

Sansei Landic

Financial Results Briefing Documents

Sansei Landic Co., Ltd

TSE Standard : 3277

FY12/24



- **Overview of Financial Results for the Fiscal Year Ended December 2024**
- **Progress of the New Medium-Term Management Plan (August 2024 - 2027)**
- **FY12/25 Business Forecasts**



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Full-year performance highlights for FY2024

FY12/2024 Full-Year Results

Net sales	25,620 million yen	vs. plan	UP 8.1%	YoY	Up 10.1%
Operating income	1,882 million yen	vs. plan	UP 4.6%	YoY	Down 12.6%
Ordinary income	1,585 million yen	vs. plan	UP 5.7%	YoY	Down 10.2%
Net income attributable to owners of parent	1,050 million yen	vs. plan	UP 5.1%	YoY	Down 11.2%

- The company achieved record-high net sales due to proactive early sales amid market uncertainties, including large-scale Old unutilized properties
- While profit margins for some Old unutilized properties were conservatively estimated, higher-than-expected profit margins in Leasehold land and Freehold led to profits exceeding the plan
- Procurement progressed smoothly, with large-scale property acquisitions in the second half, resulting in a total procurement of 19.2 billion yen, significantly surpassing the target of 15.8 billion yen

Comparison of consolidated income statement

- Sales of Old unutilized properties and Freehold progressed smoothly, achieving sales and profit targets

(Unit: million yen)	FY12/22	FY12/23	FY12/24		
	Results	Results	Plan	Results	Difference
Net sales	15,533	23,269	23,700	25,620	+1,920
Gross profit	5,047	6,342	—	6,302	—
SG&A	3,578	4,186	—	4,419	—
Operating income	1,469	2,155	1,800	1,882	+82
Ordinary income	1,283	1,765	1,500	1,585	+85
Extraordinary income	20	—	—	—	—
Extraordinary loss	33	8	—	—	—
Net income attributable to owners of parent	1,060	1,182	1,000	1,050	+50

Summary of consolidated balance sheet

- Due to a substantial increase in procurement during the second half of the fiscal year, property for sale grew to levels seen at the end of the previous fiscal year, accompanied by an increase in interest-bearing debt

(Unit: Million yen)	FY12/23	FY12/24		
	Results	Amount	Vs. end of previous term	Pct. Change
Cash and deposits	3,770	5,012	+1,242	+33.0%
Property for sale	25,365	25,333	-32	-0.1%
Interest-bearing liabilities	16,878	18,505	+1,626	+9.6%
Net assets	12,076	12,758	+681	+5.6%
Total assets	30,976	33,107	+2,130	+6.9%
Shareholders' equity ratio	39.0%	38.5%	-0.5pt	—

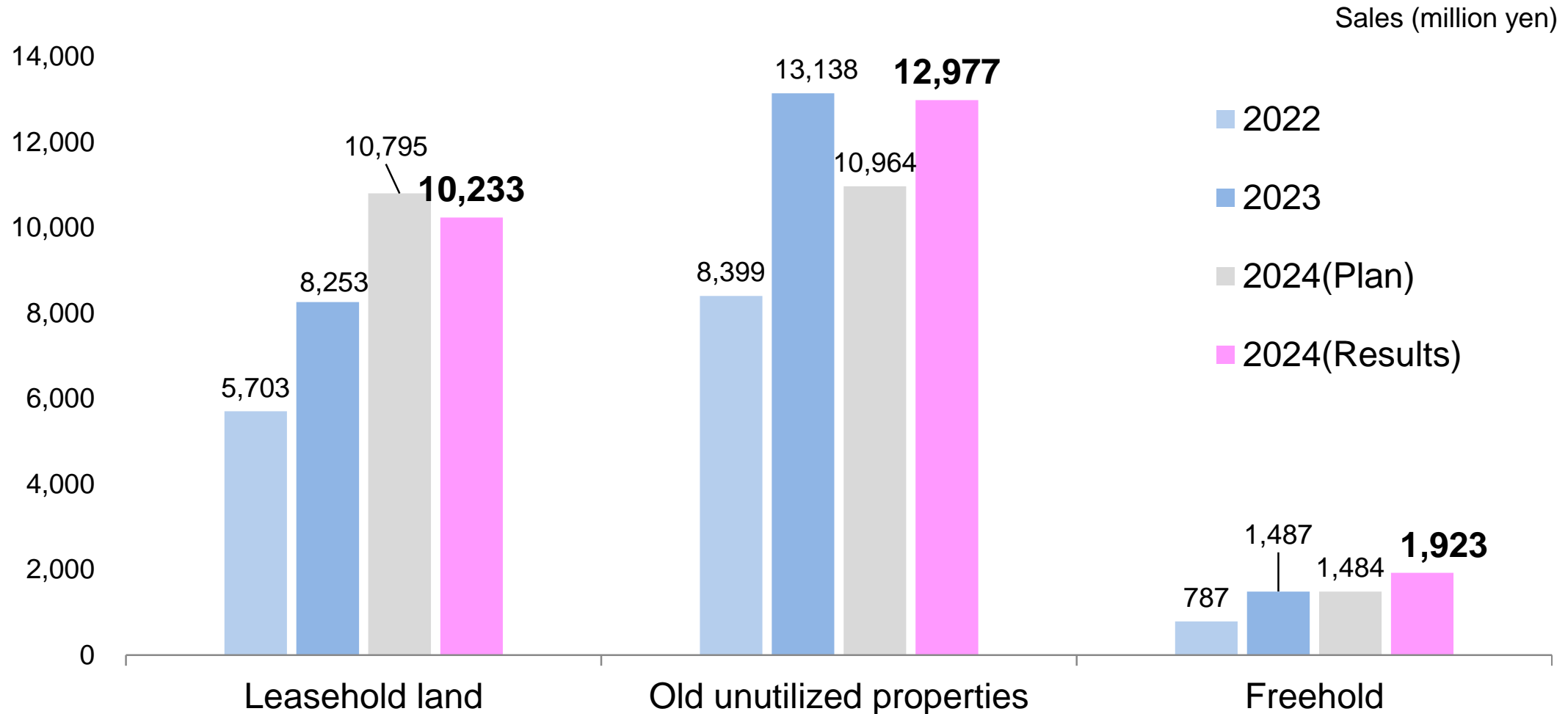
Summary of consolidated cash flow

- Positive cash flow from operating activities was primarily driven by strong sales performance
- Cash flow from investing activities was negative, mainly due to the acquisition of rental real estate

	FY12/22	FY12/23	FY12/24
(Unit: Million yen)	Results	Results	Results
Cash flow from operating activities	-9,267	-11	1,143
Cash flow from investing activities	-266	-765	-714
Cash flow from financing activities	7,971	302	1,222
Net increase in cash and cash equiv.	-1,563	-474	1,651
Cash and cash equiv. at end of period	3,188	2,714	4,365

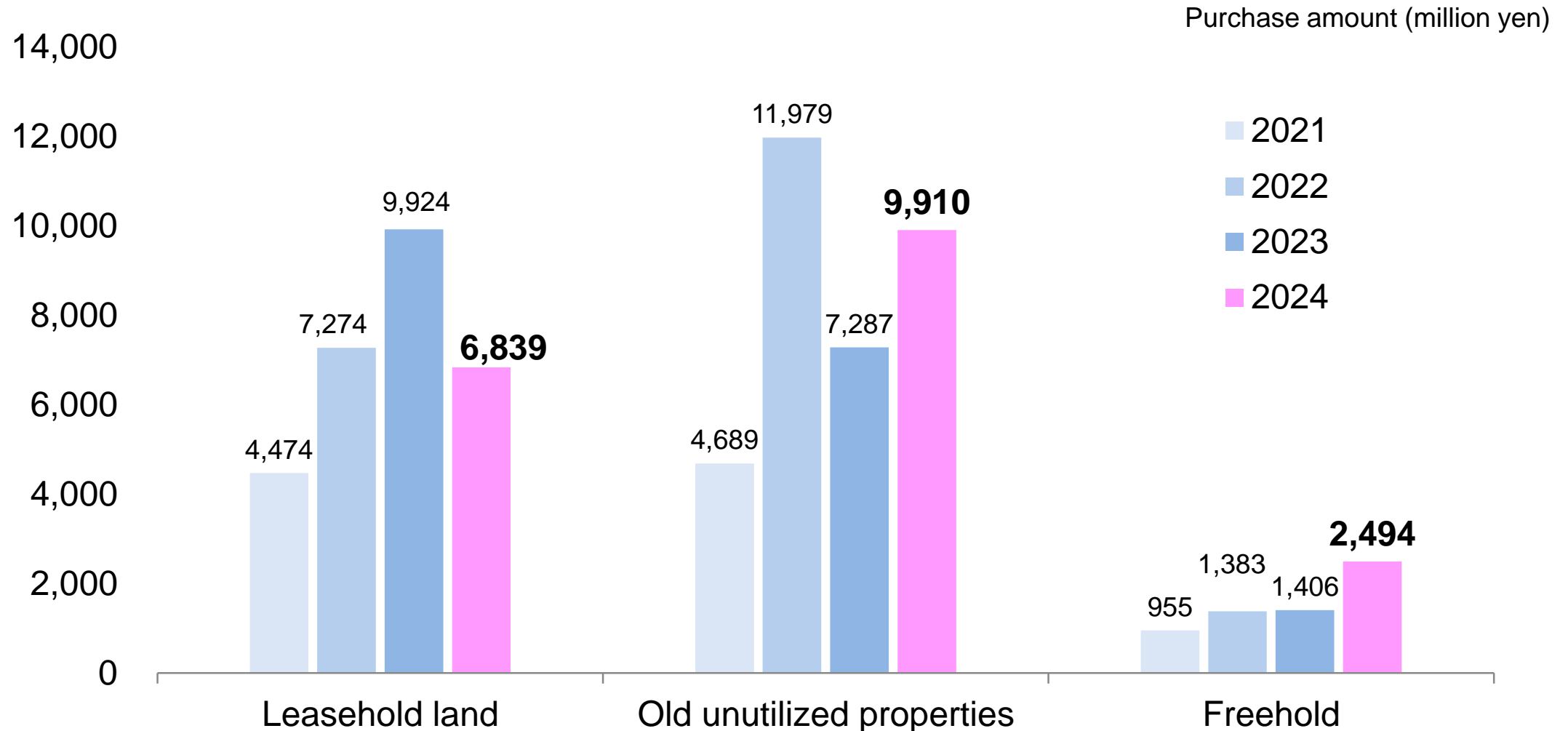
Sales by business segment

- Leasehold land: Sales fell short of the plan but greatly exceeded the previous year, and profit surpassed the target
- Old unutilized properties: Sales significantly exceeded the plan
- Freehold: Sales and profits greatly surpassed the previous year's results and exceeded the plan



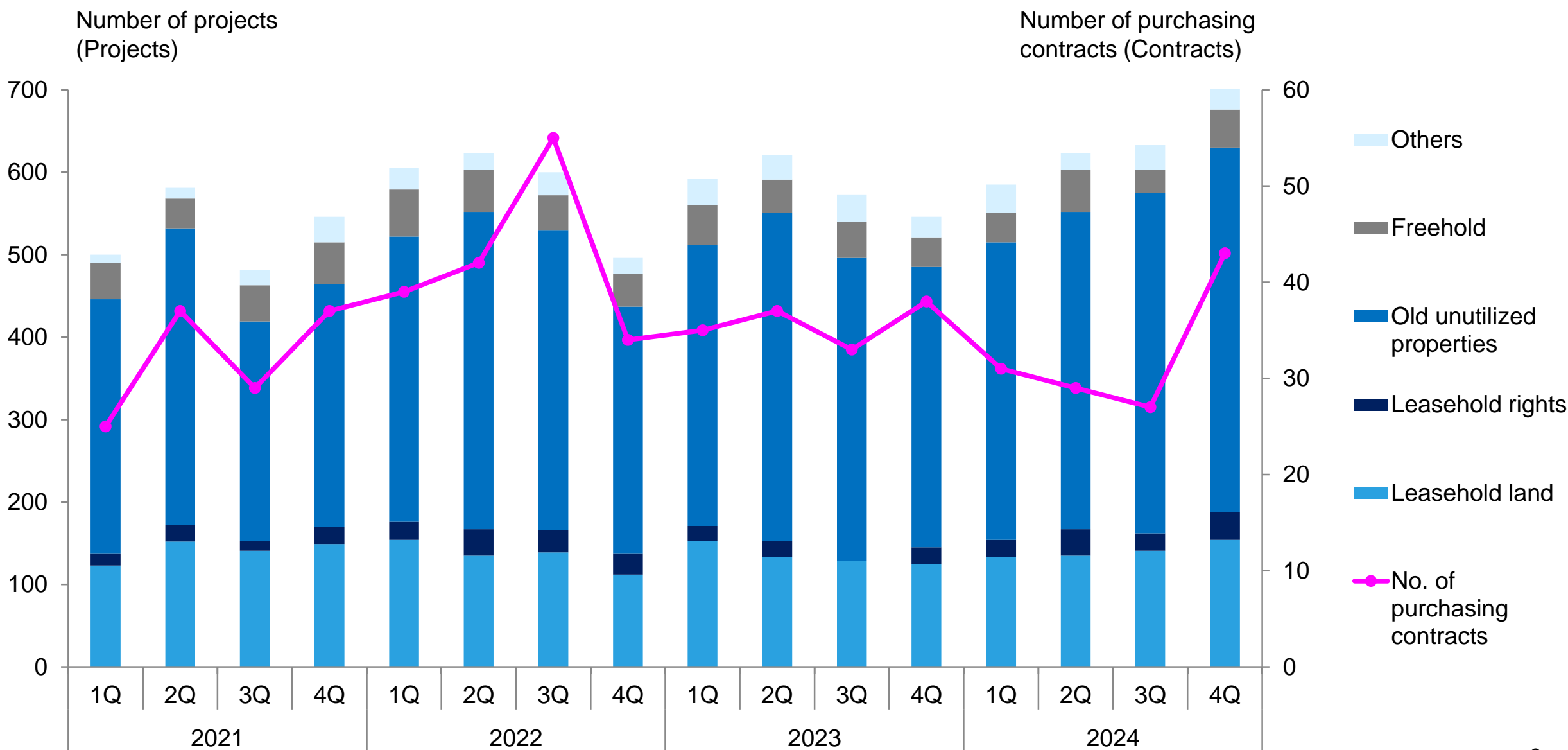
Purchases by business segment

- The company achieved **19.2** billion yen in procurement against an annual target of 15.8 billion yen
- Significant increases in the procurement of Old unutilized properties and Freehold, along with large-scale Leasehold land acquisitions, contributed to maintaining a high performance level



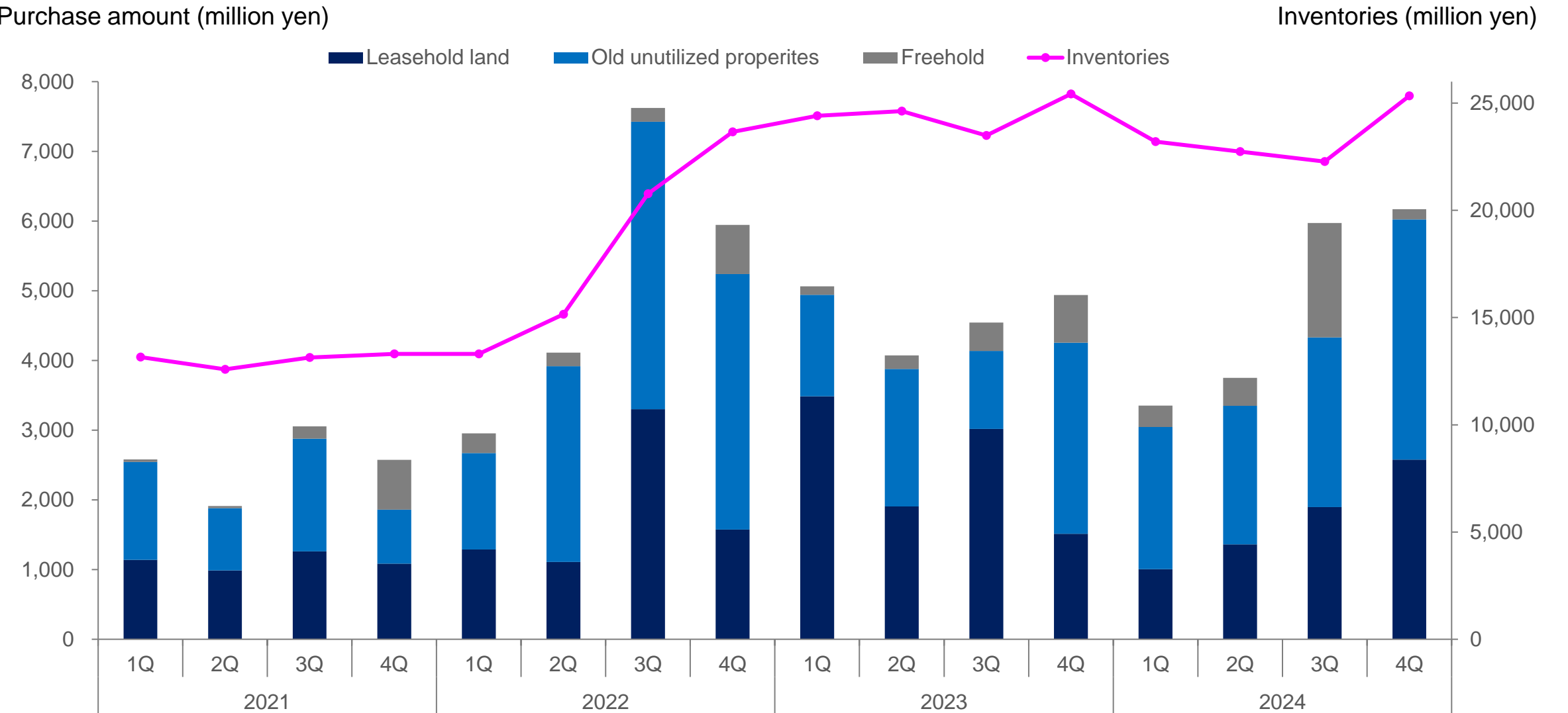
Changes in the number of projects and number of purchasing contracts

- The total number of acquired projects exceeded 2,500, with increased purchasing contracts volume



Changes in the amount of purchases and inventories

- The substantial increase in procurement during the second half led to inventory exceeding 25 billion yen, demonstrating a strong recovery



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Leasehold land

Approximately **724,000** leasehold land properties exist nationwide (**2023** Ministry of Internal Affairs and Communications Survey)

In **FY12/2024**, Sansei Landic sold **290** Leasehold land properties, achieving sales of **10.233** billion yen

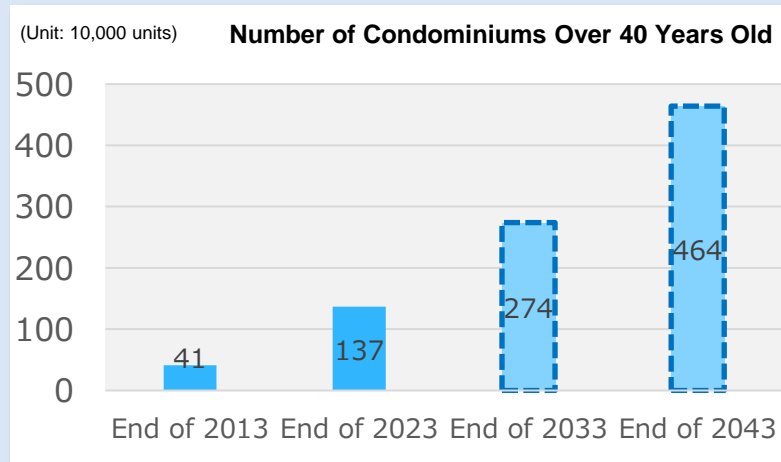
→ **This indicates significant potential for market development, as only 290 rights-adjusted plots out of 724,000 properties were handled annually**

Old unutilized properties

Approximately **1.326** million wooden rental houses over **35** years old exist nationwide (**2023** Ministry of Internal Affairs and Communications Survey)

New rental housing starts have reached approximately **343,000** units (**2023** Ministry of Land, Infrastructure, Transport and Tourism Survey)

In **FY12/2024**, Sansei Landic sold **79** unutilized old properties, generating sales of **12.977** billion yen

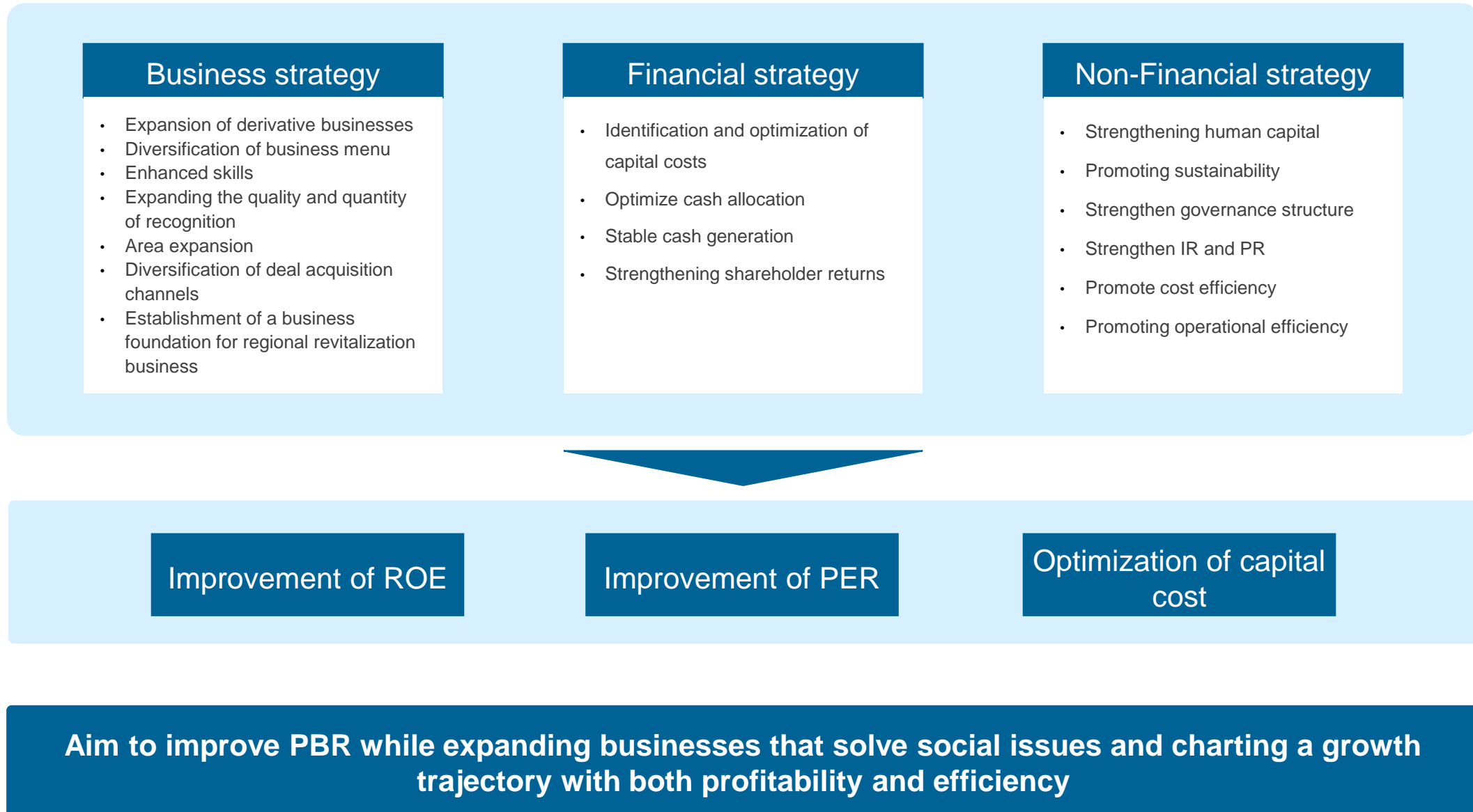


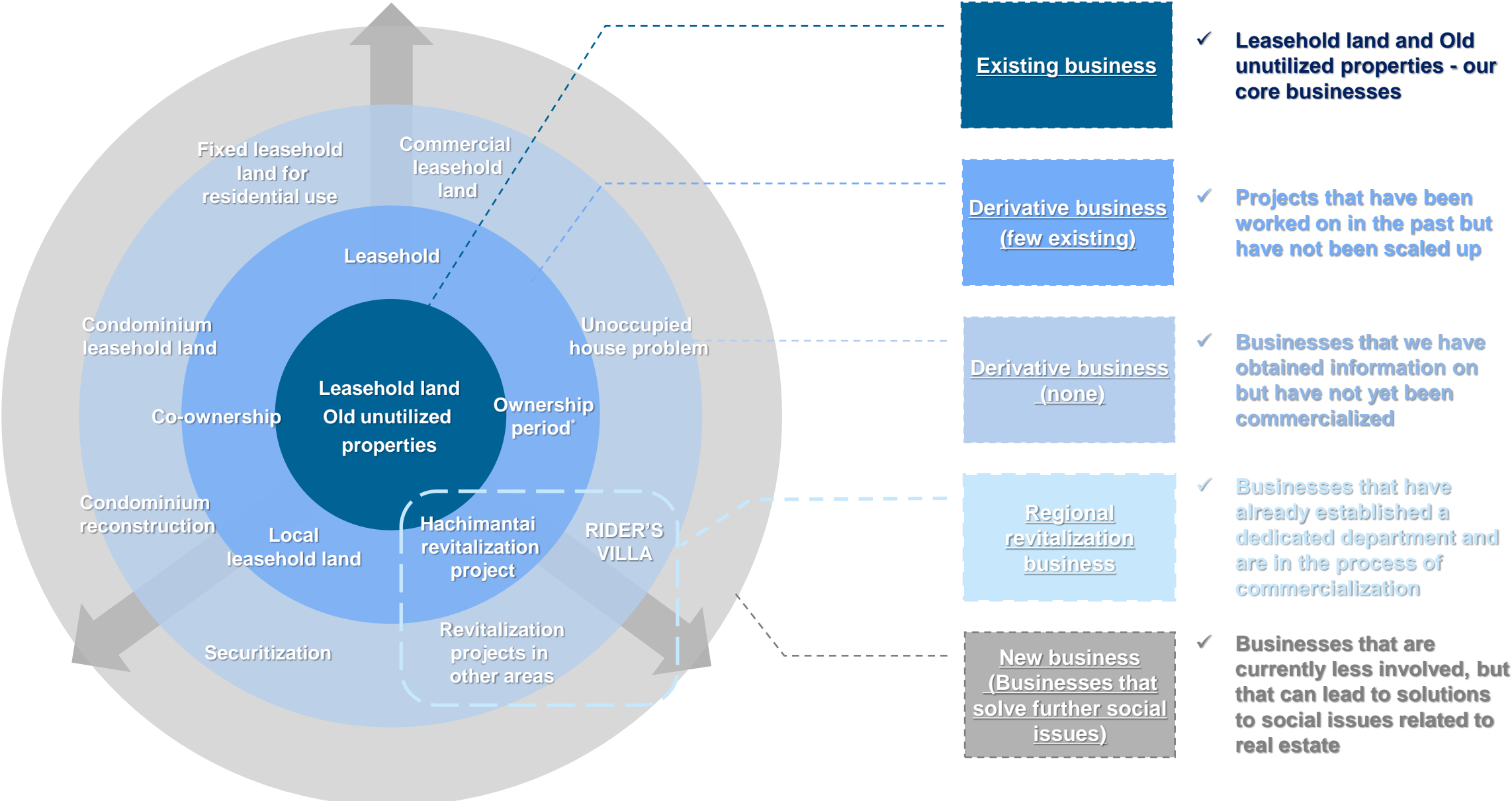
→ **As can be seen in the Ministry of Land, Infrastructure, Transport and Tourism's estimates, it is predicted that the number of old properties will continue to increase in the future, and even when compared to the number of Old unutilized properties the Company handle each year, it is thought that there is a huge market out there**

Source: Ministry of Land, Infrastructure, Transport and Tourism

Outline of new medium-term management plan

Sansei Landic has formulated policies on business, financial, and non-financial strategies through 2027





* Ownership period: In the Old unutilized properties business, Sansei Landic aims to maximize profitability not only through capital gains but also by incorporating income gains via medium-term property holdings

Business policy until 2027

Leasehold land

- Designate key branches that consider market disparities and develop and implement strategies based on each market and customer characteristic to expand transaction volume and profits
- Enhance competitive advantage by refining assessment methods and profit recognition logic, considering demographic trends

Old unused properties

- Steadily expand the business by resolving bottlenecks in each department and branch
- Standardize and refine assessment methods, including target profit margins, project periods, and cost concepts, to adapt quickly to market changes and intensified competition

Derivative business

- Sequentially launch highly scalable initiatives following existing businesses, aiming to develop the "third and fourth arrows" and beyond
- Aim to build up stock-based businesses to complement the flow-based nature of existing businesses

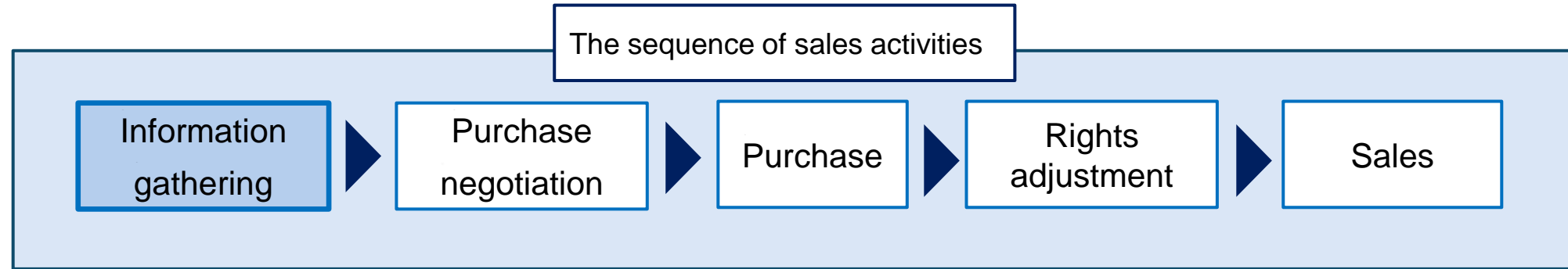
Key initiatives for FY2025

- Advanced assessment criteria
- Development of assessment standards for area expansion
- Enhancement of rights adjustment options

- Validation and setting of appropriate project and borrowing periods
- Establishment of a logic for calculating appropriate vacating costs
- Formulation and evaluation of strategies to shorten project durations

- Validation of commercialization potential for co-ownership, ownership period business (business of medium-term holding of Old unused properties), and Leasehold rights businesses
- Initiate property acquisition as soon as commercialization readiness is achieved and promote scale expansion verification

- Since last year, part-time employees have been experimentally introduced into procurement operations at the headquarters, contributing to increased project acquisition and procurement results. This initiative will be expanded to branches, allowing regular employees to allocate more time to negotiations and rights adjustments



Challenges: The Sales staff handled the entire process from procurement information gathering to sales. However, the extensive time required for information collection limited market coverage with the available personnel

Solution: Due to efficiency issues, part of the information collection work was delegated to part-time employees, expanding the coverage area to previously under-serviced areas

Effect: Besides **increasing the number of projects company-wide, sales staff can allocate more time to negotiations and rights adjustments, contributing to profit growth**

Business policy until 2027

Stable Cash Generation

- Generate operating cash flow by optimizing inventory turnover
- Explore new funding methods from existing financial institutions
- Consider new financing methods outside of existing channels

Strengthen IR and PR

- Build and implement a company-wide branding strategy
- Develop and execute IR and PR marketing strategies
- Strengthen media relations and investor engagement

Cost efficiency

- Review expense plans, considering effectiveness and efficiency
- Improve profit margins by controlling the growth rate of expenses

Business streamlining

- Reduce administrative burdens on sales personnel to allow them to focus on sales activities
- Review back-office operations, including DX initiatives, to create a structure that allows business expansion with existing personnel

Key initiatives for FY2025

- Implement new funding methods in addition to current ones (ESG loans, corporate finance, etc.)
- Obtain licensing under the Real Estate Specified Joint Business Act

- Launch a branding project to establish company-wide policies
- Promote awareness reform through branding to enhance corporate brand value internally and externally

- Identify inefficient costs, review and switch contracts as necessary
- Revise budgeting and expense management methods

- Continue examining and implementing key sales strategies, promote standardization of sales administrative work across all branches
- The management division will establish a three-year action list and schedule, with some measures to be implemented in the first half of the year

- Regional revitalization policy

① Understanding regional conditions

Reflect project insights by thoroughly understanding external perspectives, local challenges, opinions, and requests

② Holistic regeneration

Implement projects that not only provide accommodation facilities but also create hubs for interaction, promote local product sales, and support broad and sustainable regional development

③ Community contribution

Aim to deliver projects that benefit and bring joy to residents through Sansei Landic's involvement

④ Enhancing real estate value

Every project will contribute to the high value-added transformation of underutilized real estate

Hirado, Nagasaki Prefecture

To revitalize the tourism industry in Hirado City, which has a wealth of historical resources with latent value, we will develop and create content for historical resources and the old folk house accommodation business. This business utilizes historical resources and vacant houses to secure accommodations within the city

Hachimantai, Iwate Prefecture

In response to issues such as the aging of accommodation facility owners and the deterioration of facilities, we contribute to regional revitalization by building a collaborative framework with owners. Following Pension Hinode, we acquired a second property, a dormant villa currently being renovated for use as a whole rental villa, scheduled to open in June



Pension Hinode

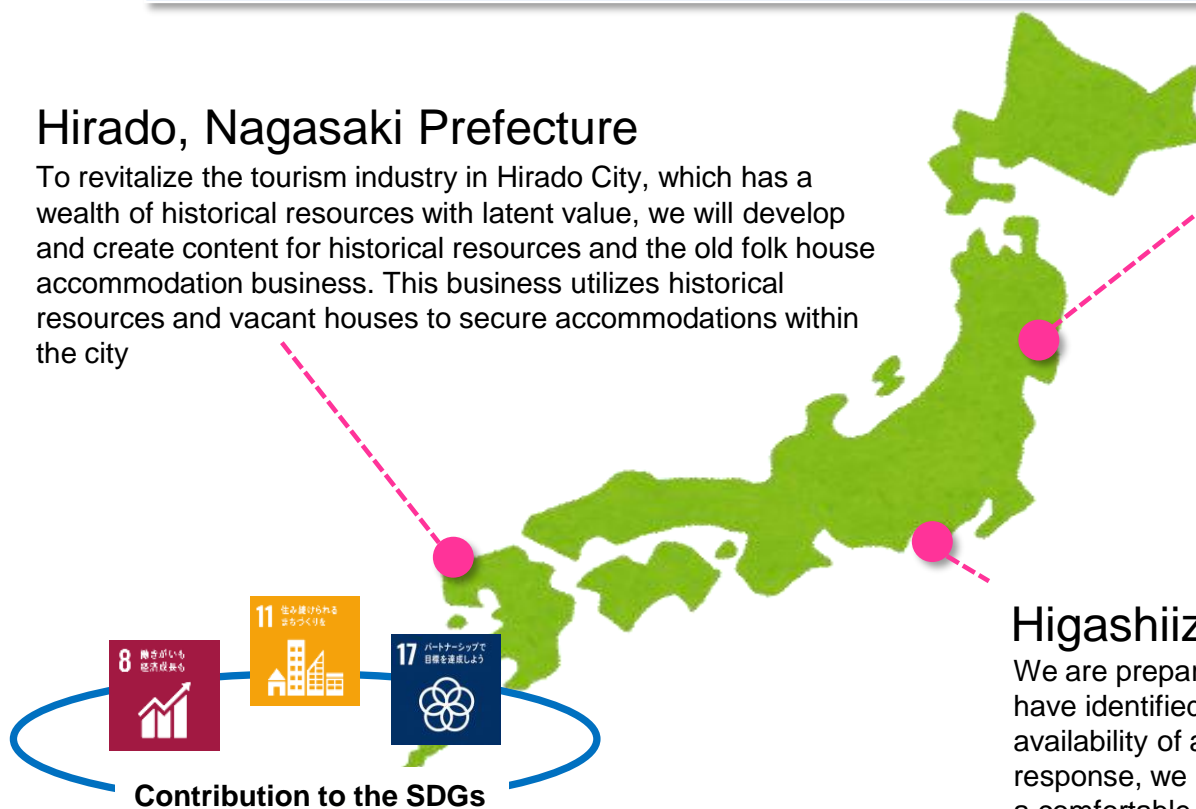


Whole Rental Villa (No. 2 Property)



Higashiizu-cho, Shizuoka Prefecture

We are preparing to launch a rider house for female motorcyclists. We have identified feedback from our employees indicating a limited availability of accommodations for women who enjoy touring. In response, we are committed to providing lodging where women enjoy a comfortable, safe, and secure environment



Scheduled to open in May

Hirado, Nagasaki Prefecture

【Traditional house regeneration project: Hirado Albergo Diffuso Town】

This project aims to contribute to developing integrated regional lodging facilities to attract tourists.

Initially, we will implement accommodation businesses using vacant traditional houses and develop content using historical resources. Two facilities under renovation are scheduled to open in May



(Accommodation + goods sales cafe)



(Facility for whole-building rent)

Initiatives based on the Albergo Diffuso Town Concept

The concept involves revitalizing areas by converting traditional buildings in regions with increasing vacant houses into lodging facilities.

By separating accommodation and dining locations, the operational burden on lodging facilities is reduced, dining establishments benefit from increased customer traffic, and guests have more opportunities to interact with the local community



Higashiizu-cho, Shizuoka Prefecture

【 Rider house for women : RIDER'S VILLA】

We are preparing to open a lodging facility using trailer houses in Izu. The facility will provide a clean and comfortable environment where female guests can feel safe and secure, along with spaces that encourage interaction among guests. A reception party will be held to launch the facility



Account name : みんなと経営するライダーズヴィラ
Username : lady_blue.rv

Introduction of a new personnel system

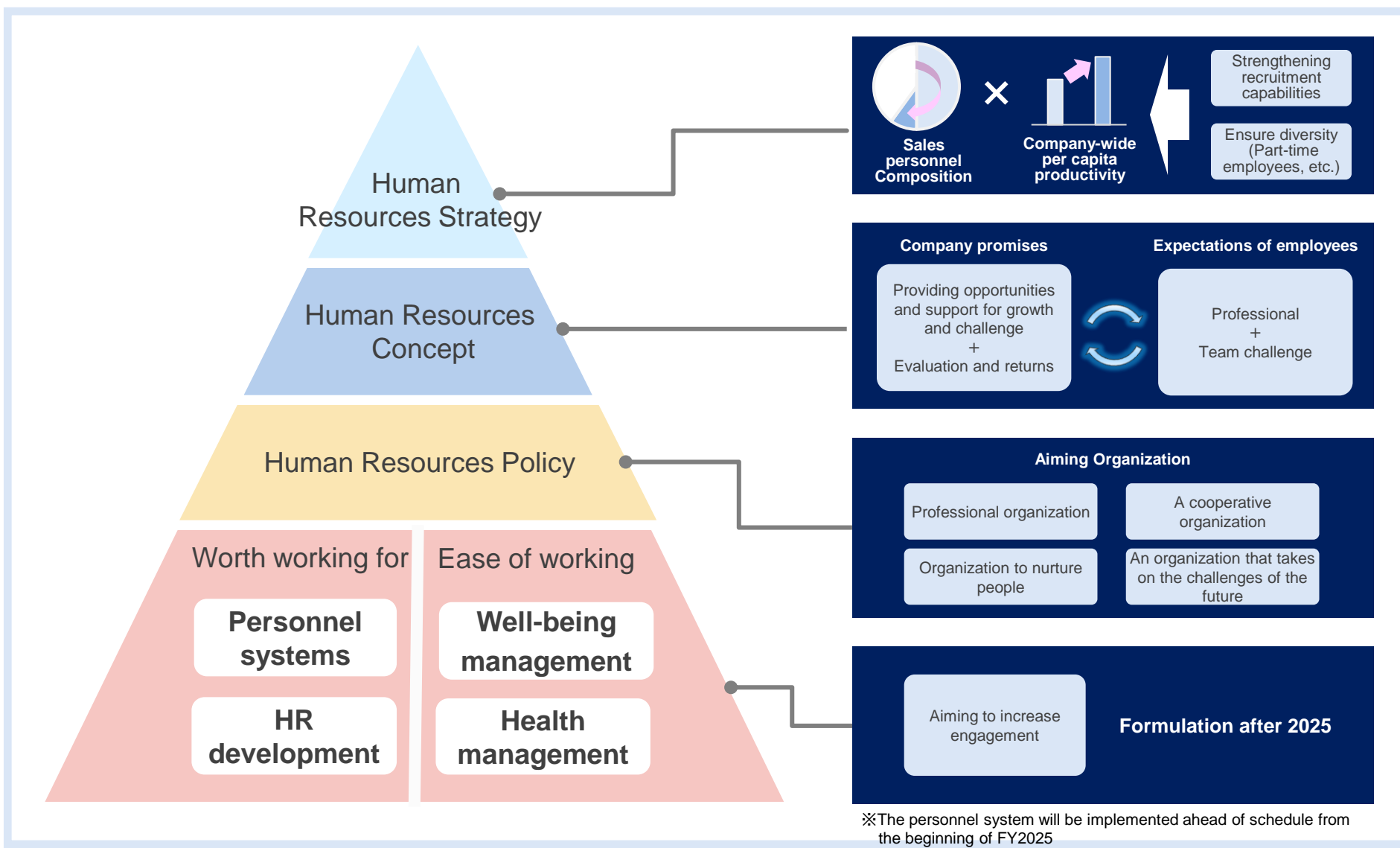
Medium-term
Management Plan
basic strategies

Further
strengthening of
Leasehold land
and Old unutilized
properties

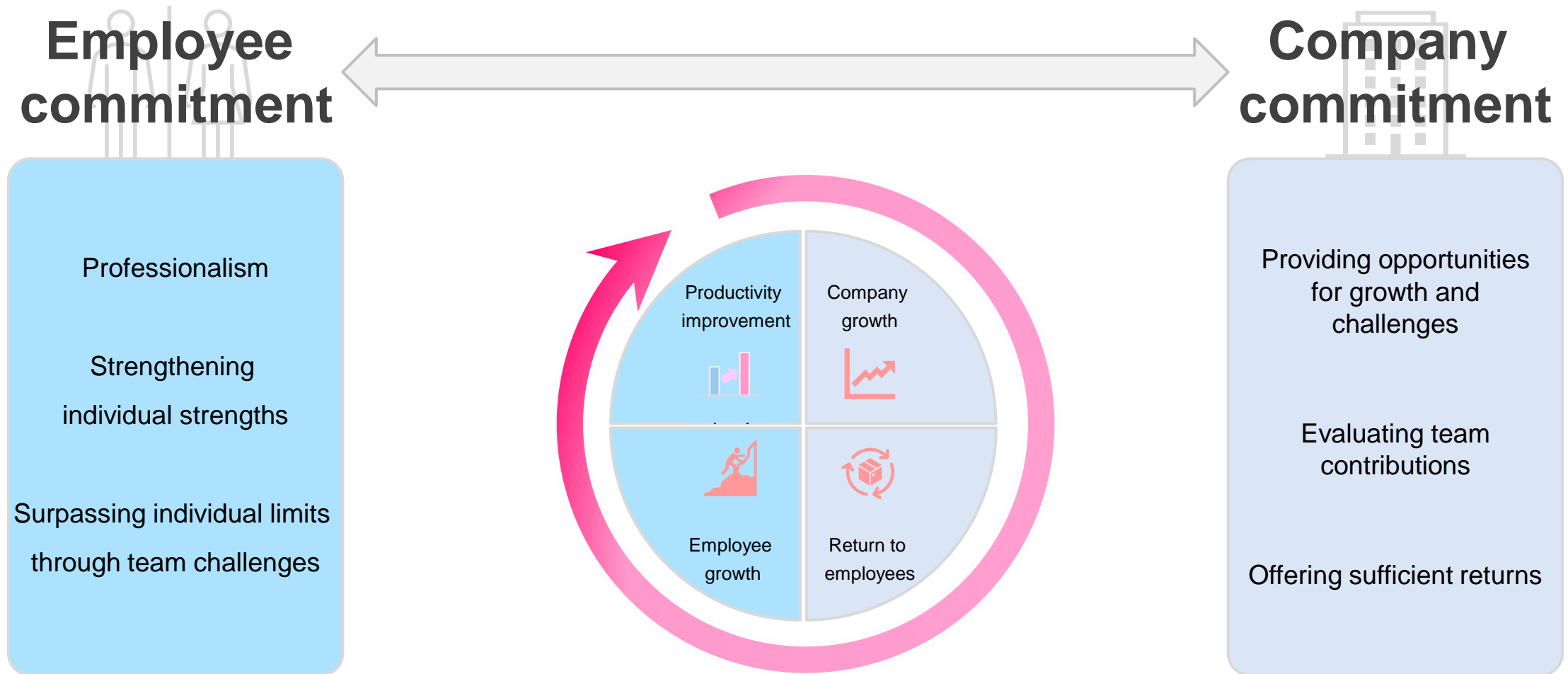
Expansion into
derivative
businesses

Business
establishment of
regional
revitalization
business

Integrate
individual
"strengths" to
create a team-
oriented
organization
that works
together to
realize the
basic strategy



Concept of the revised personnel system



To be a company that lasts 100 years, take on challenges that “individuals” cannot achieve alone

- Offering in funds 1st-13th offering. Raising over 1 billion yen
- Launched a corporate finance initiative with Takashimaya Financial Partners, with 1-2 fundraising rounds planned

Aim to diversify funding sources, attract new investor segments, and enhance brand recognition

高島屋クラウドファンディング



【高島屋ファンディング】サンセイランディックファンド
第1-2号

予定分配率	運用期間	募集方式	募集金額
2.60%	6ヶ月	先着式	50,000,000円

借手は、東京証券取引所スタンダード市場に上場する株式会社サンセイランディック（証券コード：3277）であり、不動産事業を行っています。本ファンドの資金使途は、借手の不動産売買事業に係る事業資金となります。



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FY12/25 Business forecasts

- Consolidated forecasts for FY12/25 (January 1, 2025 - December 31, 2025)

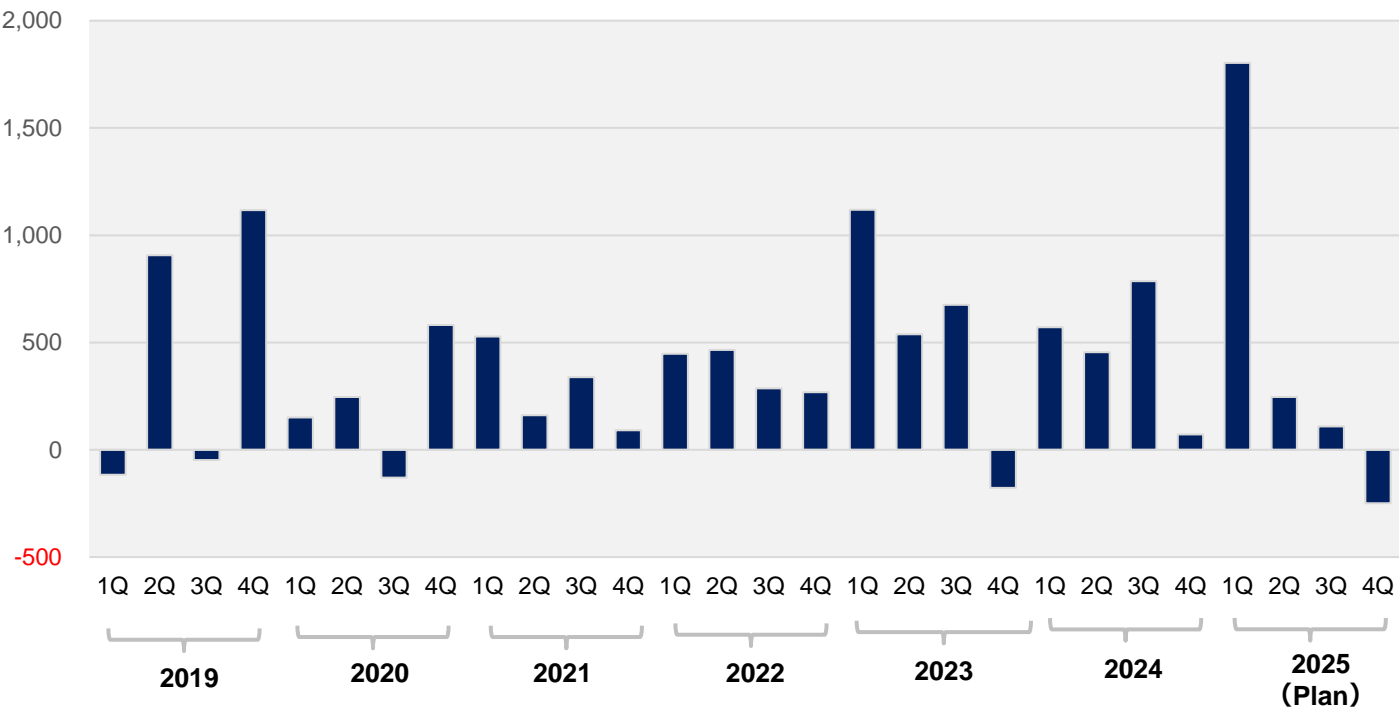
(Unit: million yen)

	2021	2022	2023	2024	2025 (First-half plan)	2025 (Full-year plan)	Pct. Change
Net sales	16,836	15,533	23,269	25,620	15,460	25,650	+0.1%
Operating income	1,117	1,469	2,155	1,882	2,050	1,910	+1.4%
Ordinary income	999	1,283	1,765	1,585	1,900	1,600	+0.9%
Net income attributable to owners of parent	609	1,060	1,182	1,050	1,250	1,070	+1.8%
EPS (Yen)	73.56	129.61	143.79	127.22	153.46	131.68	+3.5%
Dividend (Yen)	26	28	33	41	17	42	—

- Although current procurement is progressing smoothly, the company plans moderate revenue and profit increases due to rising market uncertainty and temporary cost increases. Sales are expected to be weighted toward Q1 and Q2 due to planned sales of large-scale properties acquired in 2022 and 2023
- Today, the Board of Directors resolved to acquire treasury stock as part of the financial strategy under the medium-term management plan
- The plan is to increase dividends for the 12th consecutive year, with an interim dividend of 17 yen (up 1 yen), a year-end dividend of 25 yen, and an annual dividend of 42 yen

(million yen)

Quarterly trends in operating income



Business characteristics

- Leasehold land and Old unutilized properties are flow businesses, making performance susceptible to procurement status and market changes
 - As large-scale projects have increased in line with business expansion, the impact of the timing of sales of individual projects on business performance has become greater
- ↓
- Business model with large quarterly fluctuations in performance
 - However, despite quarterly fluctuations in performance, the company will achieve stable growth over the medium to long term as it expands its purchasing

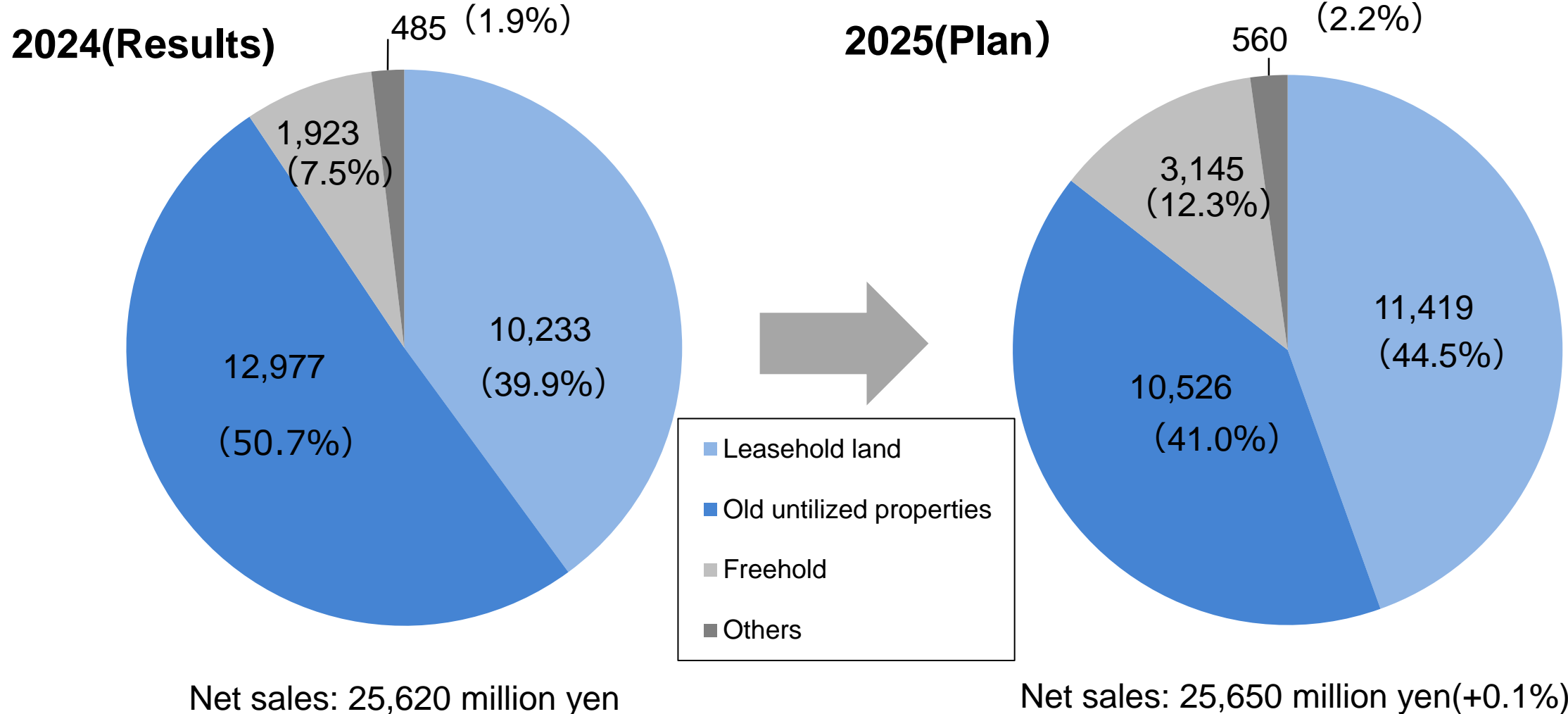
As the medium-term management plan states, the company will prioritize new initiatives that promote stable medium-to long-term growth over short-term, upward-sloping performance expansion.

Although quarterly and annual results may fluctuate, we aim to improve financial stability and reduce business risk by achieving stable medium- to long-term growth

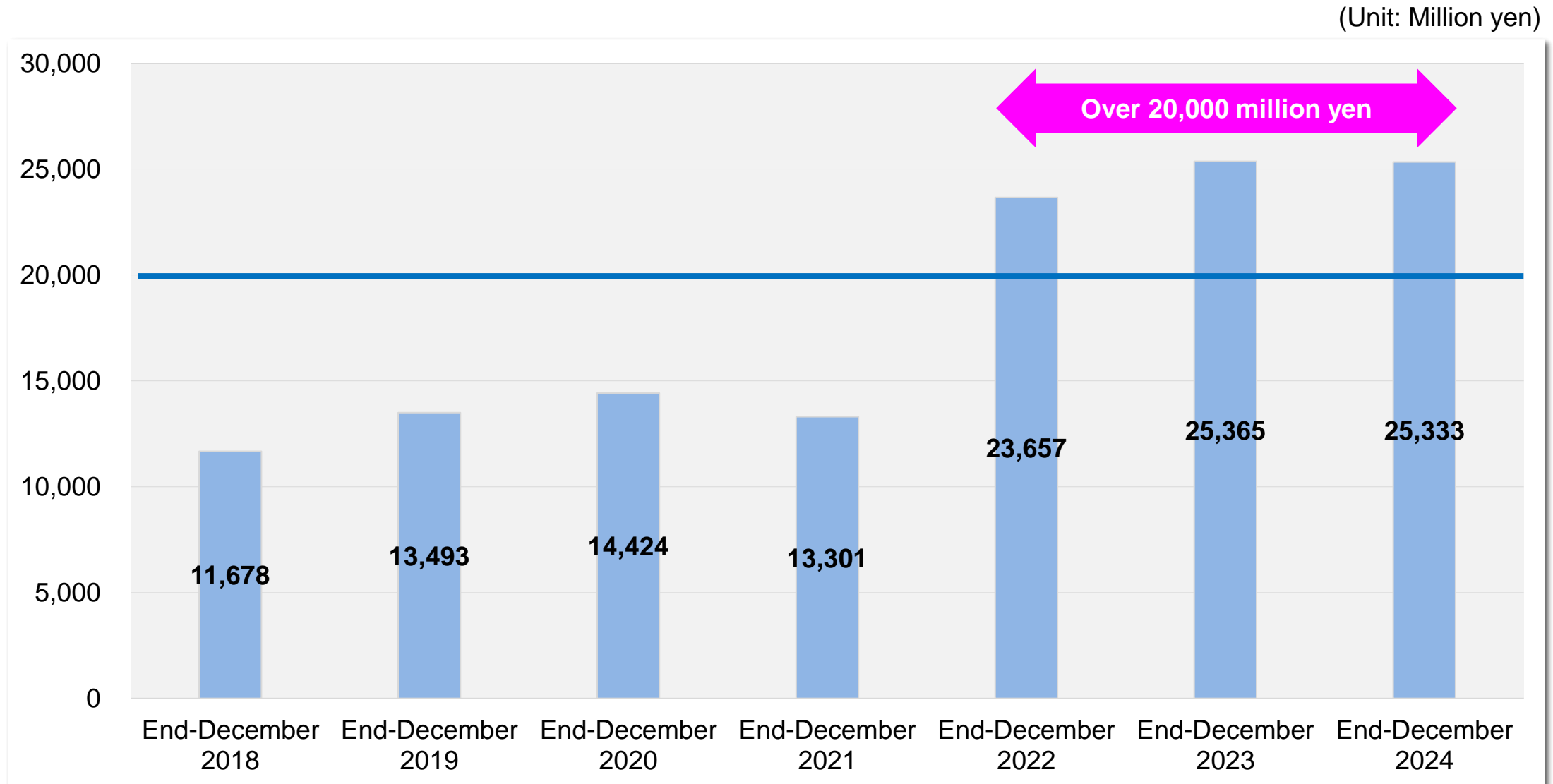
Real estate sales business: Sales plan by business

- Leasehold land: 11,419 million yen, Old utilized properties: 10,526 million yen, Freehold: 3,145 million yen, Others: 560 million yen

(Unit: million yen)

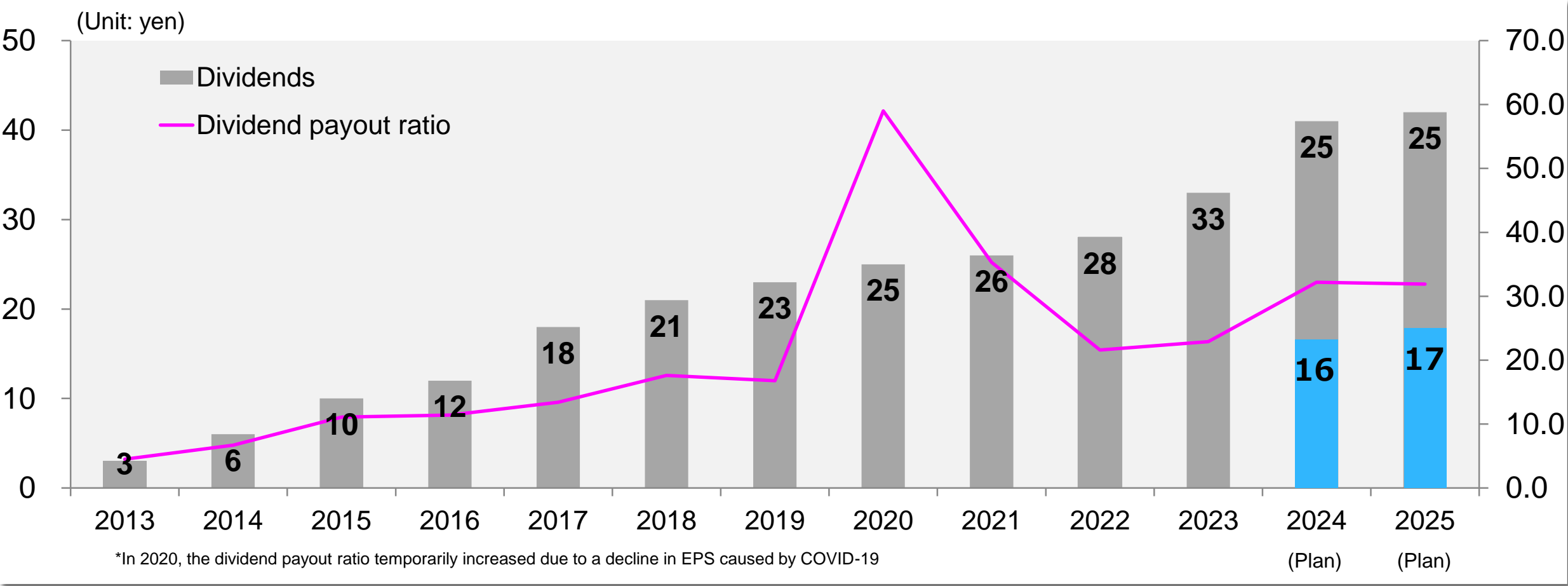


- Since 2022, more extensive procurement and structural changes have raised the business stage, consistently maintaining over 20 billion yen in scale



Shareholder returns (dividends)

- The plan is to provide an annual dividend of 42 yen (17 yen interim, 25 yen year-end) for FY2025, marking the 12th consecutive year of dividend increases. The total shareholder return ratio, including share buybacks, is projected to be 50.5%
- The company will continue to consider proactive shareholder returns, including dividend increases and share buybacks



12th consecutive year of dividend increases expected

As part of the financial strategy under the medium-term management plan, the Board of Directors resolved to acquire treasury stock on February 14, 2025

Details of the Acquisition

- Type of stock : Common stock
- Maximum number of shares to acquire : 240,000 shares
*2.90% of outstanding shares, excluding treasury stock
- Total acquisition amount : Up to 200 million yen
- Acquisition period : February 17, 2025, to May 14, 2025
- Acquisition method : Market purchase

The medium-term management plan includes acquiring 500 million to 1.5 billion yen of treasury stock over three years until 2027, aiming to maximize shareholder value from various angles

- Strive to create an attractive company and enhance corporate value

Be a trailblazer for connecting people and their future

A company that is indispensable to society

**To become a company that
lasts for 100 years**



1976

2025

2076

Company name	Sansei Landic Co., Ltd
Representative	Takashi Matsuzaki, President and CEO
Established	February 1976
Capital stock	860,878,000 yen (As of the end of December 2024)
Listing	Standard Market of the Tokyo Stock Exchange Securities Code : 3277 *Listed on the JASDAQ Stock Exchange on 2011, First Section of the Tokyo Stock Exchange on 2014
Head office	6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
Branch	Sapporo, Sendai, Musashino, Nagoya, Kyoto, Kansai, Fukuoka
Number of employees	191・・・As of the end of December 2024

Thank you very much for your attention.

- The statements including perspectives on our group, plans, policies, strategies, schedules and judgements that are not facts in this material are forward-looking statements about the future performance.
- Forward-looking statements about the future performance are based on information currently available and certain assumptions that our group believes to be reasonable. Actual results may differ significantly from the forward-looking statements due to various risk factors and uncertainties. Please do not place undue reliance on these forward-looking statements.
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