

SAMTY Co., Ltd.

Financial Result Explanatory Material

Third Quarter of Fiscal Year Ending November 30, 2019



S-RESIDENCE Chikusa (Chikusa-ku, Nagoya)

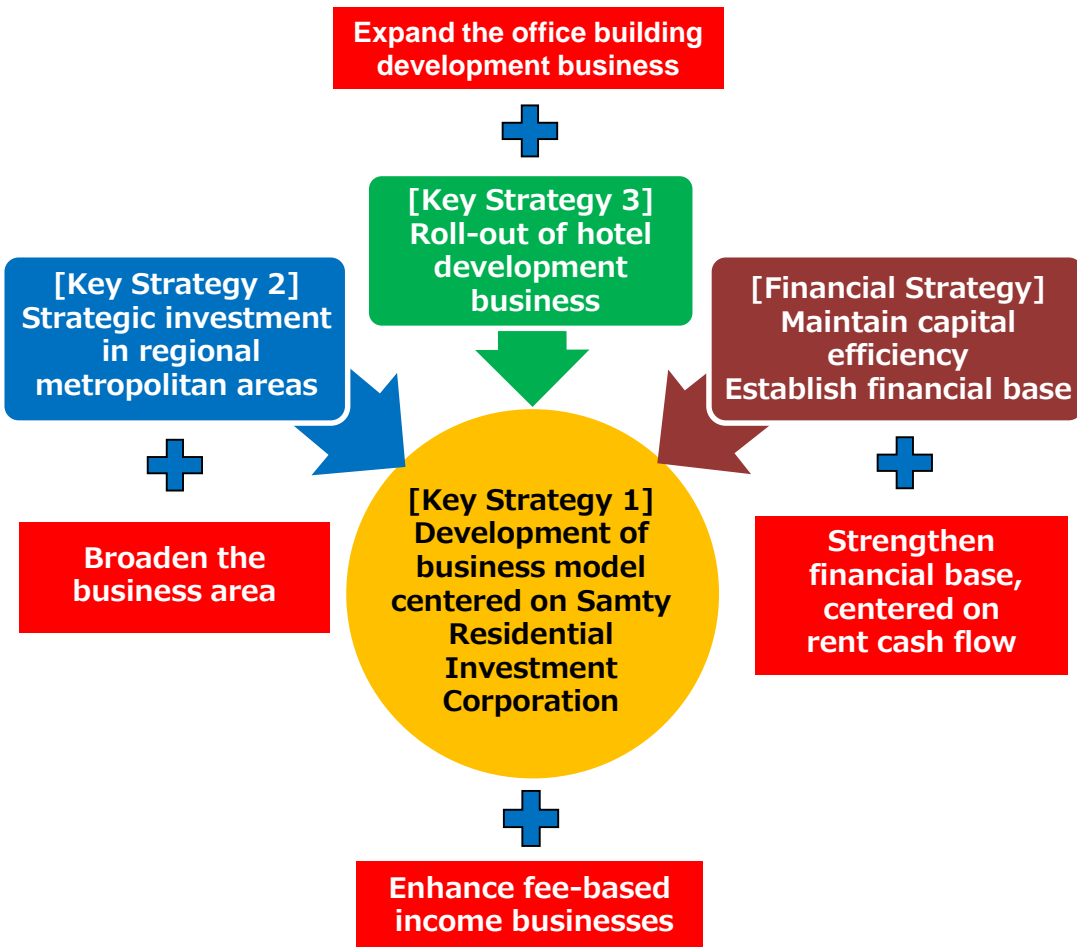
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New Medium-Term Management Plan “Samty Toughening Plan”

To succeed to and further strengthen “Challenge 40” key strategies and financial strategies. Samty will maintain an equity ratio of 30%, and as a growth engine, expand development of hotels and office buildings. In addition, we will achieve growth through expansion of our business area, and strengthening of non-asset businesses.

Key Strategies and Financial Strategies

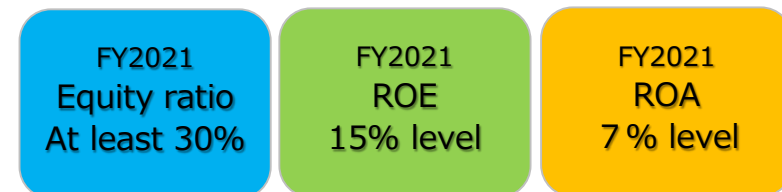


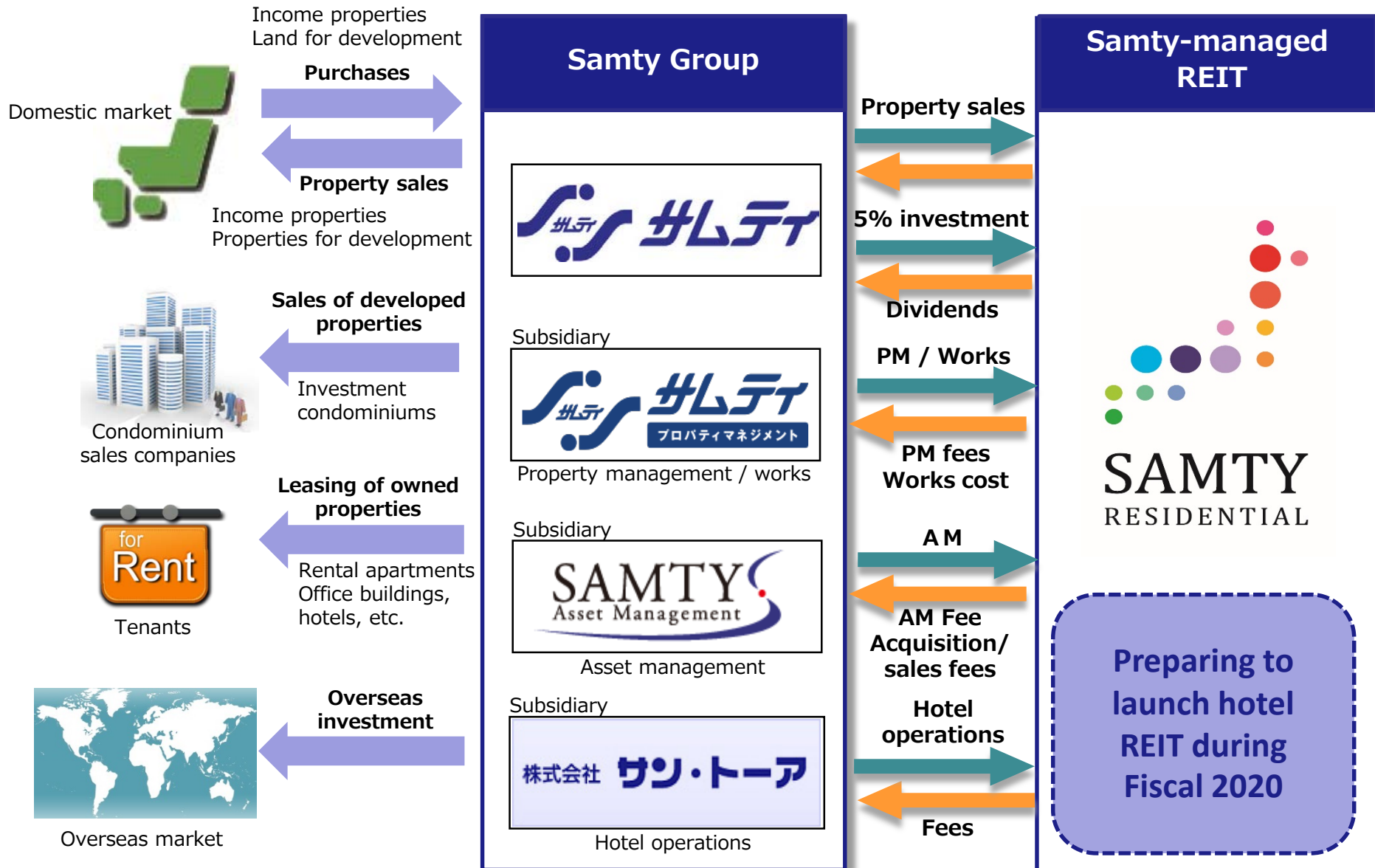
Target KPI (Key Performance Indicators)

	FY11/17	FY11/18	New Medium-term Plan	
	Result	Result	FY11/21	
			Target	
Operating income (¥mn)	10,131	14,033	20,000	level
ROE	15.8%	16.9%	15.0%	level
ROA *	6.6%	8.5%	7.0%	level
Capital-asset ratio	23.4%	37.9%	30.0%	or over

* ROA = Operating income / Total assets (Average of FY start and end)

Financial Strategy (Target indicators)

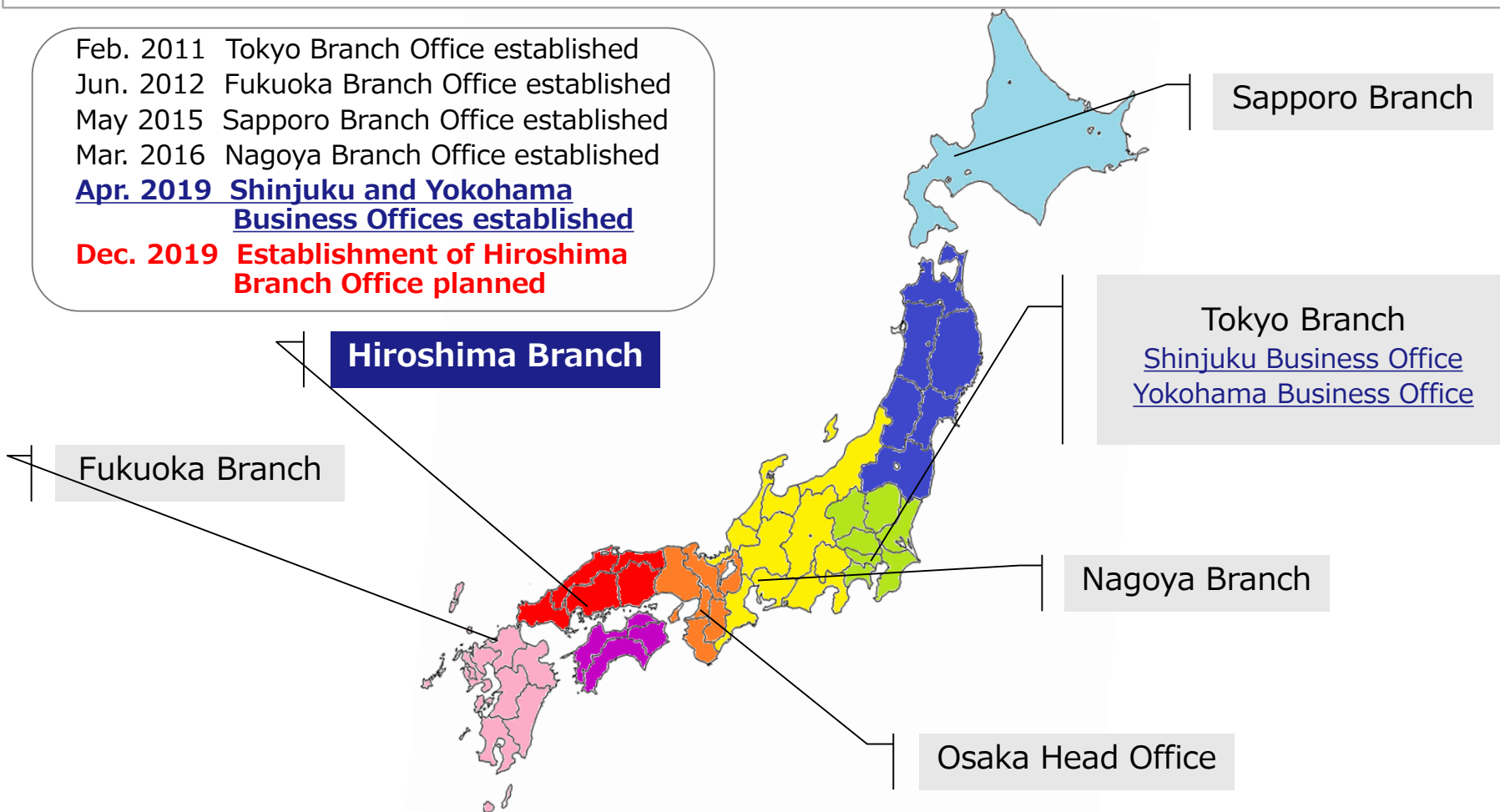




As part of the planned expansion of our business area, which is a key strategy of the "Samty Toughening Plan," the Shinjuku Business Office of the Tokyo Branch Office and the Yokohama Business Office opened on April 1, 2019, to expand the sales area in metropolitan regions.

In addition, on December 1, 2019, we plan to open a Hiroshima Branch Office and promote the acquisition of profitable real estate and the development of residences, offices and hotels in metropolitan areas and major regional cities nationwide.

- Feb. 2011 Tokyo Branch Office established
- Jun. 2012 Fukuoka Branch Office established
- May 2015 Sapporo Branch Office established
- Mar. 2016 Nagoya Branch Office established
- Apr. 2019 Shinjuku and Yokohama Business Offices established**
- Dec. 2019 Establishment of Hiroshima Branch Office planned**



Topics

- Investment in OSTAY, which operates Japan's finest overnight accommodation business and is developing multinationally



Aims of Investment

Synergistic effects expected!

- To expand the Samty Group's overseas business
- To expand the Samty Group's leasing and development businesses

Acquired Daiwa Securities Osaka Branch

Acquired Daiwa Securities Osaka Branch, which was owned by Daiwa Securities Group subsidiary Daiwa Property. Situated in highly prominent corner location in center of Osaka's commercial and office district. Demonstrating the Samty Group's real estate ownership and management functions and maintaining the building's sustainable and stable operation while considering advanced, effective ways to utilize the building for the future.



Name	Daiwa Securities Osaka Branch
Contract completion date	August 29, 2019
Date of acquisition	September 20, 2019
Address	1-13-20 Sonezakishinchi, Kita-ku, Osaka
Access	<p>(JR) One-minute walk from east ticket gate 11-43 exit from Kita-Shinchi Station on Tozai Line Osaka Station Central Exit</p> <p>(Metro) Exit F-92 from Osaka Station 3 Building from Higashi-Umeda Station on Tanimachi Line and Umeda Station on Midosuji Line</p> <p>On southwest corner of Shin-Umeda intersection</p>
Site area	1,140.84㎡
Total floor area	13,035.58㎡
Construction	Steel-reinforced concrete with flat roof, 11 floors above and three floors below ground
Month/year of construction	Newly built November 1986

Sales to Samty Residential Investment Corporation (SRR)

Sold 22 properties to SRR (Total: ¥18,872 million)

[Breakdown by Region]

Hokkaido	2 properties	¥827 million
Kanto	6 properties	¥9,571 million

Chubu	3 properties	¥1,980 million
Kansai	7 properties	¥3,480 million
Kyushu	4 properties	¥3,014 million

Contributing to SRR's Growth



SAMTY Miyakojima KERS



SAMTY Rafaie Nangodori



S-RESIDENCE Chikusa



SAMTY Saga Tenjin



SAMTY Residence Aobadai

Acquired (Planned) Properties



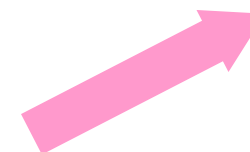
Property name	S-FORT Fujigaoka
Location	Meito-ku, Nagoya
Constructed	February 2008

Purpose of ownership
↓
Securing of revenue
↓
Raise value
↓
(Future) Realization of gain on sale

* Planned date of acquisition: January 31, 2020
We are planning to change the name after acquisition.

Trends in Scale of SRR's Assets

Growth in scale to over ¥100 billion



¥30.5 billion

¥108.9 billion

At time of listing

After this initiative

Key Strategies

Samty will invest a total of around ¥300 billion during the three-year period of the Samty Toughening Plan.

We will develop hotels and office buildings as the engine for Samty's growth.

Also, to strengthen the leasing business, ¥135 billion of this investment will be to acquire income properties, and bolster our asset portfolio.

Three-Year (2019-2021) Total Investment Amount

Approx. ¥300 billion (¥126.5 billion_(Note)/Rate of progress 42.2%)

Acquisition of
income properties
(fixed property)
(inventory property)

¥135bn



Progress status_(Note)

¥ 57.7bn

Rate of progress

42.8%

Development of
residential properties
(S-RESIDENCE)
(One-room apartments
for investors)

¥80bn



Progress status_(Note)

¥ 29.2bn

Rate of progress

36.6%

Development of hotels
and office buildings

¥ 85bn



Progress status_(Note)

¥ 39.5bn

Rate of progress

46.5%

(Note)The rate of progress of each of the abovementioned properties includes figures for contract completion and planned settlements. For the progress status figures, the figures for the total cost of the project are stated.

Had acquired land for projects equivalent to approx. ¥57.4 billion in assumed by end of 2Q.
Having accelerated settlements of contracted properties, the rate of progress on an acquisition amount basis is 98.1%.

Budget, Actual Results, Planned (Acquisition Amounts)

	Budget for whole year	Results up to 3Q of fiscal year ending November 30, 2019		Planned settlement (contract completion)
		Acquisition amount (Billions of yen)	Rate of progress	
Acquisition amount (Billions of yen)	25.0	23.9	95.6%	8.1

(Note) We list on acquisition amount of land base.

Actual Results/Plans (Number of Acquisitions)

	Results up to 3Q of fiscal year ending November 30, 2019						Planned settlement (contract completion)
	Hokkaido	Kanto	Chubu	Kansai	Kyushu	Total	
Number of Acquisitions	0	10	12	7	1	30	12
Residence	0	9	12	3	0	24	10
Hotel	0	1	0	3	1	5	1
Office Building	0	0	0	1	0	1	1

(3) [Real Estate Business] Sales Results

- Development and Renovation Securitization/Investment Unit Sales in Lots



A total of 48 properties sold: 12 S-RESIDENCE properties, two hotels and two other property as development securitization, plus 31 properties and a fixed asset as renovation securitization.

Budget and actual results

Number of sales (Buildings)	Budget for whole year	FY11/19 3Q Results	Rate of progress
Development securitization	16	16	100.0%
S-RESIDENCE	12	12	-
Hotel	2	2	-
Other	2	2	-
Renovation securitization	41	31	75.6%
Non-current assets	0	1	-
Total	57	48	84.2%

(Note) Including the sale, announced on May 30, 2019, of the Mercure Kyoto Station hotel site.



S-RESIDENCE Awaza WEST

Cumulative total by area

Number of sales (Buildings)	Hokkaido	Kanto	Chubu	Kansai	Chugoku · Shikoku	Kyushu	合計
Development securitization	0	7	3	9	0	0	16
S-RESIDENCE	0	7	3	2	0	0	12
Hotel	0	0	0	2	0	0	2
Other	0	0	0	2	0	0	2
Renovation securitization	2	10	2	10	0	7	31
Non-current assets	0	0	0	1	0	0	1
Total	2	17	5	20	0	7	48

(4) [Real Estate Business] Residence Development Projects

[Key Strategy 2]



FY Completed	Property Name / Project Name	Location	No. of Units
2019	S-RESIDENCE Meito-ku Homgo 3cho-me PJ	Meito-ku, Nagoya	77
	S-RESIDENCE Kita-ku, Shigahontori 1cho-me II PJ	Kita-ku, Nagoya	108
	S-RESIDENCE Kita-ku Shimo 2cho-me PJ	Kita-ku, Tokyo	28
	S-RESIDENCE Taito-ku Torigoe 1cho-me PJ	Taito-ku, Tokyo	49
	SAMTY Higashiyodogawa-ku Higashinakajima 1cho-me III PJ	Higashiyodogawa-ku, Osaka	48
	SAMTY Naniwa-ku Nippombashi 5cho-me II PJ	Naniwa-ku, Osaka	45
	Total 6 buildings		355
2020	S-RESIDENCE Kita-ku Kurokawahontori 2cho-me PJ	Kita-ku, Nagoya	105
	S-RESIDENCE Nishi-ku Minamihorie 3cho-me PJ	Nishi-ku, Osaka	55
	S-RESIDENCE Nerima-ku Asahicho 3cho-me PJ	Nerima-ku, Tokyo	61
	S-RESIDENCE Ota-ku Nishikamata 7cho-me PJ	Ota-ku, Tokyo	42
	S-RESIDENCE Taito-ku Taito 2cho-me II PJ	Taito-ku, Tokyo	74
	S-RESIDENCE Taito-ku Kuramae 2cho-me PJ	Taito-ku, Tokyo	47
	S-RESIDENCE Kita-ku Nishitenma 3cho-me PJ	Kita-ku, Osaka	180
	S-RESIDENCE Chikusa-ku Imaikeminami PJ	Chikusa-ku, Nagoya	54
	S-RESIDENCE Sumida-ku Ishihara 1cho-me PJ	Sumida-ku, Tokyo	30
	S-RESIDENCE Chikusa-ku Kiyozumicho 1cho-me PJ	Chikusa-ku, Nagoya	34
	S-RESIDENCE Showa-ku Hirojitori 2cho-me PJ	Showa-ku, Nagoya	27
	S-RESIDENCE Ota-ku Yaguchi 1cho-me PJ	Ota-ku, Tokyo	38
	S-RESIDENCE Chiyoda-ku Higashikanda 2cho-me PJ	Chiyoda-ku, Tokyo	51
	S-RESIDENCE Sumida-ku Midori 1cho-me PJ	Sumida-ku, Tokyo	30
	S-RESIDENCE Ota-ku Sanno 3cho-me PJ	Ota-ku, Tokyo	48
	S-RESIDENCE Kita-ku Kurokawahontori 3cho-me PJ	Kita-ku, Nagoya	77
	S-RESIDENCE Toda-shi Shimomae 2cho-me PJ	Toda-shi, Saitama	40
	S-RESIDENCE Nakamura-ku Meiekiminami 3cho-me PJ	Nakamura-ku, Nagoya	44
	S-RESIDENCE Mizuho-ku Naeshirocho PJ	Mizuho-ku, Nagoya	36
	S-RESIDENCE Kawasaki-ku Ikeda 1cho-me PJ	Kawasaki-shi, Kanagawa	77
	S-RESIDENCE Adachi-ku Senjutsutacho PJ	Adachi-ku, Tokyo	46
	S-RESIDENCE Taito-ku Imado 2cho-me PJ	Taito-ku, Tokyo	47
	SAMTY Nishiyodogawa-ku Himesato 2cho-me II PJ	Nishiyodogawa-ku, Osaka	130
	SAMTY Nishiyodogawa-ku Hanakawa 2cho-me PJ	Nishiyodogawa-ku, Osaka	72
	SAMTY Minato-ku Yunagi 1cho-me PJ	Minato-ku, Osaka	54
	SAMTY Suita-shi Tarumicho 3cho-me II PJ	Suita-shi, Osaka	49
	SAMTY Fukushima-ku Ebie 1cho-me II PJ	Fukushima-ku, Osaka	169
	Total 27 buildings		1,717

FY Completed	Property Name / Project Name	Location	No. of Units
2021	S-RESIDENCE Meito-ku Homgo 2cho-me PJ	Meito-ku, Nagoya	183
	S-RESIDENCE Atsuta-ku Yokota 1cho-me PJ	Atsuta-ku, Nagoya	77
	S-RESIDENCE Yokkaichi-shi Motomachi PJ	Yokkaichi-shi, Mie	60
	S-RESIDENCE Taito-ku Asakusa 6cho-me PJ	Taito-ku, Tokyo	49
	S-RESIDENCE Kita-ku Oji 2cho-me PJ	Kita-ku, Tokyo	36
	S-RESIDENCE Nishi-ku Kujo 2cho-me PJ	Nishi-ku, Osaka	90
	S-RESIDENCE Nishi-ku Kodama 1cho-me PJ	Nishi-ku, Nagoya	88
	S-RESIDENCE Nishi-ku Noritakeshinmachi 3cho-me PJ	Nishi-ku, Nagoya	40
	S-RESIDENCE Mizuho-ku Yanagaecho 2cho-me	Mizuho-ku, Nagoya	56
	S-RESIDENCE Higashi-ku Aoi 3cho-me PJ	Higashi-ku, Nagoya	95
	S-RESIDENCE Ichikawa-shi Ichikawaminami 3cho-me PJ	Ichikawa-shi, Chiba	46
	S-RESIDENCE Naka-ku Kamimaezu 2cho-me PJ	Naka-ku, Nagoya	56
	S-RESIDENCE Yodogawa-ku Niitaka 3cho-me PJ	Yodogawa-ku, Osaka	60
	S-RESIDENCE Atsuta-ku Gobancho PJ	Atsuta-ku, Nagoya	60
	S-RESIDENCE Kita-ku Onaritori 3cho-me PJ	Kita-ku, Nagoya	66
	S-RESIDENCE Arakawa-ku Higashinippori 4cho-me PJ	Arakawa-ku, Tokyo	29
	S-RESIDENCE Chiyoda-ku Iwamotocho 1cho-me	Chiyoda-ku, Tokyo	39
	S-RESIDENCE Tenpaku-ku Furukawacho PJ	Tenpaku-ku, Nagoya	60
	S-RESIDENCE Ichinomiya-shi Sakae 2cho-me PJ	Ichinomiya-shi, Aichi	55
	S-RESIDENCE Chikusa-ku Shirutanicho PJ	Chikusa-ku, Nagoya	54
	S-RESIDENCE Kita-ku Ozone 3cho-me PJ	Kita-ku, Nagoya	56
	S-RESIDENCE Chikusa-ku Nakata 2cho-me PJ	Chikusa-ku, Nagoya	36
	S-RESIDENCE Nishi-ku Nagono 2cho-me PJ	Nishi-ku, Nagoya	32
	S-RESIDENCE Settsu-shi Senrioka 1cho-me PJ	Settsu-shi, Osaka	75
	S-RESIDENCE Kita-ku Toshima PJ	Kita-ku, Tokyo	31
	S-RESIDENCE Kohoku-ku Shinoharahigashi 2cho-me PJ	Kohoku-ku, Yokohama	42
	S-RESIDENCE Bunkyo-ku Honkomagome 5cho-me PJ	Bunkyo-ku, Tokyo	49
	S-RESIDENCE Nishi-ku Shonaitori 5cho-me PJ	Nishi-ku, Nagoya	68
	S-RESIDENCE Chikusa-ku Uchiyama 3cho-me II PJ	Chikusa-ku, Nagoya	60
	S-RESIDENCE Nishi-ku Shonaitori 2cho-me PJ	Nishi-ku, Nagoya	45
	S-RESIDENCE Nishi-ku Sengen 1cho-me PJ	Nishi-ku, Nagoya	36
	S-RESIDENCE Nakamura-ku Toyokunitori 4cho-me PJ	Nakamura-ku, Nagoya	70
	S-RESIDENCE Nishi-ku Kaminagoya 2cho-me PJ	Nishi-ku, Nagoya	58
	SAMTY Naniwa-ku Nippombashi 5cho-me III PJ	Naniwa-ku, Osaka	98
	Total 34 buildings		2,055
	Total 67 buildings		4,127

Note: With regard to S-RESIDENCE, we have granted preferred negotiation rights to Samty Residential Investment Corporation, but as of the end of August 2019 there was no agreement to buy or sell with Samty Residential Investment Corporation.

The rate of progress with regard to the full-year budget is 89.5%. From the fourth quarter onward, the Property Leasing Business plans to acquire 18 properties in major cities across Japan for approximately ¥21.9 billion. The Business is on track to achieve its full-year budget.

Budget, Actual Results, Planned (Acquisition Amounts)

	Budget for whole year	2019 FY11/19 3Q Results		Planned settlement (contract completion)
		Acquisition amount (Billions of yen)	Rate of progress	
Acquisition amount (Billions of yen)	40.0	35.8	89.5%	21.9

Actual Results/Plans (Number of Acquisitions)

	2019 FY11/19 3Q Results							Planned settlement (contract completion)
	Hokkaido	Kanto	Chubu	Kansai	Chugoku	Kyushu	Total	
Number of Acquisitions	7	7	7	11	1	8	41	18
Residence	7	5	7	11	0	8	38	17
Hotel	0	0	0	0	1	0	1	0
Office Building	0	2	0	0	0	0	2	1



Hatsudai Center Building



Garuda Funabashi Honcho



SAMTY Atsuta RESIDENCE



SAMTY Abenoshowacho

Development Plan for Hotels and Office Buildings

FY Start	Type	Project Name (provisional)	Location	No. of Units
2020	Hotel	Mercure Kyoto Station	Shimogyo-ku, Kyoto	225
	Hotel	Ibis Styles Nagoya	Nakamura-ku, Nagoya	284
	Office building	Yodogawa-ku Nishimiyahara 1cho-me PJ	Yodogawa-ku, Osaka	-
	Office building	Chuo-ku Odorinishi 5Cho-me PJ	Chuo-ku, Sapporo	-
Total 4 buildings				509
2021	Hotel	Kyoto Shijo-karasuma kita HOTEL PJ	Shimogyo-ku, Kyoto	80
	Hotel	Kyoto Shijo-karasuma minami HOTEL PJ	Shimogyo-ku, Kyoto	140
	Hotel	Kyoto Oike HOTEL PJ	Nakagyo-ku, Kyoto	120
Total 3 buildings				340
2022	Hotel	Haneda HOTEL PJ	Ota-ku, Tokyo	362
	Hotel	Fukuoka Hotel PJ	Fukuoka	87
Total 2 buildings				449
Total 9 buildings				1,298



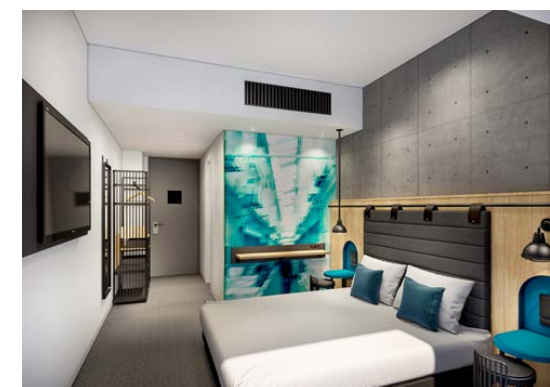
(Office development project)
 SAMTY Odorinishi 5cho-me PJ
 (Scheduled for completion in 2020)



(Office development project)
 Yodogawa-ku Nishimiyahara 1cho-me PJ
 (Scheduled for completion in 2020)



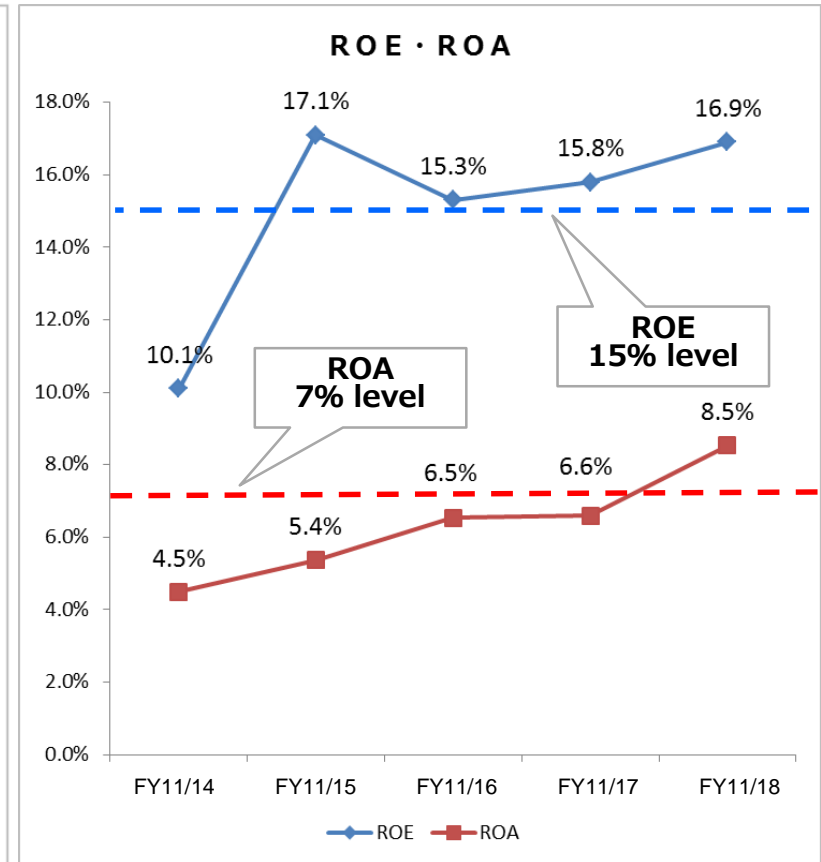
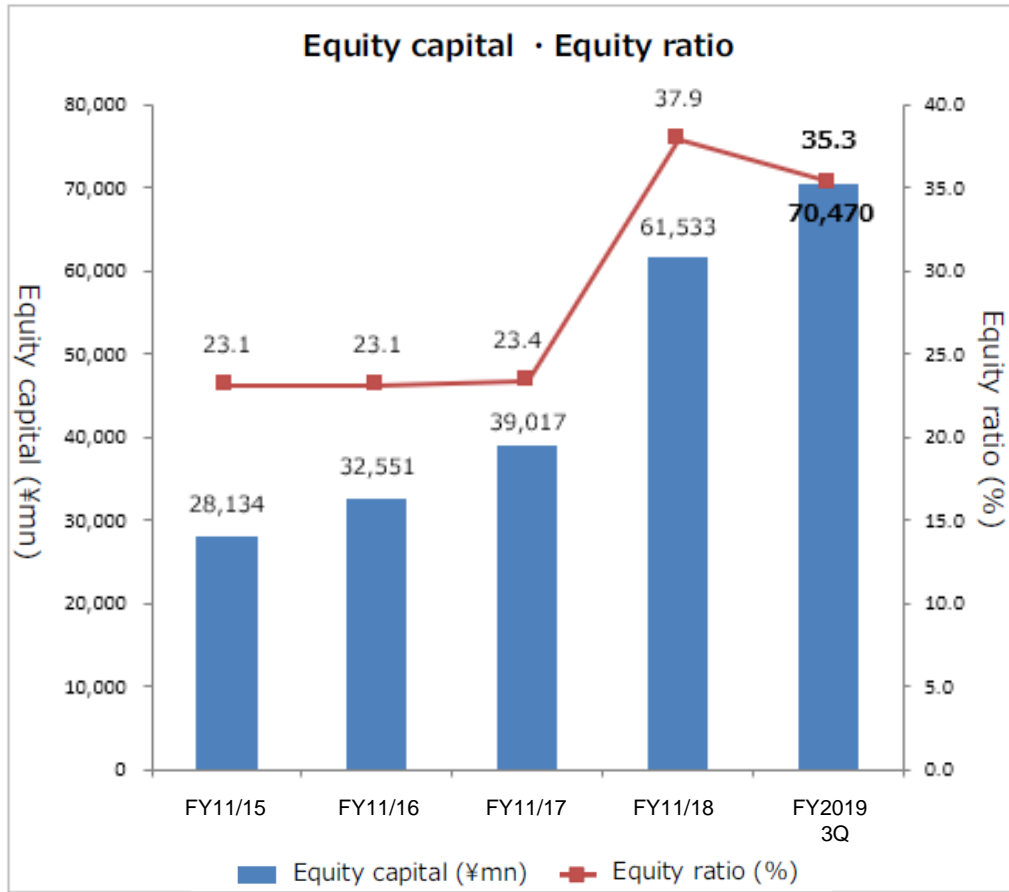
Mercure Kyoto Station (Lobby)



Ibis Styles Nagoya (Guest room)

Note: The abovementioned development project figures are correct as of the date of this document but there remains the possibility that these will change.

In addition to self-financing through rights offerings and property sales, we use borrowing to actively acquire earning real estate. The capital ratio is maintained at above 30%, as planned.



*ROA=Operating income/total assets (beginning and ending balance average)

Forecasts for Year Ending November 30, 2019

Net sales ¥86.0 billion, Operating income ¥16.0 billion, ordinary income ¥13.5 billion planned

Sales plan	Development securitization: Sell 14 properties, net sales approx. ¥36.0 billion Renovation securitization: Sell 41 properties, net sales approx. ¥37.0 billion Investment condominiums: Sell 2 properties 93 units, net sales approx. ¥1.3 billion
Investment plan	Acquisitions of land for development: approx. ¥25.0 billion Acquisitions of profitable real estate: approx. ¥40.0 billion
Shareholder returns	Paying interim dividend from current fiscal year Interim ¥35, end of year ¥42 Plan to increase dividend by ¥9 as a normal dividend and pay dividend of ¥77 per share

(Unit: Millions of yen)	FY11/18		FY11/19		FY11/19		Year on year	
	Actual	Ratio	Full-year Forecast (before revision)	Ratio	Full-year Forecast (after revision)	Ratio	Increase/decrease	Rate of increase/decrease
Net sales	84,274	100.0	86,000	100.0	86,000	100.0	+1,726	+2.0%
Real Estate Business	75,143	89.2	75,100	87.3	75,100	87.3	-43	-0.1%
Property Leasing Business	6,807	8.1	6,800	7.9	6,800	7.9	-7	-0.1%
Other Business	2,491	3.0	4,400	5.1	4,400	5.1	+1,909	+76.6%
Adjustment	-167	-	-300	-	-300	-	-133	-
Operating income	14,033	100.0	15,000	100.0	16,000	100.0	+1,967	+14.0%
Real Estate Business	15,547	110.8	17,300	115.3	18,300	114.4	+2,753	+17.7%
Property Leasing Business	1,907	13.6	2,200	14.7	2,600	16.3	+693	+36.3%
Other Business	83	0.6	500	3.3	100	0.6	+17	+20.5%
Adjustment	-3,504	-	-5,000	-	-5,000	-	-1,496	-
Ordinary income	11,635	-	13,000	-	13,500	-	+1,865	+16.0%
Net income	8,489	-	9,000	-	9,500	-	+1,011	+11.9%
Dividends per share (Yen)	68.00	-	75.00	-	77.00	-	+9.00	+13.2%
Net income per share (Yen)	283.89	-	236.44	-	240.99	-	-42.9	-15.1%

Third Quarter of Fiscal Year Ending November 30, 2019

Overview of Financial Results

Overview

In the third quarter of the fiscal year ending November 30, 2019, sales of profitable real estate in the real estate business proceeded smoothly amid ongoing active real estate market conditions. Net sales increased 15.8% year on year to ¥71,789 million, operating income rose 46.0% to ¥14,810 million, ordinary income climbed 54.1% to ¥13,148 million, and net income increased 48.4% to ¥9,325 million. There were also firm third-quarter increases in each of operating profit margin (20.6%, up 4.2 points year on year), ordinary profit margin (18.3%, up 4.5 points), and net profit margin (13.0%, up 2.9 points), thus we recorded increases in income and profit.

Furthermore, sales are almost in line with the forecast for the full fiscal year. In terms of profit, we achieved a high rate of progress because we sold high-margin development properties, such as hotels.

(Unit: Millions of yen)	FY11/18 3Q Results		FY11/19 3Q Results		Year on year Increase/decrease		FY11/19 Full-year Forecast (after revision)	Rate of progress
		Ratio		Ratio		Rate of increase/ decrease		
Net sales	61,981	100.0	71,789	100.0	+9,808	+15.8%	86,000	83.5%
Cost of sales	46,930	75.7	50,378	70.2	+3,448	+7.3%	-	-
Selling, general and administrative expenses	4,910	7.9	6,601	9.2	+1,691	+34.4%	-	-
Operating income	10,140	16.4	14,810	20.6	+4,669	+46.0%	16,000	92.6%
Non-operating income	46	0.1	42	0.1	-4	-9.6%	-	-
Non-operating expenses	1,655	2.7	1,703	2.4	+48	+2.9%	-	-
Ordinary income	8,531	13.8	13,148	18.3	+4,616	+54.1%	13,500	97.4%
Extraordinary income	918	1.5	259	0.4	-659	-	-	-
Extraordinary loss	106	0.2	4	0.0	-102	-	-	-
Profit attributable to owners of parent	6,285	10.1	9,232	12.9	+2,946	+46.9%	9,500	97.2%
Net income per share (Yen)	(Note) 222.86	-	237.25	-	+14	-4.7%	240.99	-

(Note) New stock acquisition rights were allocated gratis based on the rights offering on September 30, 2018, and the payments completed. Calculated based on the average number of shares during the third quarter of the fiscal year ended November 30, 2018, assuming that the stock split equivalent to the payment based on the rights offering was made at the beginning of the previous consolidated fiscal year.

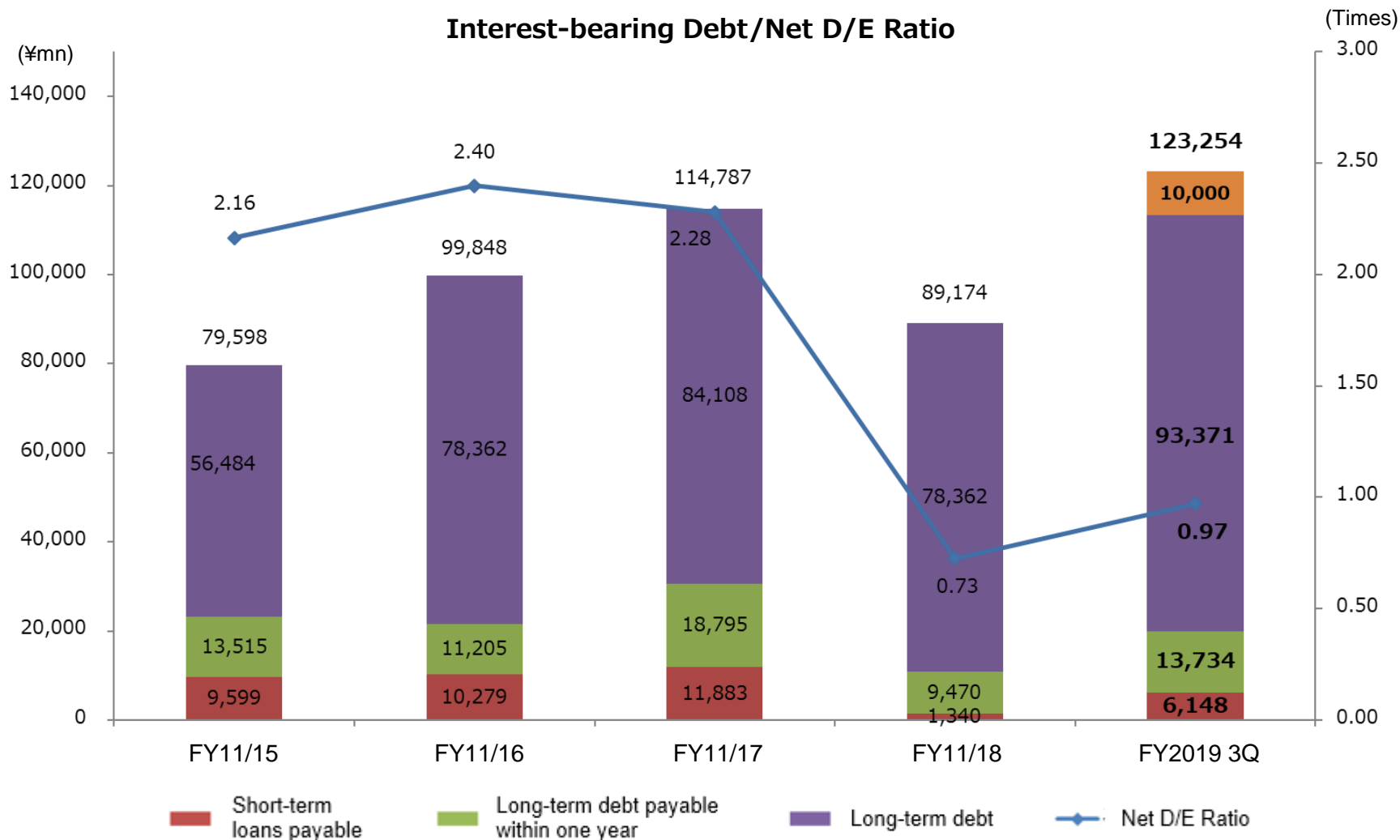
Overview

Making effective use of funds raised through rights offerings and property sales, the Company actively acquires land for development and profitable real estate.

While working to expand its assets, the Company also safeguards an equity ratio of 30% or higher and maintains a sound financial position.

(Unit: Millions of yen)	FY11/18 Period-end results	FY11/19 3Q Results	Increase/ decrease	Main Reasons for Increase/Decrease
Total assets	162,500	199,770	+37,269	◇ Real Estate Properties for Sale
Current assets	107,904	118,827	+10,923	Property acquisitions +¥16,586 million
Cash and deposits	44,510	44,692	+182	Property completion/development costs +¥25,899 million
Real estate for sale	26,181	28,006	+1,824	Transfers and other +¥5,632 million
Real estate for sale under construction	34,886	43,151	+8,265	Property sales (¥46,293 million)
Non-current assets	54,595	80,942	+26,346	◇ Real Estate for Sales in Progress
Property and equipment	46,539	64,530	+17,990	Acquisitions of land for development +¥29,805 million
Intangible assets	172	195	+22	Transfers and other (¥21,540 million)
Investments and other assets	7,883	16,216	+8,332	
Total Liabilities	100,061	128,689	+28,627	◇ Shareholders' Equity
Current liabilities	19,779	23,249	+3,470	Net income for quarter +¥9,232 million
Short-term borrowings	1,340	6,148	+4,807	Disposal of treasury shares +¥2,779 million
Current portion of long-term debt	9,470	13,734	+4,263	Dividend payments (¥3,961 million)
Non-current liabilities	80,282	105,439	+25,157	
Long-term debt	78,362	93,371	+15,008	
Bonds with share acquisition rights	-	10,000	+10,000	
Total net assets	62,438	71,080	+8,642	
Total liabilities and net assets	162,500	199,770	+37,269	
Interest-bearing debt	89,174	123,254	+34,079	
Shareholders' equity	61,404	69,948	+8,544	
Equity ratio (%)	37.9%	35.3%	-2.6%	

Long-term debt increased due to active acquisition of profitable real estate
Interest-bearing debt increased, but net D/E ratio remained at 0.97 times

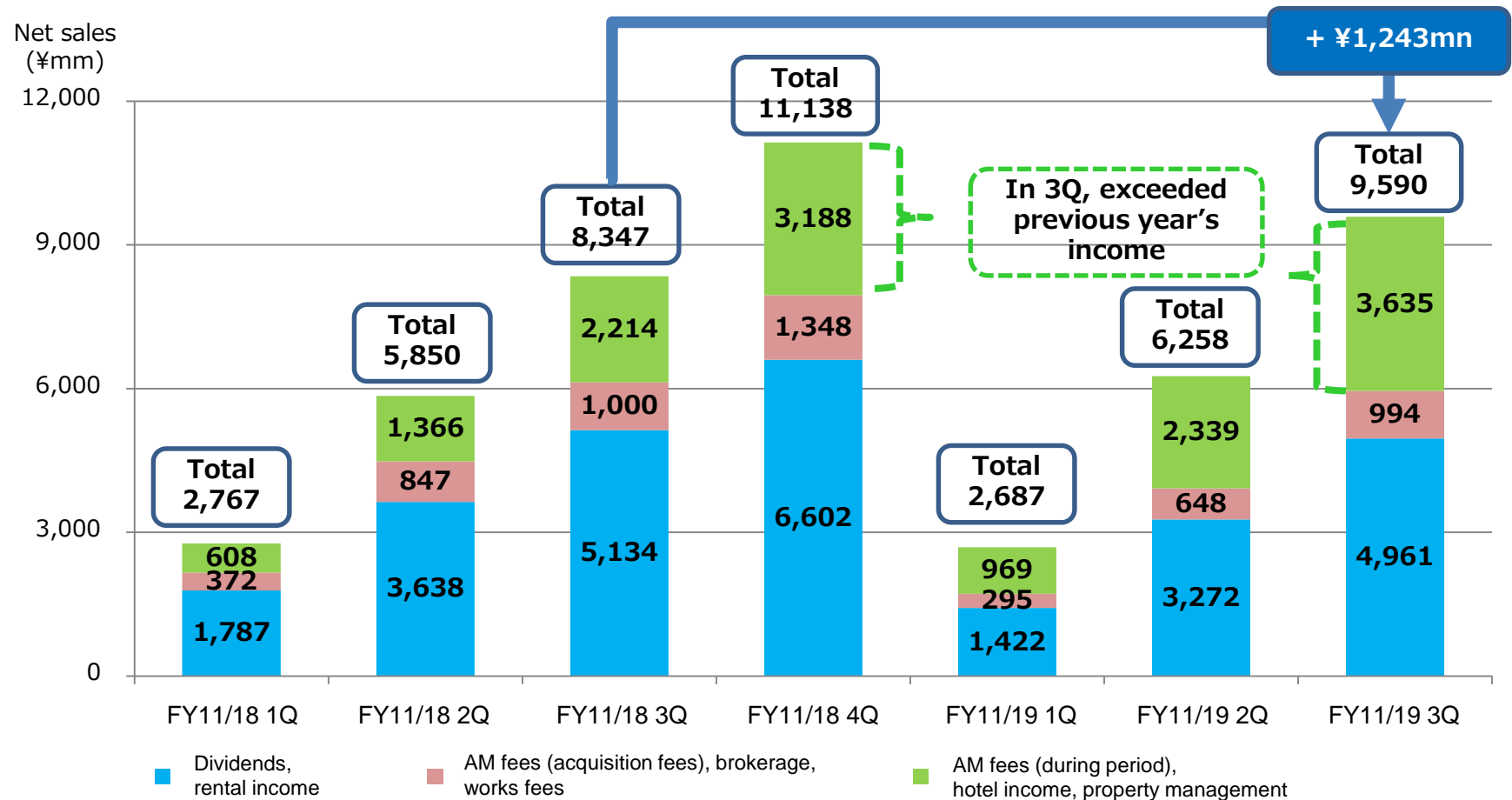


*Net Debt Equity Ratio= (Interest-bearing debt - Cash and deposits) ÷ Shareholders' equity

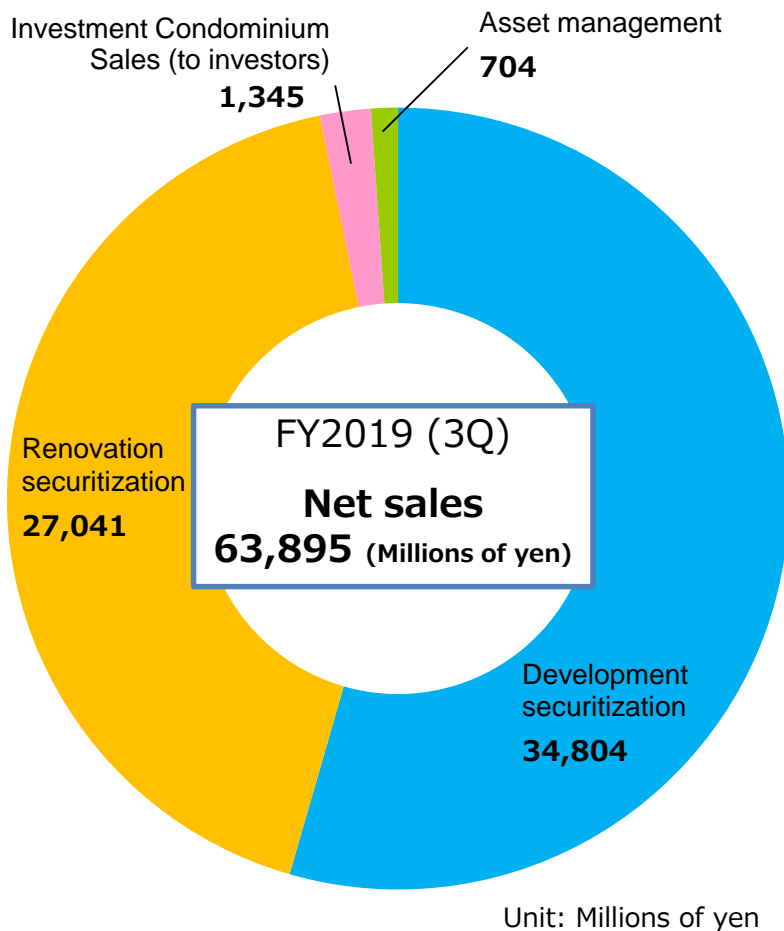
		Net sales	YoY
Real Estate Business	In sales of developed real estate we recorded steady performance centered on sales to REITs, and net sales and operating income increased year on year. Particularly with regard to operating income, we achieved a high rate of progress because we sold high-margin development properties, such as hotels.	¥63,896mn	+15.5%
Property Leasing Business	In the Property Leasing business, the occupancy rates of real estate under ownership remains high. As in the real estate business, sales were temporarily down year on year because of the Company's active promotion of sales of properties under ownership. Progress has been almost as expected in the full-year forecast.	¥4,959mn	-5.0%
Other Business	In accordance with the steady occupancy rates at S-PERIA Hotel Hakata and the openings of the S-PERIA INN Nihombashihakozaki, S-PERIA INN Osakahommachi and S-PERIA Hotel Kyoto, sales increased by 100.9% year on year.	¥3,209mn	+100.9%

(Unit: Millions of yen)	FY11/18 3Q Results		FY11/19 3Q Results		Year on year Increase/decrease		FY11/19 Full-year Forecast (after revision)	Rate of progress
		Ratio		Ratio		Rate of increase/ decrease		
Net sales	61,981	100.0	71,789	100.0	+9,808	+15.8%	86,000	83.5%
Real Estate Business	55,303	89.2	63,896	89.0	+8,593	+15.5%	75,100	85.1%
Property Leasing Business	5,221	8.4	4,959	6.9	-261	-5.0%	6,800	72.9%
Other Business	1,597	2.6	3,209	4.5	+1,611	+100.9%	4,400	72.9%
Adjustment	-141	-	-275	-	-134	-	-300	-
Operating income	10,140	100.0	14,810	100.0	+4,669	+46.0%	16,000	92.6%
Real Estate Business	10,953	108.0	16,024	108.2	+5,070	+46.3%	18,300	87.6%
Property Leasing Business	1,491	14.7	1,850	12.5	+359	+24.1%	2,600	71.2%
Other Business	14	0.1	16	0.1	+2	+15.3%	100	16.0%
Adjustment	-2,318	-	-3,080	-	-762	-	-5,000	-

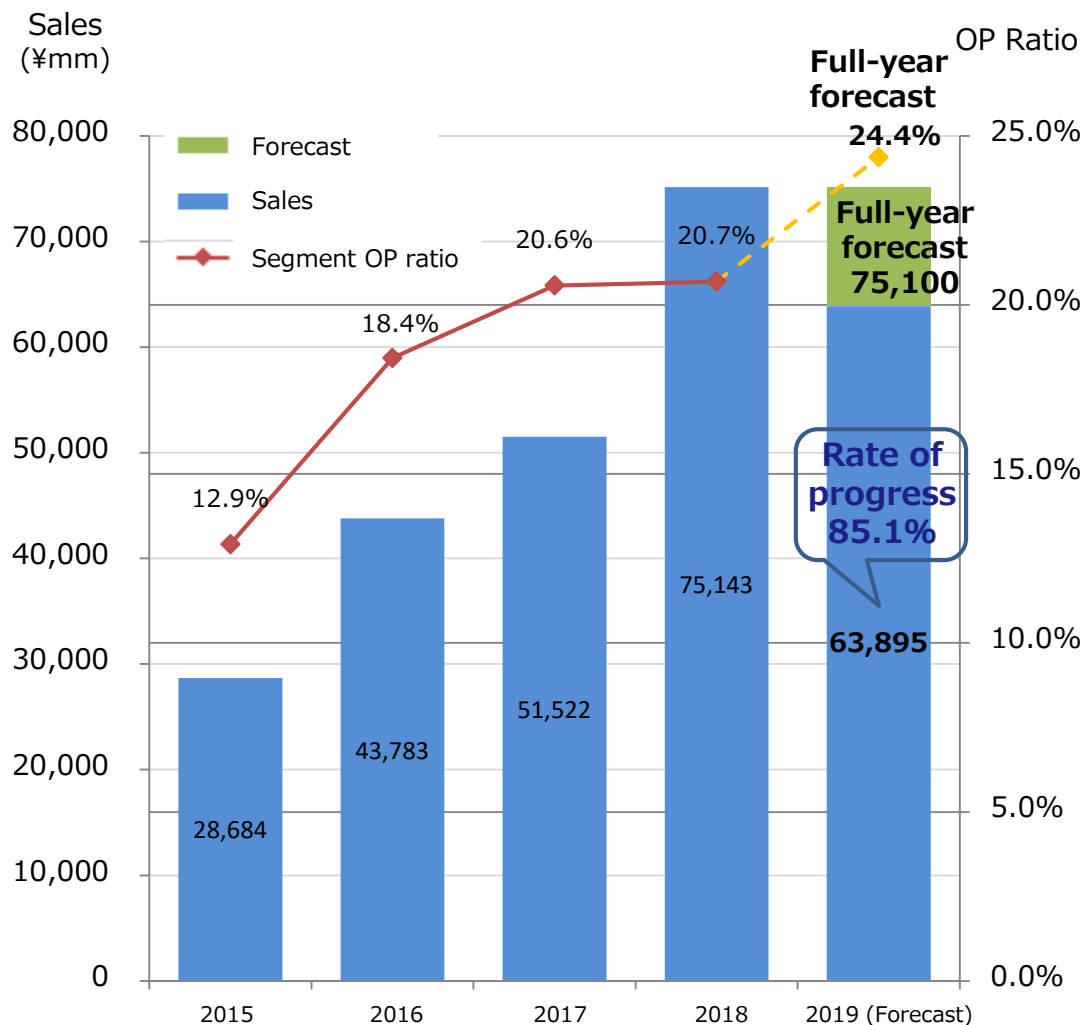
- With regard to dividends and rental income, since we are promoting the sale of properties in order to contribute to REIT growth, a temporary decline in property holdings resulted in a decline in revenue.
- In contrast, with regard to AM fees (during the period), which were stable, hotel income and property management fees, all recorded increases due to the expansion of the REIT'S scale and the accompanying increase in the number of properties under management, and the increase in hotel income due to the stable operation of S-PERIA Hotel Hakata.
- As a result, overall profit increased to a total of ¥1,243 million compared with the same quarter in the previous year.



Net Sales by Asset Category



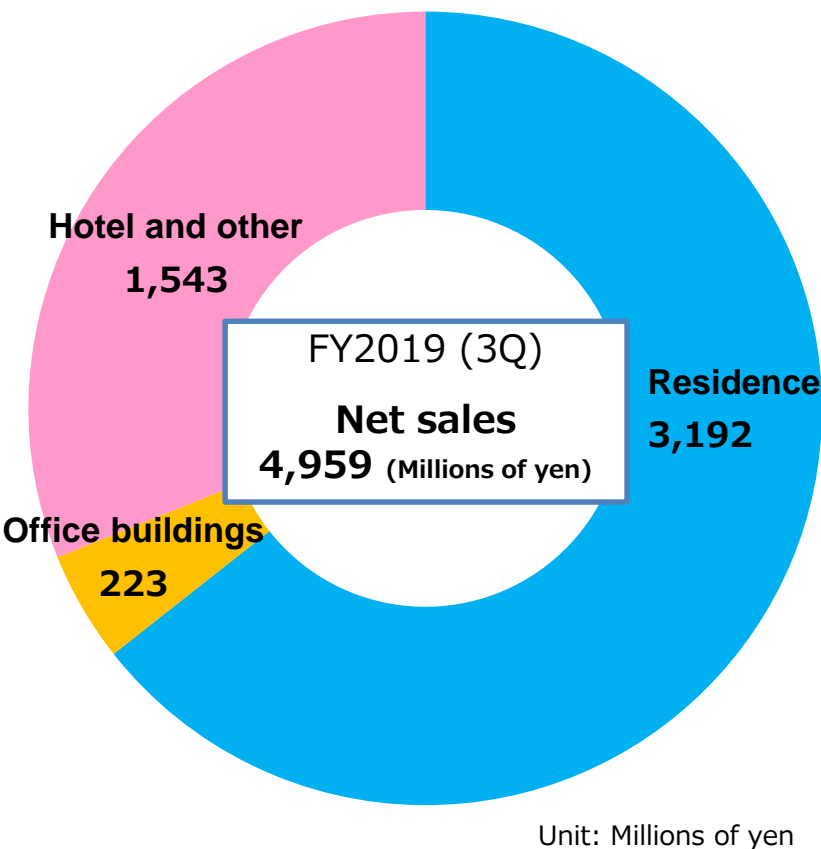
Segment Sales and Operating Profit Ratio



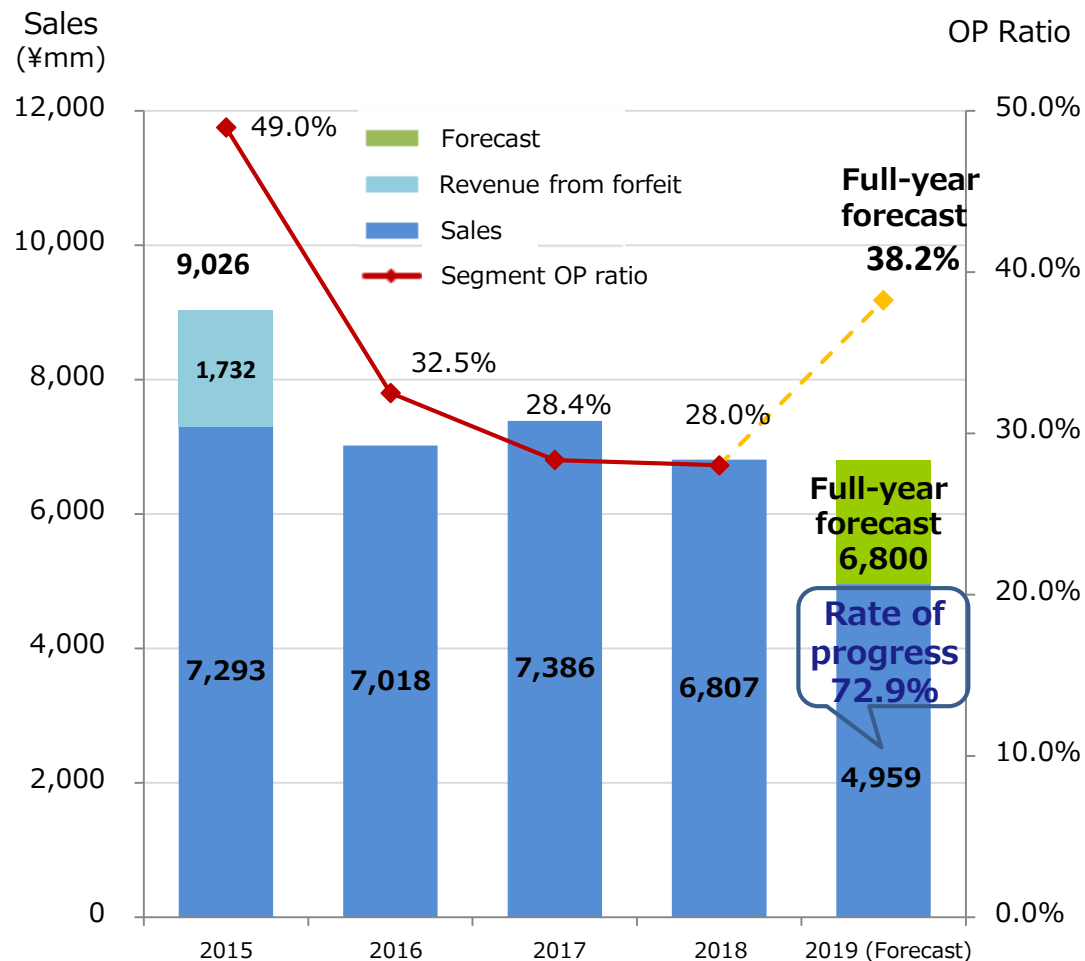
Note: Segment sales figures for FY2019 are after intersegment eliminations, while total sales amount figure is prior to intersegment eliminations.

Note: Forecast net sales figure for 2019 is prior to intersegment eliminations.

Net Sales by Asset Category



Segment Sales and Operating Profit Ratio

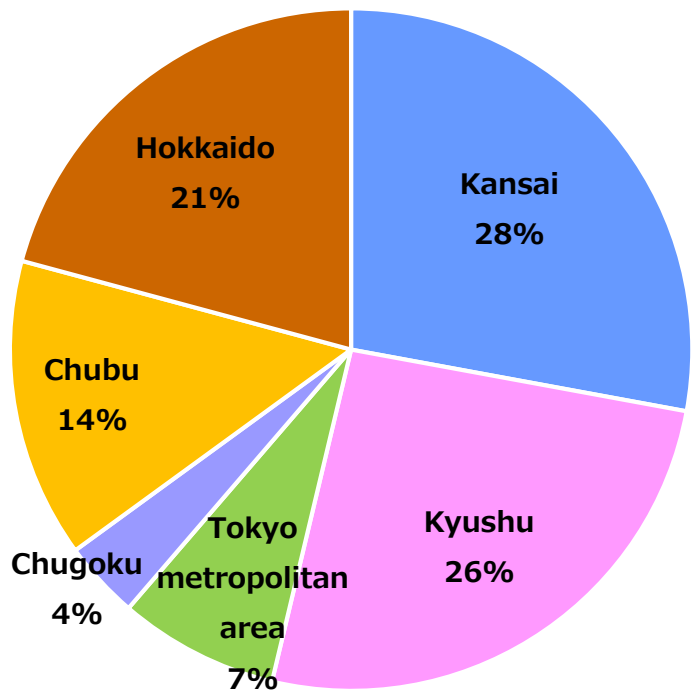


Note: Segment sales figures for FY2019 are after intersegment eliminations, while total sales amount figure is prior to intersegment eliminations.

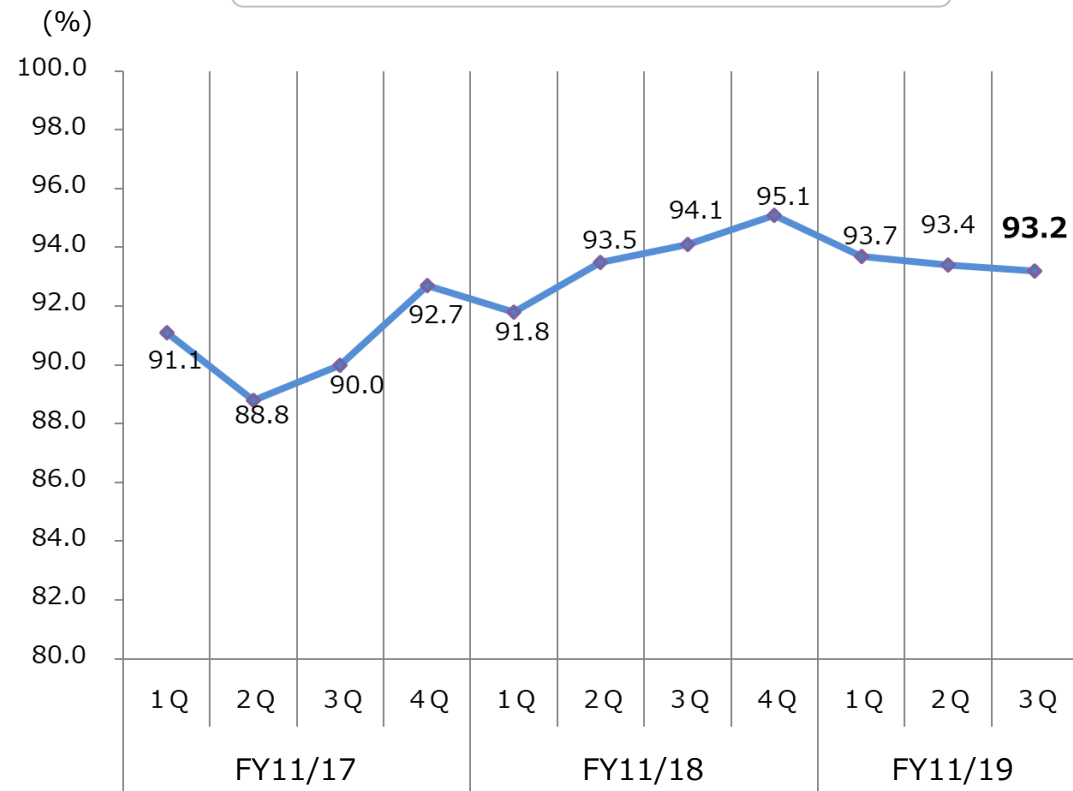
Note: Forecast net sales figure for 2019 is prior to intersegment eliminations.

- Diversified asset holdings centered on ordinance-designated cities and regional hub cities
 - ◇ Competition for property transactions limited
 - ◇ Relatively high profitability compared with Tokyo metropolitan area
- Maintaining high occupancy rates of around 90% for residences

Asset Holdings by Region



Occupancy Rate of Residences



(Note 1) As of end of third quarter of fiscal year ending November 30, 2019

(Note 2) Profitable real estate held by Samty on non-consolidated basis (fixed assets + real estate for sale)

(Note 3) Excluding development properties, such as S-RESIDENCE

(Note 4) Average occupancy rate at end of each quarter

(*) Total floor area basis (weighted average):

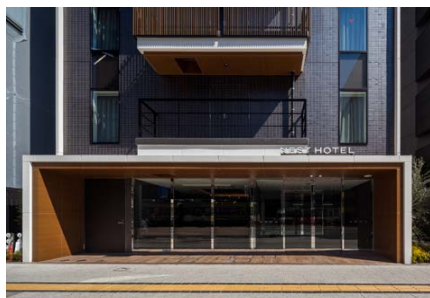
Total leased area of each property / Total leasable area

Hotels in Which Samty Participates

Hotel Name	Location	No. of Guest Rooms
Center Hotel Tokyo	Chuo-ku, Tokyo	108
Amano Hashidate Hotel	Miyazu, Kyoto	86
GOZAN	Higashiyama-ku, Kyoto	21
S-PERIA Hotel Nagasaki	Nagasaki, Nagasaki	155
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	160
SMART HOTEL kutchan	Abutagun, Hokkaido	67
S-PERIA Hotel Hakata	Hakata-ku, Fukuoka	287
S-PERIA INN Nihombashi Hakozaeki	Chuo-ku, Tokyo	114
S-PERIA INN Osaka Hommachi	Nishi-ku, Osaka	125
S-PERIA Hotel Kyoto	Shimogyo-ku, Kyoto	165
NEST HOTEL Hiroshima Hatchobori	Naka-ku, Hiroshima	126
Total		1,414

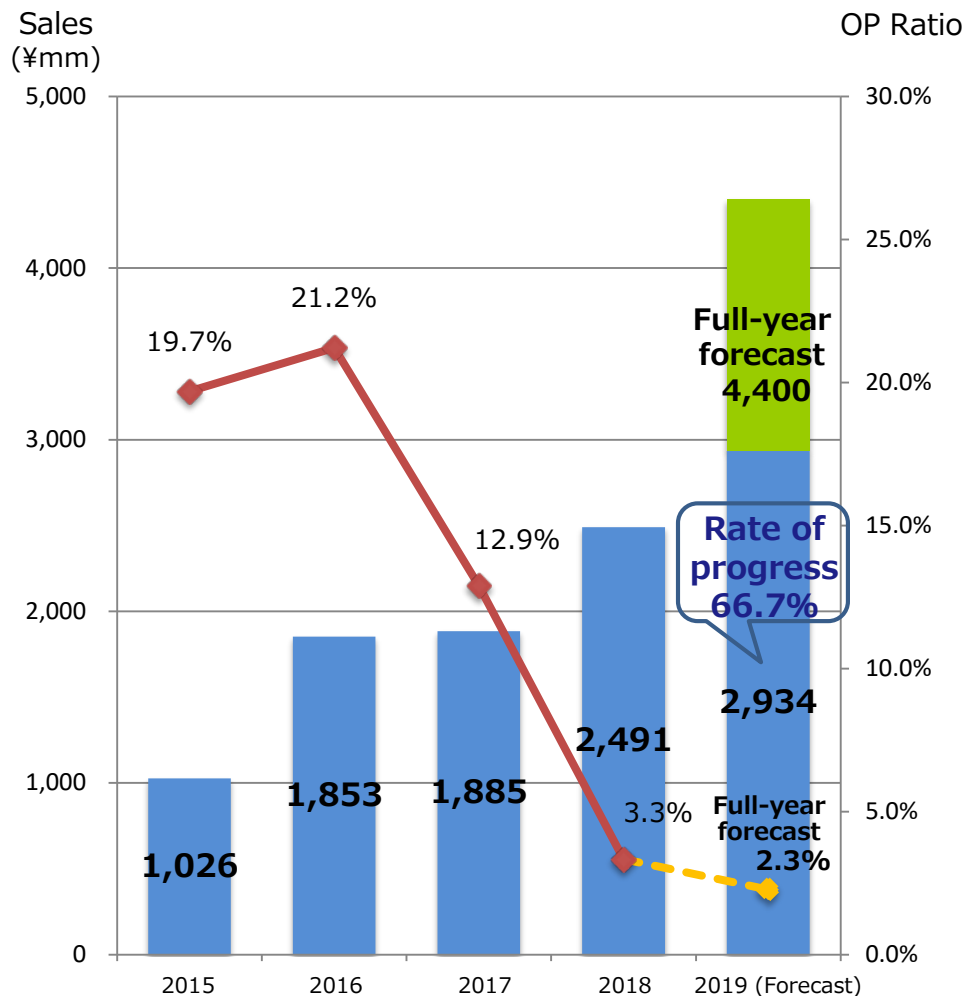


S-PERIA HOTEL Kyoto (Lobby)



NEST HOTEL Hiroshima Hatchobori (Exterior)

Segment Sales and Operating Profit Ratio



Note: Forecast net sales figure for 2019 is prior to intersegment eliminations.

This document includes forecasts of future business performance and statements concerning development plans, numerical targets, etc.

These statements are based on the information available at the time of preparation and certain subjective assumptions we have made that depend on uncertain factors. As such, they are subject to underlying risks and uncertainties.

There is no guarantee that these statements will match future events.

Actual results could differ from the projections made within this document due to changes in economic conditions, market trends, the business environment and other factors.

Moreover, while utmost care has been taken in the preparation of this document, we cannot guarantee the novelty, validity, usefulness, suitability for a specific purpose, function or safety of every item within.

Thank you for your understanding.

This document is not intended as a solicitation for investment.

Any investment decision is to be made at your own discretion.

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The word "SAMTY" in a bold, black, serif font, overlaid with a blue and purple graphic element consisting of two overlapping, curved lines that sweep across the letters.