividend of 25 yen per share (an annual dividend of 40 yen per share, an increase of 7 yen from the current fiscal year).

2. Basic policy regarding the 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.