July 31, 2020

Notice of Revisions to Business Forecasts for the Fiscal Year ending December 2020

Based on the impact of the spread of new coronavirus (COVID-19) infections, Sansei Landic Co.,Ltd has revised the business forecasts for the fiscal year ending December 2020 (January 1, 2020 to December 31, 2020), which was announced on February 14, 2020. Details are as follows.
Our company regards returning profits to shareholders as an important management issue and aims to maintain and expand shareholder returns. Accordingly, we have not revised its year-end dividend forecast (25 yen) announced on February 14, 2020.

1. Revision to consolidated business forecasts

Revision to the consolidated business forecasts for the first half of the fiscal year ending December 2020 (January 1, 2020 to June 30, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A) (announced on February 14, 2020)	Million yen 9,810	Million yen 522	Million yen 452	Million yen 302	Yen 35.78
Revised forecasts (B)	8,354	395	291	182	21.58
Change (B-A)	-1,456	-127	-160	-120	
Change rate (%)	-14.8	-24.4	-35.5	-39.7	
(Reference) Previous results (FY12/19 1H)	7,701	790	750	473	56.04

Revision to consolidated full-year business forecasts for the fiscal year ending December 2020 (January 1, 2020 to December 31, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A) (announced on February 14, 2020)	Million yen 21,552	Million yen 1,686	Million yen 1,559	Million yen 1,047	Yen 123.88
Revised forecasts (B)	16,725	647	450	268	31.81
Change (B-A)	-4,827	-1,039	-1,109	-778	
Change rate (%)	-22.4	-61.6	-71.1	-74.4	
(Reference) Previous results (FY12/19)	18,020	1,860	1,758	1,158	137.08

2. Reason for revision to the consolidated business forecasts

In our core Real Estate Sales Business, there were delays in sales due to delays and postponements in real estate transactions caused by the spread of COVID-19 since the second quarter of this fiscal year. In the Construction Business, there were delays in construction works and the postponement of some contracts for the same reason. As a result, we decided to make a downward revision to the consolidated business forecasts for the first half of the fiscal year ending December 2020, since both sales and profit are expected to be lower than the previous forecasts.
The full-year forecasts for the fiscal year ending December 2020 is expected to be more weighted toward the second half compared with the initial forecasts. However, as there is no sign of the containment of the COVID-19 at this time, we have judged that it will be difficult to sell properties that

were postponed in the first half and achieve the plan for the second half.
In addition, we have been promoting initiatives to convert assets into cash from the beginning of the fiscal year, and plan to actively sell some of our properties.
In light of the above, we have incorporated the lower profit margins and sales delays, and have decided to revise our forecasts downward and made the conservative plan.

3. Recent Purchasing Condition
Following the State of Emergency declaration in April of this year, we voluntarily refrained from conducting business activities. Therefore, opportunities for negotiating with suppliers in our purchasing activities have decreased. As a result, the number of projects acquired declined significantly in April and May, but gradually recovered from June as the State of Emergency was lifted and negotiation opportunities began to recover. Purchasing condition in the period up to the second quarter exceeded the plan, partly due to the strong procurement in the first quarter.

4. Initiatives for the next fiscal year and beyond
At the present time, there is no concern about our cash position, but we are focusing on improving our cash position with an eye to preparing for a sudden change in the situation of COVID-19 pandemic and investing in new businesses. Specifically, we have decided to convert some of our real estate properties for sale into cash. We have been implementing these measures since the beginning of the fiscal year, but in response to the COVID-19 situation, we have decided to further accelerate our efforts and strengthen our cash position.
As a result of these initiatives, we expect profit margins to decline in the current fiscal year, and we have revised our forecasts downward as mentioned above. However, the funds we have acquired will be used to invest in new businesses and maintain and expand shareholder returns.

5. Revision to non-consolidated business forecasts
Revision to non-consolidated business forecasts for the first half of the fiscal year ending December 2020 (January 1, 2020 to June 30, 2020)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A) (announced on February 14, 2020)	8,874	455	305	36.10
Revised forecasts (B)	7,431	293	184	21.82
Change (B-A)	-1,443	-161	-120	
Percentage change %	-16.3	-35.6	-39.6	
(Reference) Previous results (FY12/19 1H)	6,972	836	559	66.21

Revision to non-consolidated full-year business forecasts for the fiscal year ending December 2020 (January 1, 2020 to December 31, 2020)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A) (announced on February 14, 2020)	19,581	1,550	1,040	123.00
Revised forecasts (B)	15,037	488	307	36.38
Change (B-A)	-4,543	-1,062	-732	
Percentage change %	-23.2	-68.5	-70.5	
(Reference) Previous results (FY12/19)	16,266	1,752	1,172	138.79

6. Reason for revision to the non-consolidated business forecasts

For the reasons stated in 2, we have revised the non-consolidated business forecasts as described above.

*The above forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecasts due to various factors.