

# Sansei Landic (TYO: 3277)

**No surprises in the FY12/2024 results. FY12/2025 is projected to see increased revenue and profit. Laying the foundation for sustainable growth.**

◇ **FY12/2024 full-year highlights of financial results: Revenue up, profit down, but in line with company forecast**

Sansei Landic (hereinafter, "the Company") announced its financial results for FY12/2024 on February 14, 2025. While profit declined year on year, revenue reached a record high, and both revenue and profit exceeded the Company's forecasts. Operating income and ordinary income remained above the levels recorded two fiscal years ago. Moreover, the Company's annual property purchases exceeded its plan, and the financial forecast for FY12/2025 calls for modest growth in both revenue and profit. Overall, the results present a positive impression.

Specifically, sales were 25.62 billion yen (+ 10% YoY), operating income was 1.88 billion yen (- 12% YoY), ordinary income was 1.58 billion yen (- 10% YoY), and net profit attributable to owner of parent was 1.05 billion yen (- 11% YoY). The breakdown of sales was as follows: Leasehold land 10.23 billion yen (+ 24% YoY), Old unutilized properties 12.97 billion yen (- 1% YoY), and Freehold 1.92 billion yen (+ 29% YoY). Although the gross profit margin declined due to underperformance in some Old unutilized properties, the profit margins for Leasehold land and Freehold exceeded expectations. The annual dividend per share was 41 yen (16 yen for the first half and 25 yen for the year-end), an increase of 8 yen from the previous year.

Cumulative property purchases totaled 19.24 billion yen (+ 3% YoY), significantly exceeding the planned 15.8 billion yen. By category, Leasehold land declined to 6.83 billion yen (- 31% YoY), while Old unutilized properties rose to 9.91 billion yen (+ 36% YoY) and Freehold to 2.49 billion yen (+ 77% YoY). Compared to two years ago, Leasehold land was down only 6%, and there seems little need for excessive concern.

On the balance sheet, the balance of real estate for sale was 25.3 billion yen, almost unchanged from the end of the previous fiscal year. While sales activities proceeded smoothly and cash on hand increased, the Company acquired rental real estate, resulting in higher interest-bearing debt. However, the structure of the balance sheet has not changed significantly.

◇ **FY12/2025 Financial Forecast: The earnings are biased for 1H. A slight increase in revenue and profit is projected for the full year.**

The Company's financial forecast for FY2025 assumes earnings are biased for the first half, with a slight increase in revenue and profit expected for the full year. Specifically, the first-half forecast includes sales of 15.46 billion yen (+ 19% YoY), operating income of 2.05 billion yen (+ 99% YoY), ordinary income of 1.90 billion yen (+ 120% YoY), and net profit attributable to owner of parent of 1.25 billion yen (+ 118% YoY). The full-year forecast includes sales of 25.65 billion yen (+ 0.1% YoY), operating income of 1.91 billion yen (+ 1.4% YoY), ordinary income of 1.60 billion yen (+ 0.9% YoY), and net profit attributable to owner of parent of 1.07 billion yen (+ 1.8%).

The sales breakdown for the full year is as follows: Leasehold land 11.41 billion yen (+ 11% YoY), Old unutilized properties 10.52 billion yen (- 18% YoY), and Freehold 3.14 billion yen (+ 63% YoY).

The full-year forecast is generally reasonable. This is because purchases and inventories for FY12/2024 were approximately on par with those of FY12/2023, interest rates are rising and uncertainty remains in the real estate market, and the Company aims for steady growth while maintaining its purchase standards.

In addition, fluctuations in semi-annual profit and loss are inevitable due to the nature of the Company's flow-type business. Large transactions are expected to be concentrated in the first half of this fiscal year.

◇ **Strengthened shareholder returns**

To supplement the conservative FY12/2025 financial forecast, the Company has strengthened its shareholder return policy. The total shareholder return ratio is expected to exceed 50%, which can be regarded as a shareholder-conscious initiative.

First, the annual dividend per share is projected at 42 yen (17 yen for the first half and 25 yen for the year-end), a 1 yen increase from the previous year. The dividend payout ratio is forecast at 31.9%, remaining nearly unchanged, and this would mark the twelfth consecutive year of dividend increases.

Furthermore, the Company will conduct its third share buyback program. Between February 17, 2025, and May 14, 2025, it plans to repurchase 240,000 shares from the market (equivalent to 2.9% of the total number of outstanding shares, excluding treasury shares) at a total cost of 200 million yen.

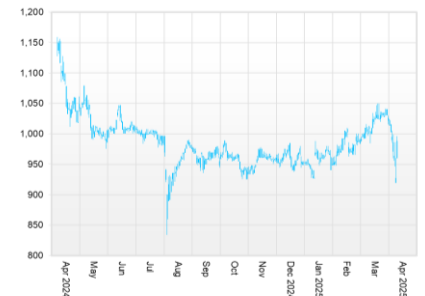
## 4Q results update

### Real estate

As of April 9, 2025

<b>Share price (4/8)</b>	<b>¥988</b>
52weeks high/low	¥834/1,156
Avg Vol (3 month)	22.2 thou shrs
Market Cap	¥8.48 bn
Enterprise Value	¥21.13 bn
PER (25/12 CE)	7.6 X
PBR (24/12 act)	0.6 X
Dividend Yield (25/12 CE)	4.3 %
ROE (24/12 act)	8.5 %
Operating margin (24/12)	7.3 %
Beta (5Y Monthly)	0.33
Shares Outstanding	8.584 mn shrs
Listed market	TSE Standard

### Share price



%	1M%	3M%	12M%
Share price	-1.3	4.1	13.3
Japan TSE TOPIX	-10.2	-12.7	-10.1

### Points of interest

The trends in the real estate market surrounding the Company's business, the progress of property acquisitions and business performance for the full FY2025, and the progress of the new medium-term management plan (in particular, the effects of strengthening measures for the core Leasehold land and Old unutilized properties businesses, the results of feasibility studies for derivative businesses such as Co-ownership, ownership period, and Leasehold rights businesses, and the launch of the regional revitalization business).

This report is made at the request of Sansei Landic. For details, refer to the disclaimer on the last page



## ◇ Share price trend and future highlights

Following the announcement of the Q2 financial results and the new medium-term management plan on August 9, the stock price has gradually increased, moving within the 950 yen to 1,000 yen range. Although the stock price temporarily declined after the announcement of the latest financial results, it quickly rebounded. With a valuation of PER of 8 times forecast earnings, PBR of 0.65 times, and a forecast dividend yield of 4.2%, there is no sign of overheating of the share price. This suggests the market rates the Company's stable growth path and proactive shareholder returns well.

From this perspective, key points to monitor going forward include:

- Trends in the real estate market,
  - The trajectory of purchases and earnings for the full FY12/2025,
  - Progress updates on the new medium-term management plan - notably, the effects of strengthening measures in the core businesses of Leasehold land and Old unutilized properties, results of commercialization assessments in derivative businesses such as co-ownership, ownership period, and leasehold rights, and the initial developments in the regional revitalization business. Should the Company's performance plateau in the second half, it will be necessary to hear some positive updates in these areas around that time.
- Additionally, the Company is currently restructuring its branding strategy. This could increase recognition of its real estate businesses, such as Leasehold land, and strengthen the Company's positioning. With its 50th anniversary coming up in February 2026, positive expectations, including for shareholder returns, are likely to rise.

## Company profile

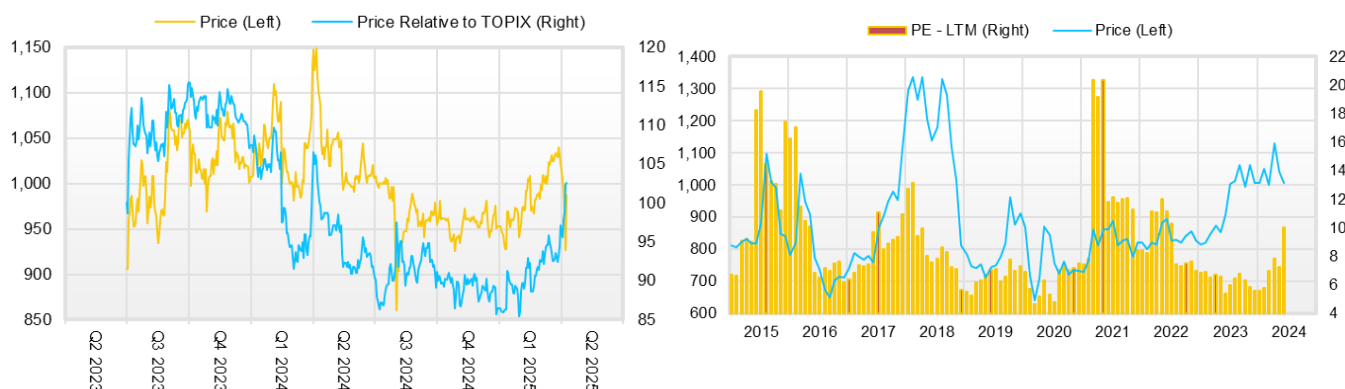
**Sansei Landic Co., Ltd.** operates a real estate rights adjustment business. The Company makes a profit by adjusting the rights to properties it has purchased, mainly leasehold land and old unutilized properties, and then reselling them. It has captured stable profit opportunities in niche markets. In August 2024, the Company announced a new medium-term plan covering the period from August 2024 to fiscal 2027. ROE and PBR are expected to improve due to the growth strategy and improved capital efficiency.

## Key financial data

Unit: million yen	2020/12	2021/12	2022/12	2023/12	2024/12	2025/12 CE
Sales	17,775	16,836	15,533	23,269	25,620	25,650
EBIT (Operating Income)	847	1,118	1,469	2,155	1,883	1,910
Pretax Income	712	1,004	1,270	1,756	1,585	1,600
Net Profit Attributable to Owner of Parent	358	609	1,060	1,183	1,051	1,070
Cash & Short-Term Investments	4,330	5,361	3,837	3,770	5,013	
Total assets	20,071	20,051	28,977	30,976	33,107	
Total Debt	16,879	16,879	16,879	16,879	18,506	
Net Debt	13,109	13,109	13,109	13,109	13,493	
Total liabilities	10,004	9,749	17,921	18,899	20,349	
Total Shareholders' Equity	12,077	12,077	12,077	12,077	12,759	
Net Operating Cash Flow	-917	1,705	-9,268	-12	1,143	
Capital Expenditure	21	40	28	304	138	
Net Investing Cash Flow	-288	-51	-267	-766	-715	
Net Financing Cash Flow	953	-608	7,971	303	1,223	
Free Cash Flow	-291	-291	-291	-291	1,049	
ROA (%)	1.82	3.04	4.32	3.95	3.28	
ROE (%)	3.58	5.98	9.93	10.23	8.46	
EPS (Yen)	42.3	73.6	129.6	143.8	127.2	129.3
BPS (Yen)	1,192.9	1,249.5	1,356.8	1,465.5	1,541.8	
Dividend per Share (Yen)	25.00	26.00	28.00	33.00	41.00	42.00
Shares Outstanding (Million Shares)	8.47	8.47	8.49	8.58	8.58	

Source: Omega Investment from company data, rounded to the nearest whole number.

## Share price





## FY12/24 full-year financial result

### 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

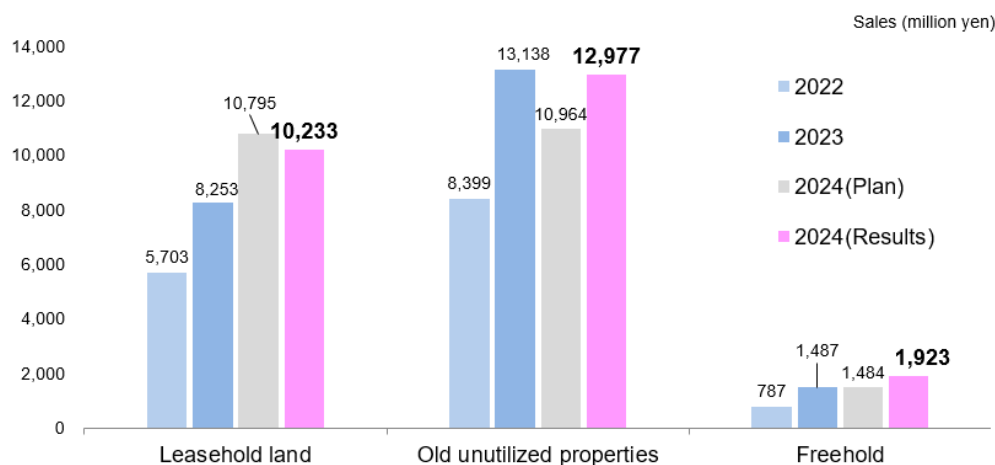
4

Source: Company materials

### 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



7

Source: Company materials

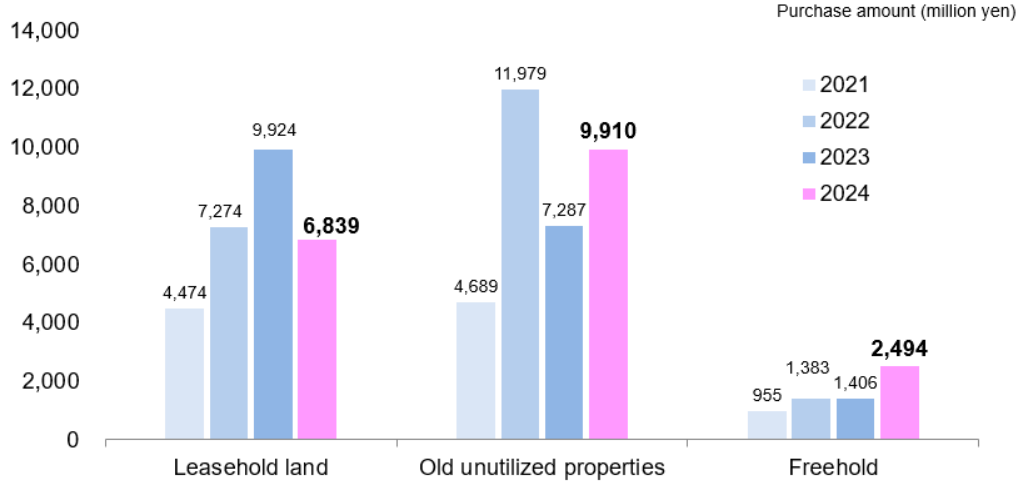


## FY12/24 full-year financial result (contd.)

### 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

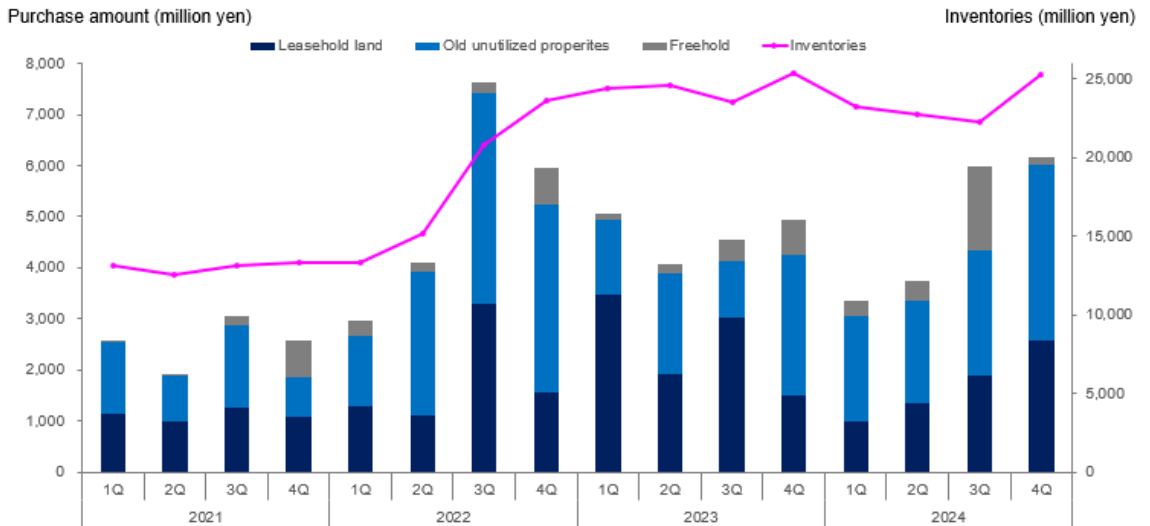


Source: Company materials

### 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



Source: Company materials



## FY12/2025 full-year financial forecast

### 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

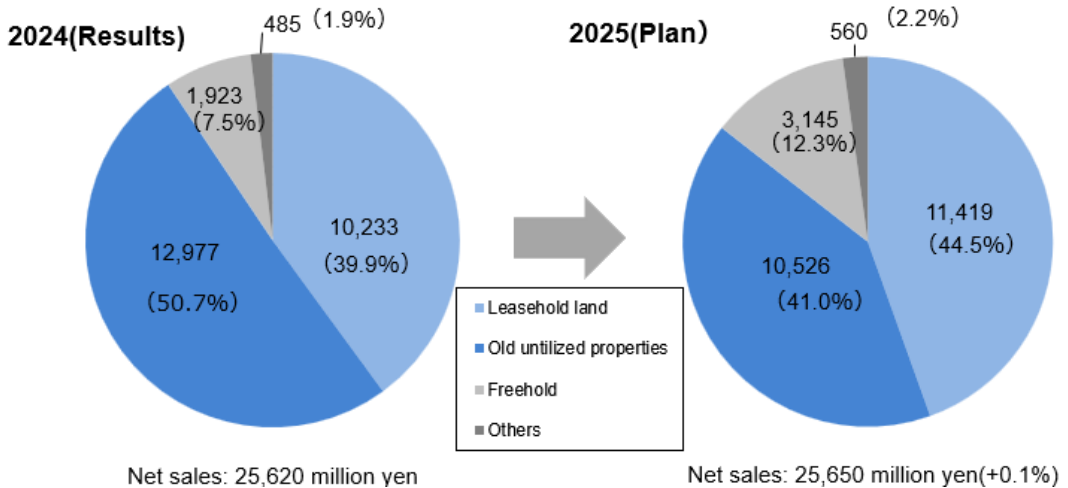
24

Source: Company materials

### Real estate sales business: Sales plan by business

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

(Unit: million yen)



Source: Company materials

## Financial data (quarterly basis)

Unit: million yen	2022/12		2023/12				2024/12			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
<b>(Income Statement)</b>										
Sales	4,272	6,486	5,494	7,485	3,804	7,207	5,785	8,358	4,270	
Year-on-year	17.4%	45.9%	47.6%	141.8%	-11.0%	11.1%	5.3%	11.7%	12.3%	
Cost of Goods Sold (COGS)	3,065	4,320	3,858	5,681	3,067	5,521	4,228	6,448	3,122	
Gross Income	1,207	2,166	1,635	1,803	737	1,686	1,558	1,910	1,149	
Gross Income Margin	28.2%	33.4%	29.8%	24.1%	19.4%	23.4%	26.9%	22.9%	26.9%	
SG&A Expense	938	1,048	1,097	1,128	914	1,115	1,102	1,125	1,077	
EBIT (Operating Income)	269	1,118	539	676	-177	571	455	785	72	
Year-on-year	197.7%	150.0%	15.6%	135.5%	-165.8%	-49.0%	-15.5%	16.2%	-140.5%	
Operating Income Margin	6.3%	17.2%	9.8%	9.0%	-4.7%	7.9%	7.9%	9.4%	1.7%	
EBITDA	286	1,145	559	692	-161	587	476	806	92	
Pretax Income	205	1,046	378	587	-254	493	369	728	-4	
Consolidated Net Income	151	684	256	387	-144	328	245	485	-7	
Minority Interest	0	0	0	0	0	0	0	0	0	
Net Income ATOP	151	684	256	387	-144	328	245	485	-7	
Year-on-year	145.2%	82.2%	-24.4%	97.9%	-195.1%	-52.0%	-4.0%	25.2%	-94.9%	
Net Income Margin	3.5%	10.5%	4.7%	5.2%	-3.8%	4.6%	4.2%	5.8%	-0.2%	
<b>(Balance Sheet)</b>										
Cash & Short-Term Investments	3,837	3,569	4,266	5,388	3,770	4,479	4,988	4,728	5,013	
Total assets	28,977	29,627	30,777	30,632	30,976	30,487	30,561	29,940	33,107	
Total Debt	16,399	16,061	16,520	16,262	16,879	16,787	16,211	15,595	18,506	
Net Debt	12,562	12,493	12,254	10,874	13,109	12,308	11,223	10,867	13,493	
Total liabilities	17,921	18,064	18,944	18,412	18,899	18,354	18,163	17,173	20,349	
Total Shareholders' Equity	11,056	11,563	11,833	12,220	12,077	12,133	12,398	12,768	12,759	
<b>(Profitability %)</b>										
ROA	4.32	5.50	4.81	5.08	3.95	2.75	2.66	3.02	3.28	
ROE	9.93	12.43	11.42	12.79	10.23	6.98	6.74	7.32	8.46	
<b>(Per-share) Unit: JPY</b>										
EPS	18.6	83.5	31.0	47.0	-17.4	39.8	29.7	58.6	-1.0	
BPS	1,356.8	1,406.1	1,435.9	1,482.9	1,465.5	1,472.3	1,501.2	1,542.9	1,541.8	
Dividend per Share	28.00	0.00	0.00	0.00	33.00	0.00	16.00	0.00	25.00	
Shares Outstanding (Million shares)	8.49	8.58	8.58	8.58	8.58	8.58	8.58	8.58	8.58	

Source: Omega Investment from company materials

## Financial data (full-year basis)

Unit: million yen	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12
<b>(Income Statement)</b>											
Sales	10,446	11,569	12,300	13,099	16,833	18,020	17,775	16,836	15,533	23,269	25,620
Year-on-year	13.7%	10.8%	6.3%	6.5%	28.5%	7.1%	-1.4%	-5.3%	-7.7%	49.8%	10.1%
Cost of Goods Sold	7,055	7,798	8,344	8,566	12,028	12,902	13,788	12,468	10,486	16,927	19,318
Gross Income	3,391	3,770	3,957	4,532	4,805	5,119	3,986	4,368	5,047	6,342	6,302
Gross Income Margin	32.5%	32.6%	32.2%	34.6%	28.5%	28.4%	22.4%	25.9%	32.5%	27.3%	24.6%
SG&A Expense	2,204	2,216	2,295	2,434	2,702	2,891	2,750	2,877	3,031	3,569	4,420
EBIT (Operating Income)	1,187	1,300	1,446	1,762	1,766	1,861	847	1,118	1,469	2,155	1,883
Year-on-year	31.6%	9.6%	11.2%	21.9%	0.2%	5.4%	-54.5%	31.9%	31.5%	46.7%	-12.6%
Operating Income Margin	11.4%	11.2%	11.8%	13.5%	10.5%	10.3%	4.8%	6.6%	9.5%	9.3%	7.3%
EBITDA	1,260	1,406	1,532	1,833	1,822	1,912	896	1,161	1,517	2,236	1,962
Pretax Income	1,044	1,196	1,329	1,672	1,539	1,759	712	1,004	1,270	1,756	1,585
Consolidated Net Income	626	724	854	1,111	1,007	1,159	358	609	1,060	1,183	1,051
Minority Interest	0	0	0	0	0	0	0	0	0	0	0
Net Income ATOP	626	724	854	1,111	1,007	1,159	358	609	1,060	1,183	1,051
Year-on-year	37.5%	15.6%	17.9%	30.2%	-9.4%	15.1%	-69.1%	70.5%	73.9%	11.6%	-11.2%
Net Income Margin	6.0%	6.3%	6.9%	8.5%	6.0%	6.4%	2.0%	3.6%	6.8%	5.1%	4.1%
<b>(Balance Sheet)</b>											
Cash & Short-Term Investments	2,276	2,254	2,435	3,558	3,594	4,134	4,330	5,361	3,837	3,770	5,013
Total assets	8,793	11,398	10,833	16,916	16,777	19,294	20,071	20,051	28,977	30,976	33,107
Total Debt	2,414	3,958	2,712	7,439	6,048	7,203	8,342	8,108	16,399	16,879	18,506
Net Debt	139	1,704	277	3,881	2,454	3,069	4,012	2,747	12,562	13,109	13,493
Total liabilities	3,531	5,363	3,977	8,909	7,869	9,399	10,004	9,749	17,921	18,899	20,349
Total Shareholders' Equity	5,262	6,034	6,856	8,006	8,908	9,895	10,067	10,302	11,056	12,077	12,759
<b>(Cash Flow)</b>											
Net Operating Cash Flow	1,761	-1,451	1,611	-3,666	1,617	-420	-917	1,705	-9,268	-12	1,143
Capital Expenditure	91	58	111	57	66	61	21	40	28	304	138
Net Investing Cash Flow	-111	-116	-184	107	-64	-71	-288	-51	-267	-766	-715
Net Financing Cash Flow	-612	1,588	-1,278	4,667	-1,495	984	953	-608	7,971	303	1,223
Free Cash Flow	1,697	-1,491	1,536	-3,692	1,572	-446	-923	1,682	-9,282	-291	1,049
<b>(Profitability %)</b>											
ROA	7.07	7.17	7.68	8.01	5.98	6.42	1.82	3.04	4.32	3.95	3.28
ROE	13.72	12.82	13.24	14.96	11.90	12.32	3.58	5.98	9.93	10.23	8.46
<b>(Per-share) Unit: JPY</b>											
EPS	90.2	90.1	104.9	134.4	119.6	137.1	42.3	73.6	129.6	143.8	127.2
BPS	664.8	744.2	841.3	958.0	1,054.5	1,170.2	1,192.9	1,249.5	1,356.8	1,465.5	1,541.8
Dividend per Share	6.00	10.00	12.00	18.00	21.00	23.00	25.00	26.00	28.00	33.00	41.00
Shares Outstanding (Million shares)	7.91	8.11	8.15	8.35	8.45	8.46	8.47	8.47	8.49	8.58	8.58

Source: Omega Investment from company materials





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