

# SAMTY Co., Ltd.

## Financial Result Explanatory Material

Third Quarter of Fiscal Year Ending November 30, 2020



S-RESIDENCE Esaka CRESCENT (Esaka-shi, Osaka)



TSE First Section 3244

At this time, we would like to extend our heartfelt sympathy to all those affected by the novel coronavirus (COVID-19), their families, and others persons concerned.

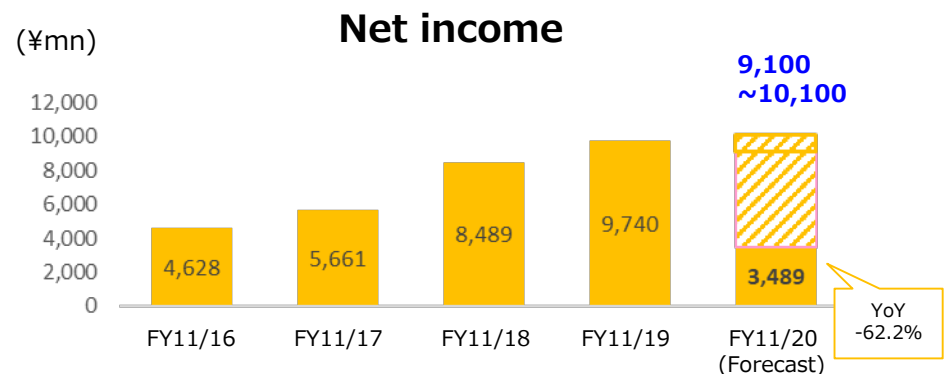
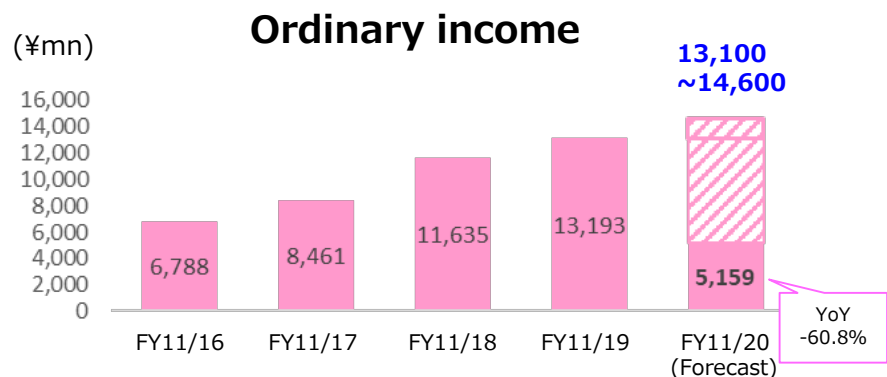
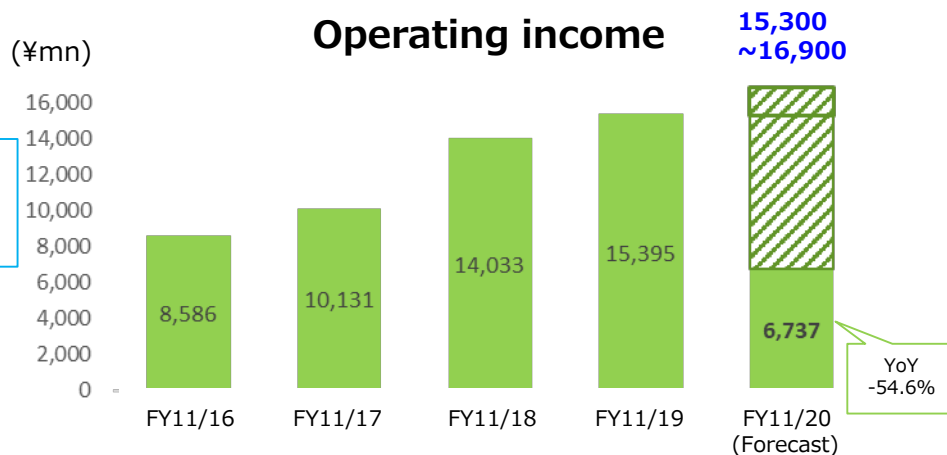
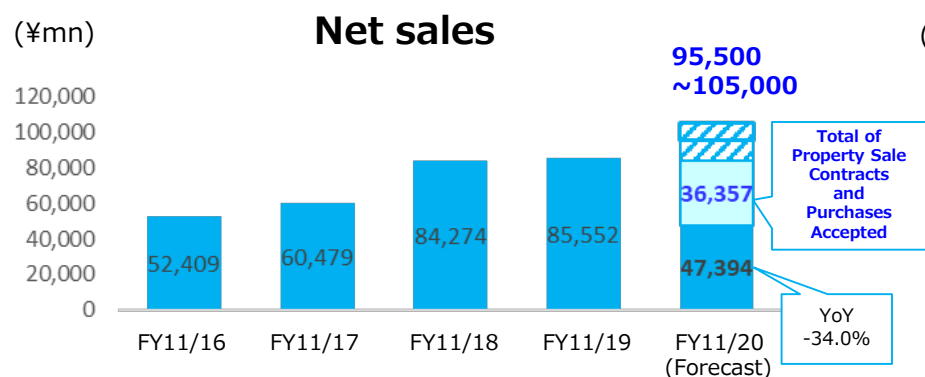
We would also like to show our respect for and express our sincere gratitude to all those working hard to prevent the spread of infections, including medical personnel and the health authorities.

All Executives and Employees of Samty, Co., Ltd.

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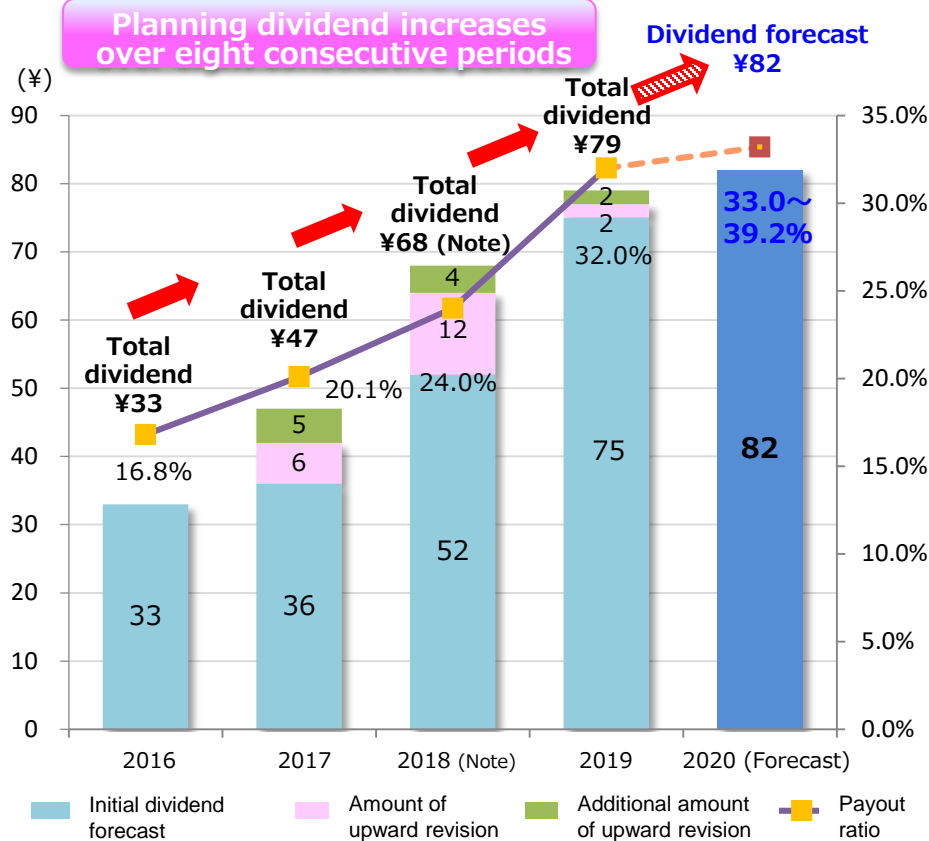
In light of the current external environment, the Company reviewed the establishment of a hotel REIT and the timing of the sale of hotels from the next fiscal year onward. Changes were made to the properties to be sold, centering on rental condominiums and office buildings that are less susceptible to economic trends or the impact of COVID-19 infections. Based on the outlook for sales contracts for rental condominiums and office buildings for the fourth quarter consolidated cumulative period, we announced a revision to the earnings forecast on September 30. Since it is still difficult to accurately predict the impact of COVID-19, we continued to use the range format, assuming multiple scenarios, but raised the lower limits for net sales and income from the earnings forecast announced on July 15.



\* Profit attributable to owners of parent

## Changes in Dividends

**For the fiscal year ending November 30, 2020, we expect an interim dividend of ¥38 yen, a year-end dividend of ¥44, for an annual dividend of ¥82 (up ¥3 from the previous year), and a payout ratio of between 33.0% and 39.2%. Maintaining the dividend target of 30% or over.**



(Note) With regard to the 2018 dividend, on August 29, 2018, the dividend forecast was **increased by ¥44** from the ¥52 forecast to a **¥96 dividend forecast**. The Company subsequently issued a free allotment of stock acquisition rights based on the rights offering dated October 2018 and, by increasing the number of shares issued by 1.5 times, the dividend forecast was ¥96 divided by 1.5, making ¥64. In addition, the Company **increased the dividend by ¥4** at the end of the fiscal year, for a total dividend of **¥68**.

## Shareholder Returns

### Expansion of Treasury Stock Acquisition Limit and Extension of Acquisition Period

- ◆ Reasons for expanding treasury stock acquisition limit and extending acquisition period  
As a result of comprehensively taking into consideration the impact of COVID-19 infections, recent trends in the stock market and the Company's stock price, a flexible capital policy in accordance with the business environment, and the return of profits to shareholders, the Company conducted the purchase of treasury shares.
- ◆ Total number of shares to be purchased  
1,500,000 shares (upper limit)  
(3.71% of total number of shares issued, excluding treasury shares)
- ◆ Total purchase price  
¥1.5 billion (upper limit)
- ◆ Treasury share purchase period  
From April 14, 2020, to November 30, 2020
- ◆ Status of purchase (as of September 30, 2020)  
Total number of shares purchased 644,400 shares  
(1.6% of total number of shares issued, excluding treasury shares)  
Total purchase price: ¥890,813,000

### Expansion of Shareholders' Coupons

- ◆ Content of shareholder benefits changed
  - Expanded available hotels from three hotels to 12 hotels (13 facilities)
  - Having abolished accommodation discount vouchers, changed to free accommodation vouchers common to 12 hotels
  - Changed the number of shareholder coupons according to the number of shares held  
→ We implemented the above changes for the purpose of improving convenience for shareholders

### Increasing Voting Rights

- ◆ To raise the voting right utilization rate, a QUO prepaid card is presented as a reward to all shareholders who have exercised their voting rights effectively.  
Compared with the February 2019 Annual General Meeting of Shareholders, the ratio of shareholders exercising their voting rights increased by 33.5% (the ratio of the number of voting rights exercised increased by 12.3%).

We will change the content of benefits of the shareholders listed on the shareholder registry as of November 30, 2020.

We offered discount coupons or free accommodation vouchers for three hotels—Center Hotel Tokyo, S-PERIA INN Nihombashihakozaki, and S-PERIA INN Osaka Hommachi—but having given consideration to the status of shareholder utilization, the accommodation discount vouchers will be abolished. For the purpose of improving convenience for shareholders and having them make use of hotels in which the Company is involved all over the country, as preferential treatment we will change to free accommodation vouchers for 12 hotels (13 facilities).

## Before Change

| Number of shares held | Special Benefit Details   |
|-----------------------|---|
| 100–299 shares        | For use at all three hotels <i>(Note)</i><br>Two accommodation discount coupons (¥3,000 each)   |
| 300–1,499 shares      | For use at all three hotels<br>Two free accommodation vouchers  |
| 1,500 or more shares  | For use at all three hotels<br>Two free accommodation vouchers<br>AMANOHASHIDATE HOTEL<br>Four accommodation discount coupons (¥5,000 each) |

(Note) The three hotels are Center Hotel Tokyo, S-PERIA INN Nihombashihakozaki, and S-PERIA INN Osaka Hommachi.



## After Change

**(Note) The free accommodation voucher is common to all 12 hotels.**

| Number of shares held | Special Benefit Details |
|-----------------------|-------------------------|
| 200 – 299 shares      | One per person          |
| 300 – 599 shares      | Two per person          |
| 600 – 999 shares      | Three per person        |
| 1,000 – 1,999 shares  | Four per person         |
| 2,000 – 4,999 shares  | Six per person          |
| 5,000 – 9,999 shares  | Eight per person        |
| 10,000 or more shares | Ten per person          |

## Eligible Hotels after Change

|    | Name of hotel                   | Location                | Number of shareholder coupons used |
|----|---------------------------------|-------------------------|------------------------------------|
| 1  | Center Hotel Tokyo              | Chuo-ku, Tokyo          | One per person                     |
| 2  | S-PERIA INN Nihombashihakozaki  | Chuo-ku, Tokyo          |                                    |
| 3  | S-PERIA INN Osakahommachi       | Nishi-ku, Osaka         |                                    |
| 4  | S-PERIA HOTEL Hakata            | Hakata-ku Fukuoka       |                                    |
| 5  | S-PERIA HOTEL Nagasaki          | Nagasaki-shi, Nagasaki  |                                    |
| 6  | S-PERIA HOTEL Kyoto             | Shimogyo-ku, Kyoto      |                                    |
| 7  | NEST HOTEL HIROSHIMA HATCHOBORI | Naka-ku, Hiroshima      |                                    |
| 8  | NEST Hotel Hiroshima ekimae     | Minami-ku, Hiroshima    |                                    |
| 9  | Hotel Sunshine Utsunomiya       | Utsunomiya-shi, Tochigi |                                    |
| 10 | Ibis Styles Nagoya              | Nakamura-ku, Nagoya-shi |                                    |
| 11 | AMANOHASHIDATE HOTEL (Auberge)  | Miyazu-shi, Kyoto       |                                    |
| 12 | Mercure Kyoto Station           | Shimogyo-ku, Kyoto      |                                    |
| 13 | AMANOHASHIDATE HOTEL            | Miyazu-shi, Kyoto       | Three per person                   |

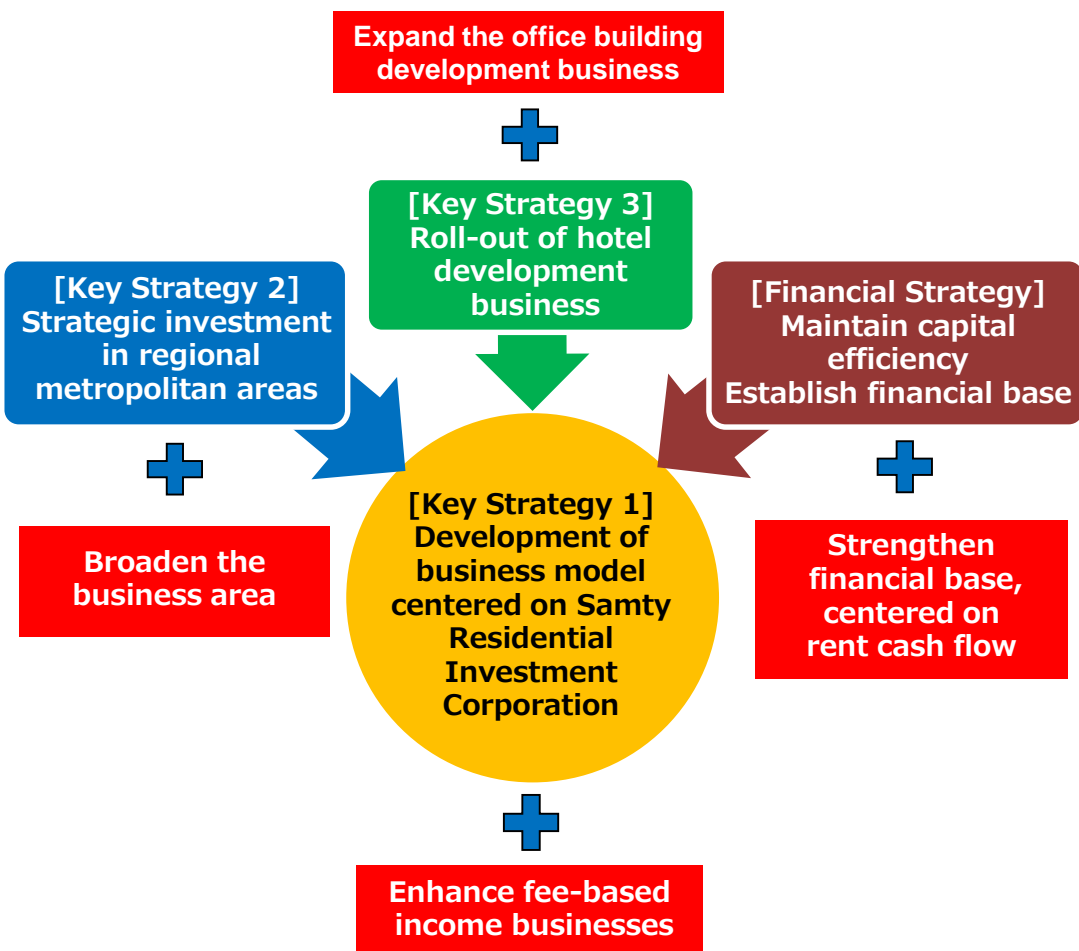
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# Medium-Term Management Plan "Samty Toughening Plan"

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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)

|                        | FY11/18 | FY11/19 | New Medium-term Plan |         |
|------------------------|---------|---------|----------------------|---------|
|                        | Result  | Result  | FY11/21              |         |
|                        |         |         | Target               |         |
| Operating income (¥mn) | 14,033  | 15,395  | 20,000               | level   |
| ROE                    | 16.9%   | 14.7%   | 15.0%                | level   |
| ROA*                   | 8.5%    | 8.1%    | 7.0%                 | level   |
| Capital-asset ratio    | 37.9%   | 32.5%   | 30.0%                | or over |

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

## Financial Strategy (Target indicators)

FY2021  
Equity ratio  
At least 30%

FY2021  
ROE  
15% level

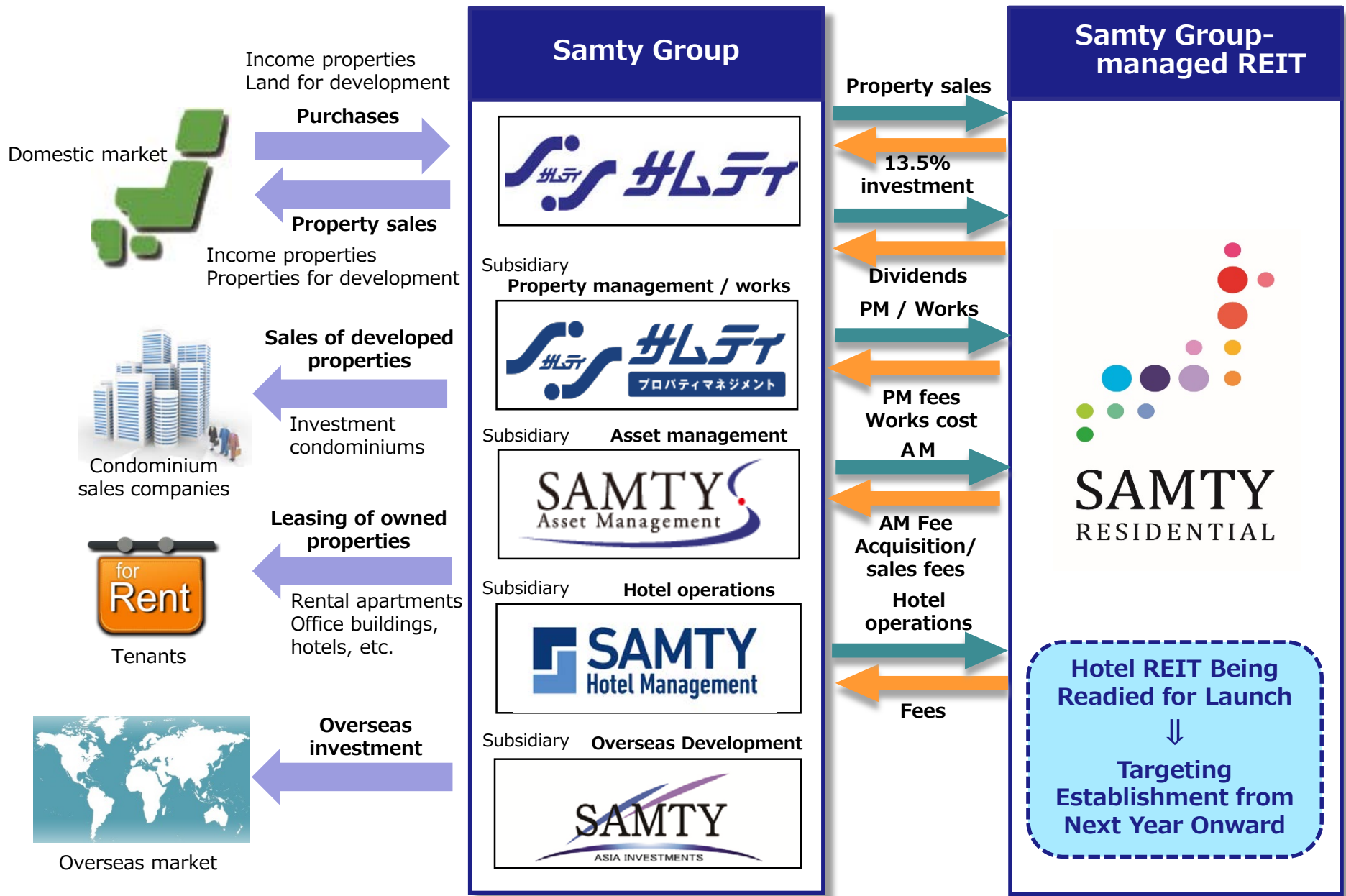
FY2021  
ROA  
7% level



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## Key Strategies

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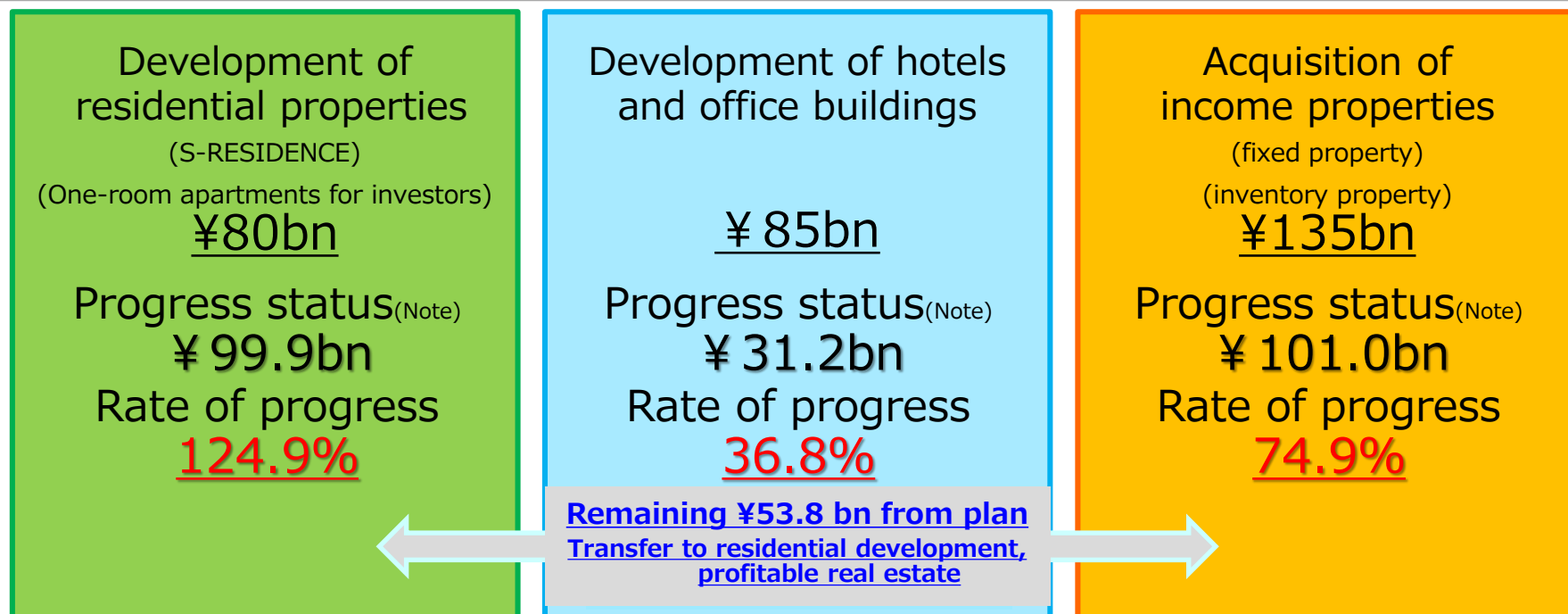
Samty will invest a total of around ¥300 billion during the three-year period of the Samty Toughening Plan. The current investment amount is ¥232.1 billion, and the progress rate is 77.3%.

Regarding the development of residences and the acquisition of profitable real estate that can secure stable income, progress is favorable at 124.9% and 74.9%, respectively.

With regard to the remaining ¥53.8 billion for hotel and office building development, we aim to achieve ¥300 billion by taking into account the current market conditions and transferring those funds to residential developments and profitable real estate that are less susceptible to economic trends and the impact of COVID-19.

### Three-Year (2019-2021) Total Investment Amount

**Approx. ¥300 billion** (¥232.1 billion<sub>(Note)</sub>/Rate of progress 77.3%)



(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.

Acquired 46 properties and ¥15.8 billion condominium development site by the third quarter of the fiscal year ending November 30, 2020. Based on the acquisition amount, the budget progress rate is 59.6%. Including planned settlement plans on 72 properties for ¥25.7 billion, budget progress rate bullish at 97.0%.

### Acquisition amount basis

|                                      | Budget for whole year | FY11/20 3Q Result |                  | Planned Settlement | Actual Results + Planned Settlement |                  |
|--------------------------------------|-----------------------|-------------------|------------------|--------------------|-------------------------------------|------------------|
|                                      |                       |                   | Rate of progress |                    |                                     | Rate of progress |
| Acquisition amount (Billions of yen) | 26.5                  | 15.8              | 59.6%            | 9.9                | 25.7                                | 97.0%            |

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

### Number of acquisitions by area

|                        | By Area Actual Results + Number of Planned Settlements |                         |       |        |         |        |       |
|------------------------|--|-------------------------|-------|--------|---------|--------|-------|
|                        | Hokkaido   | Tokyo Metropolitan area | Chubu | Kansai | Chugoku | Kyushu | Total |
| Number of Acquisitions | 6  | 19                      | 22    | 11     | 11      | 3      | 72    |
| Residence              | 6  | 19                      | 22    | 11     | 11      | 3      | 72    |

# [Real Estate Business] Sales Results

## - Development and Renovation Securitization/Investment Unit Sales in Lots



Sold a total of 29 properties: S-RESIDENCE properties (three), hotels/office buildings (two), other (five), renovation securitization (19)

The number of sales expected from the third quarter onward is 26 properties, which is 94.8% of the lower limit of the earnings forecast.

### Budget and actual results

| Number of sales                    | Budget for whole year | FY11/20 3Q Results | Rate of progress     |
|------------------------------------|-----------------------|--------------------|----------------------|
| Development securitization         | 28                    | 10                 | 35.7%                |
| S-RESIDENCE                        | 18                    | 3                  | -                    |
| Hotel, Office Building             | (Note 1) 3            | 2                  | -                    |
| Lots sold for investment           | 7                     | 5                  | -                    |
| Renovation securitization (Note 2) | 30 ~ 44               | 19                 | 63.3% ~ 43.2%        |
| Non-current assets                 | -                     | -                  | -                    |
| <b>Total</b>                       | <b>58 ~ 72</b>        | <b>29</b>          | <b>50.0% ~ 40.3%</b> |

| Planned Sales | Actual Results + Planned Sales |                      |
|---------------|--------------------------------|----------------------|
|               | Actual Results                 | Rate of progress     |
| 17            | 27                             | 96.4%                |
| 16            | 19                             | 105.6%               |
| 1             | 3                              | 100.0%               |
| -             | 5                              | 71.4%                |
| 9             | 28                             | 93.3% ~ 63.6%        |
| -             | -                              | -                    |
| <b>26</b>     | <b>55</b>                      | <b>94.8% ~ 76.4%</b> |

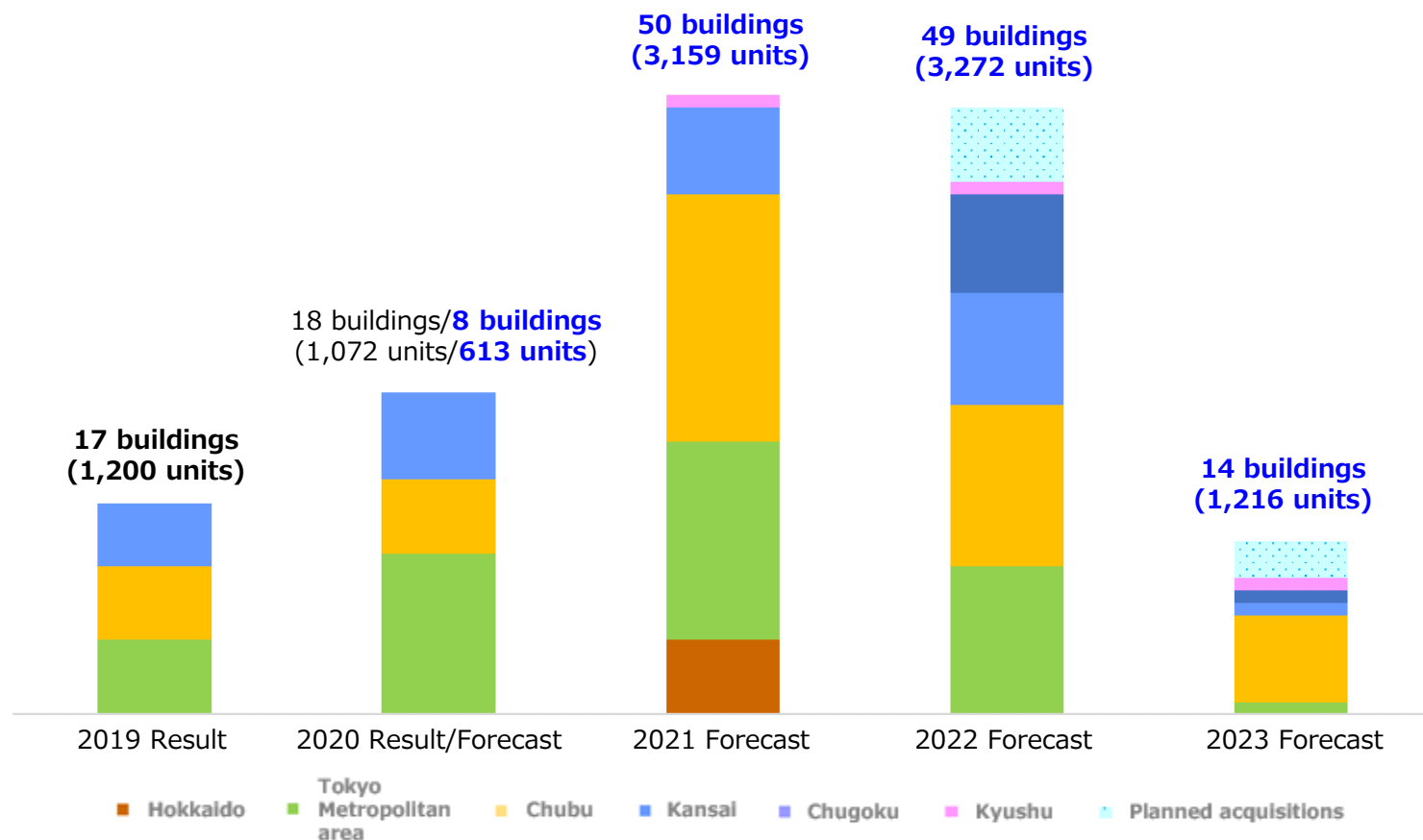
(Note 1) Including the sale of the Ibis Styles Nagoya site announced on February 20, 2020.

(Note 2) As announced on September 30, 2020, since sales are within range of the business forecast, the sales plan is also deemed in range.

| Number of sales            | By Area Actual Results + Number of Planned Settlements |                         |          |           |          |           |
|----------------------------|--|-------------------------|----------|-----------|----------|-----------|
|                            | Hokkaido   | Tokyo Metropolitan area | Chubu    | Kansai    | Kyushu   | Total     |
| Development securitization | 1  | 11                      | 6        | 9         |          | 27        |
| S-RESIDENCE                | 1  | 7                       | 5        | 6         |          | 19        |
| Hotel, Office Building     |  |                         | 1        | 2         |          | 3         |
| Lots sold for investment   |  | 4                       |          | 1         |          | 5         |
| Renovation securitization  | 3  | 4                       | 3        | 14        | 4        | 28        |
| <b>Total</b>               | <b>4</b>   | <b>15</b>               | <b>9</b> | <b>23</b> | <b>4</b> | <b>55</b> |

The actual number of residence developments in 2019 was 17 buildings (1,200 units), and the number achieved up to August 2020 was 18 buildings (1,072 units).

Planned for completion from the autumn of 2020 onward are 8 buildings (613 units), 2021 50 buildings (3,159 units), 2022 49 buildings (3,272 units), and 2023 14 buildings (1,216 units). A **total of 121 buildings (approx. 8,200 units)** are under development in cities throughout Japan, but primarily in Tokyo, Nagoya and Osaka.



Note: With regard to S-RESIDENCE described on page 11, we have granted preferred negotiation rights to Samty Residential Investment Corporation, but as of the end of May 2020 there had been no agreement to buy or sell made with Samty Residential Investment Corporation.

Acquired 42 properties of profitable real estate in major cities nationwide for approx. ¥29.6 billion. Budget progress rate is 61.7%. Including acquisition prospects, budget progress rate is 89.2%.

### Acquisition amount basis

|                                      | Budget for whole year | FY11/20 3Q Result |                  | Planned Settlement | Actual Results + Planned Settlement |                  |
|--------------------------------------|-----------------------|-------------------|------------------|--------------------|-------------------------------------|------------------|
|                                      |                       |                   | Rate of progress |                    |                                     | Rate of progress |
| Acquisition amount (Billions of yen) | 48.0                  | 29.6              | 61.7%            | 13.2               | 42.8                                | 89.2%            |

### Number of acquisitions by area

|                        | By Area Actual Results + Number of Planned Settlements |        |                         |            |       |        |         |        |       |
|------------------------|--|--------|-------------------------|------------|-------|--------|---------|--------|-------|
|                        | Hokkaido   | Tohoku | Tokyo Metropolitan area | Koshinetsu | Chubu | Kansai | Chugoku | Kyushu | Total |
| Number of Acquisitions | 5  | 1      | 11                      | 1          | 8     | 13     | 2       | 13     | 54    |
| Residence              | 5  | 1      | 11                      | 1          | 8     | 12     | 1       | 13     | 52    |
| Hotel, Office Building |  |        |                         |            |       |        | 1       |        | 1     |
| Other                  |  |        |                         |            |       | 1      |         |        | 1     |

## Development Plan for Hotels and Office Buildings

(Hotels) The sale of Mercure Kyoto Station (225 rooms) was completed on June 30, and the hotel opened on September 16. The land transfer of the Ibis Styles Nagoya site has been completed. Scheduled to open on November 16. The two Agora hotels, Fukuoka Hotel and Kyoto Oike Hotel are all expected to be sold to the hotel REIT. Since these four hotels have long-term financing in place, it is possible to own them until the establishment of the hotel REIT.

(Office Buildings) S-BUILDING Shin-Osaka sale contract completed, planned for sale during the current term, and negotiations for the sale of S-BUILDING Sapporo-Odori are under way. Several parties are considering office building acquisitions. At present, there is no trend toward a rapid deterioration.

| FY Start          | Type            | Project Name (provisional)                          | Location            | No. of Units | Scheduled to open (completed) | Reference                    |
|-------------------|-----------------|---|---------------------|--------------|-------------------------------|------------------------------|
| 2020              | Hotel           | Mercure Kyoto Station                               | Shimogyo-ku, Kyoto  | 225          | Sep. 2020                     | Sale completed               |
|                   | Hotel           | Ibis Styles Nagoya                                  | Nakamura-ku, Nagoya | 284          | Nov. 2020                     | Site sale completed          |
|                   | Office building | S-BUILDING Shin-Osaka                               | Yodogawa-ku, Osaka  | -            | Aug. 2020                     | Sale contract completed      |
|                   | Office building | S-BUILDING Sapporo Odori                            | Chuo-ku, Sapporo    | -            | Oct. 2020                     | Sale negotiations under way  |
| Total 4 buildings |                 |   |                     | 509          |                               |                              |
| 2021              | Hotel           | (Provisional name) Agora Kyoto Shijo-karasuma North | Shimogyo-ku, Kyoto  | 80           | Spring 2021                   |                              |
|                   | Hotel           | (Provisional name) Agora Kyoto Shijo-karasuma South | Shimogyo-ku, Kyoto  | 140          | Spring 2021                   |                              |
|                   | Hotel           | Fukuoka Hotel PJ                                    | Fukuoka             | 87           | Summer 2021                   |                              |
|                   | Hotel           | Kyoto Oike HOTEL PJ                                 | Nakagyo-ku, Kyoto   | 120          | Fall 2021                     |                              |
| Total 4 buildings |                 |   |                     | 427          |                               |                              |
| 2022              | Hotel           | Haneda HOTEL PJ                                     | Ota-ku, Tokyo       | 362          | Winter 2022                   | Construction not yet started |
| Total 1 buildings |                 |   |                     | 362          |                               |                              |
| Total 9 buildings |                 |   |                     | 1,298        |                               |                              |

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



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Third Quarter of Fiscal Year Ending November 30, 2020

Overview of Financial Results

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# Third Quarter of Fiscal Year Ending November 30, 2020

## Overview of Consolidated Financial Statements



In the fiscal year ended November 30, 2019, many properties were sold in the first half, and profits were also biased towards the first half. As a result of sales being biased toward the fourth quarter, net sales are down 34.0% and operating income is down 54.5% compared with the same period of the previous year, but for the full fiscal year ending November 30, 2020, we are expecting the full-year results to end up in line with the earnings forecast.

| (Unit: Millions of yen)                      | FY11/19 3Q Results |       | FY11/20 3Q Results |       | Year on year Increase/decrease |                           |
|--|--------------------|-------|--------------------|-------|--------------------------------|---------------------------|
|  |                    | Ratio |                    | Ratio |                                | Rate of increase/decrease |
| Net sales                                    | 71,789             | 100.0 | 47,394             | 100.0 | -24,395                        | -34.0%                    |
| Cost of sales                                | 50,356             | 70.2  | 33,066             | 69.8  | -17,290                        | -34.3%                    |
| Selling, general and administrative expenses | 6,601              | 9.2   | 7,589              | 16.0  | +988                           | +15.0%                    |
| Operating income                             | 14,832             | 20.6  | 6,737              | 14.2  | -8,095                         | -54.6%                    |
| Non-operating income                         | 20                 | 0.1   | 68                 | 0.1   | +48                            | +240.0%                   |
| Non-operating expenses                       | 1,703              | 2.4   | 1,646              | 3.5   | -57                            | -3.3%                     |
| Ordinary income                              | 13,148             | 18.3  | 5,159              | 10.9  | -7,989                         | -60.8%                    |
| Extraordinary income                         | 259                | 0.4   | 153                | 0.3   | -106                           | -                         |
| Extraordinary loss                           | 4                  | 0.0   | 109                | 0.2   | +105                           | -                         |
| Profit attributable to owners of parent      | 9,232              | 12.9  | 3,489              | 7.4   | -5,743                         | -62.2%                    |
| Net income per share (Yen)                   | 237.25             | -     | 85.69              | -     | -152                           | -63.9%                    |

\* Concerning recording of loss due to temporary close (¥101 million)

Due to the impact of COVID-19, fixed costs (personnel costs, land rents, depreciation expenses, etc.) of ¥101 million were incurred at hotels and other facilities during the period of temporary closures.

# Third Quarter of Fiscal Year Ending November 30, 2020

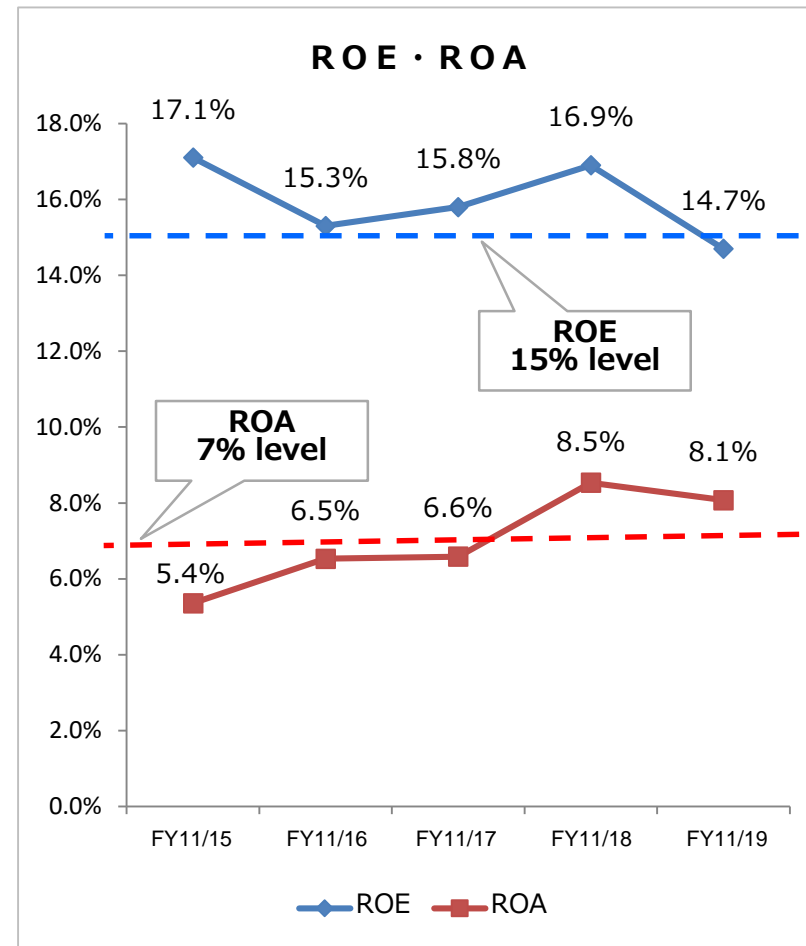
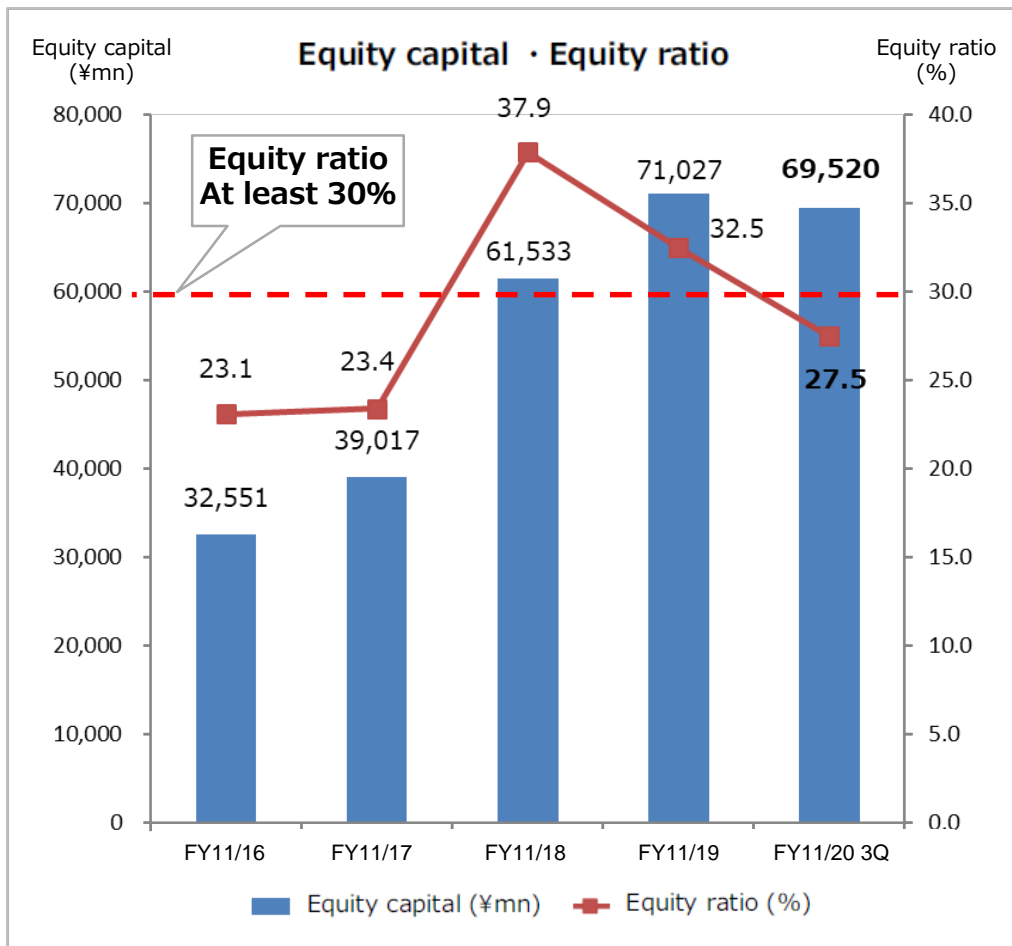
## Consolidated Balance Sheet Overview



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

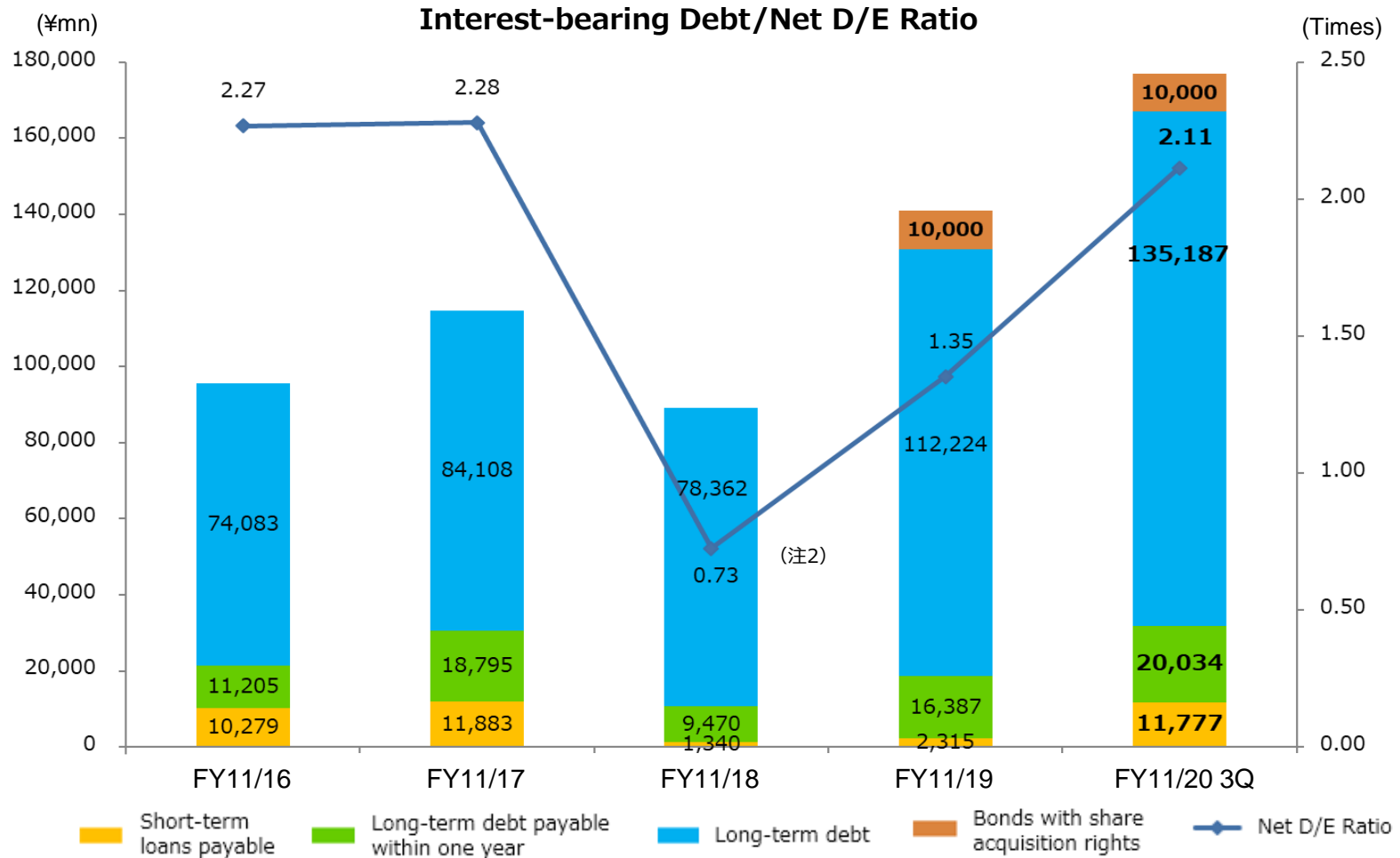
| (Unit: Millions of yen)                 | FY11/19<br>Period-end results | FY11/20<br>3Q Results | Increase/<br>decrease | Main Reasons for Increase/Decrease                                  |
|---|-------------------------------|-----------------------|-----------------------|---|
| Total assets                            | 218,803                       | 253,160               | +34,357               | ◇ Real Estate Properties for Sale                                   |
| Current assets                          | 122,428                       | 164,821               | +42,393               | Property acquisitions +16,251 million                               |
| Cash and deposits                       | 44,918                        | 29,974                | -14,944               | Transfers and other +73,199 million                                 |
| Real estate for sale                    | 28,637                        | 88,455                | +59,817               | Property sales -29,632 million                                      |
| Real estate for sale under construction | 46,339                        | 41,103                | -5,236                |   |
| Non-current assets                      | 96,374                        | 88,339                | -8,035                | ◇ Real Estate for Sales in Progress                                 |
| Property and equipment                  | 78,420                        | 68,396                | -10,023               | Acquisitions of land for development/Building costs +36,609 million |
| Intangible assets                       | 172                           | 154                   | -18                   | Transfers and other -41,718 million                                 |
| Investments and other assets            | 17,781                        | 19,788                | +2,006                |   |
| Total Liabilities                       | 147,175                       | 183,000               | +35,825               | ◇ Property and equipment  |
| Current liabilities                     | 22,581                        | 35,464                | +12,882               | Acquisitions of Profitable Real Estate +25,809 million              |
| Short-term borrowings                   | 2,315                         | 11,777                | +9,461                | Property sales -36,013 million                                      |
| Current portion of long-term debt       | 16,387                        | 20,034                | +3,646                |   |
| Non-current liabilities                 | 124,593                       | 147,536               | +22,942               | ◇ Shareholders' Equity  |
| Long-term debt                          | 112,224                       | 135,187               | +22,962               | Net income for quarter +3,489 million                               |
| Bonds with share acquisition rights     | 10,000                        | 10,000                | +0                    | Dividend payments -3,335 million                                    |
| Total net assets                        | 71,627                        | 70,159                | -1,468                |   |
| Total liabilities and net asse          | 218,803                       | 253,160               | +34,357               |   |
| Interest-bearing debt                   | 140,927                       | 176,998               | +36,071               |   |
| Shareholders' equity                    | 70,455                        | 69,804                | -651                  |   |
| Equity ratio (%)                        | 32.5%                         | 27.5%                 | -5.0%                 |   |

In addition to self-financing, we utilize borrowing to actively acquire profitable real estate. Due to a temporary increase in assets brought about by the acquisition of treasury shares and the postponed establishment of the hotel REIT, the capital ratio as of the end of the third quarter was 27.5%. The policy is to maintain this at 30% at the end of the fiscal year.



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

Long-term debt increased due to active acquisition of profitable real estate. Net D/E ratio was 2.11 times. Average long-term borrowing period is 14.7 years, average borrowing interest rate is 1.14% (average borrowing period for profitable real estate 19.5 years, average borrowing interest rate 1.11%)



(Note 1) Net Debt Equity Ratio = (Interest-bearing debt - Cash and deposits) ÷ Shareholders' equity

(Note 2) Net D/E ratio temporarily declined due to rights offering in fiscal year ended November 30, 2018

Net sales YoY

## Real Estate Business

Net sales and operating loss were -38.0% and -54.5%, respectively, compared with the same period of the previous fiscal year. This year, sales were biased toward the fourth quarter, and at the present time the properties that have been contracted or purchased is approximately ¥36.3 billion.

¥39,589mn -38.0%

## Property Leasing Business

In the Property Leasing business, the occupancy rates of real estate under ownership remains high. Due to the aggressive acquisition of profitable real estate, net sales increased 23.0% compared with the 3Q of FY2019/11. Operating increased by 47.1% compared with the 3Q of FY2019/11.

¥6,098mn +23.0%

## Other Business

Due to the impact of COVID-19, hotel operating conditions fell sharply, and both net sales and operating income fell compared with the same period of the previous fiscal year. Following the launch of the Go To Travel Campaign, hotel operations are currently on a recovery trend.

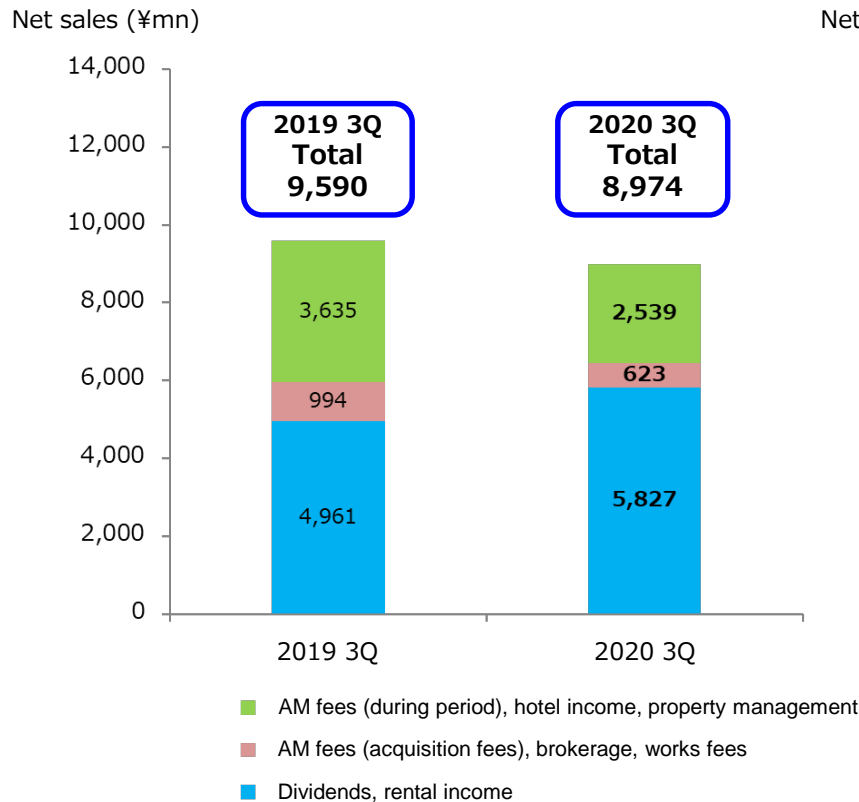
¥1,929mn -39.9%

| (Unit: Millions of yen)   | FY11/19<br>3Q Results |                           | FY11/20<br>3Q Results |                           | Year on year<br>Increase/decrease |                                  |
|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------------------|----------------------------------|
|                           |                       | Operating<br>profit ratio |                       | Operating<br>profit ratio |                                   | Rate of<br>increase/<br>decrease |
| Net sales                 | 71,789                | -                         | 47,394                | -                         | -24,395                           | -34.0%                           |
| Real Estate Business      | 63,896                | -                         | 39,589                | -                         | -24,307                           | -38.0%                           |
| Property Leasing Business | 4,959                 | -                         | 6,098                 | -                         | +1,138                            | +23.0%                           |
| Other Business            | 3,209                 | -                         | 1,929                 | -                         | -1,279                            | -39.9%                           |
| Adjustment                | -275                  | -                         | -223                  | -                         | +52                               | -                                |
| Operating income          | 14,832                | 20.7%                     | 6,737                 | 14.2%                     | -8,095                            | -54.6%                           |
| Real Estate Business      | 16,024                | 25.1%                     | 8,344                 | 21.1%                     | -7,679                            | -47.9%                           |
| Property Leasing Business | 1,850                 | 37.3%                     | 2,721                 | 44.6%                     | +871                              | +47.1%                           |
| Other Business            | 16                    | 0.5%                      | -602                  | -31.2%                    | -618                              | -                                |
| Adjustment                | -3,080                | -                         | -3,726                | -                         | -645                              | -                                |

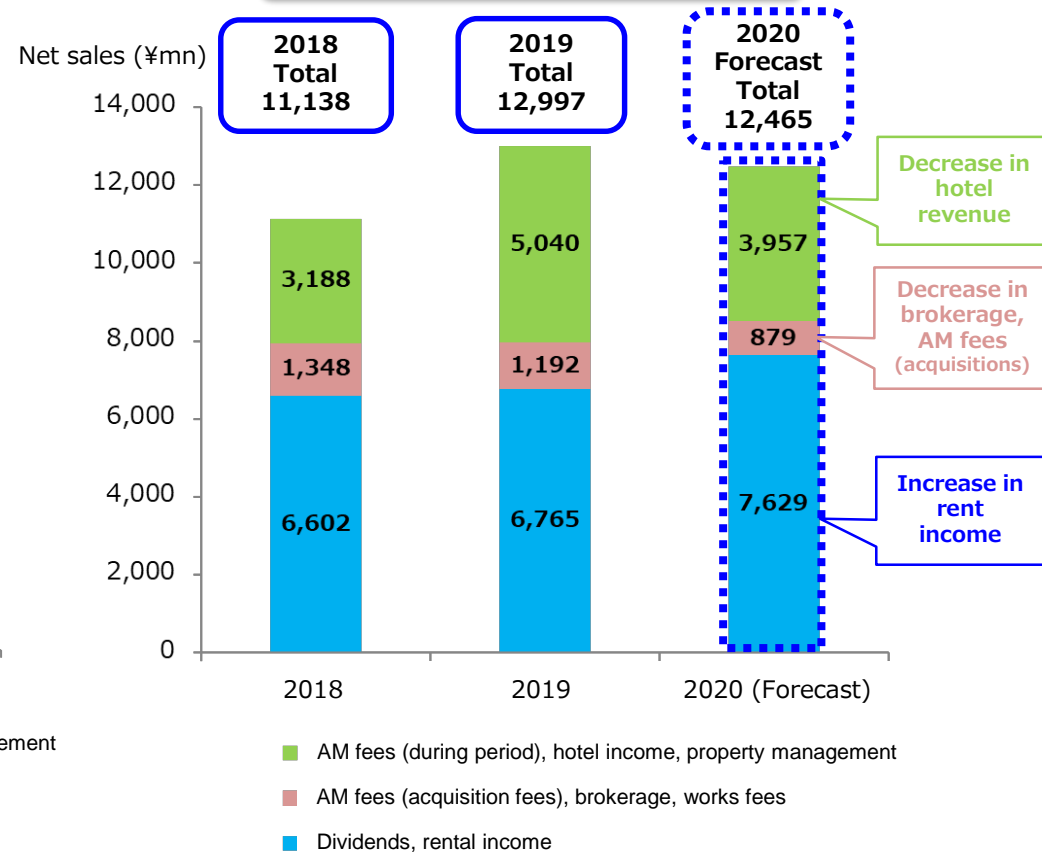
(Factors Contributing to Differences with Same Period in Previous Fiscal Year)

- Increase in rent income due to increase in number of properties (+¥866 million)
- Although AM compensation and property management increased (+¥139 million) during the period due to the expansion of the investment corporation, hotel income decreased (-¥1,235 million) due to the impact of COVID-19, resulting in a decrease compared with the same period of the previous year.
- Brokerage, AM fees (acquisition), decrease in construction works (-¥371 million)

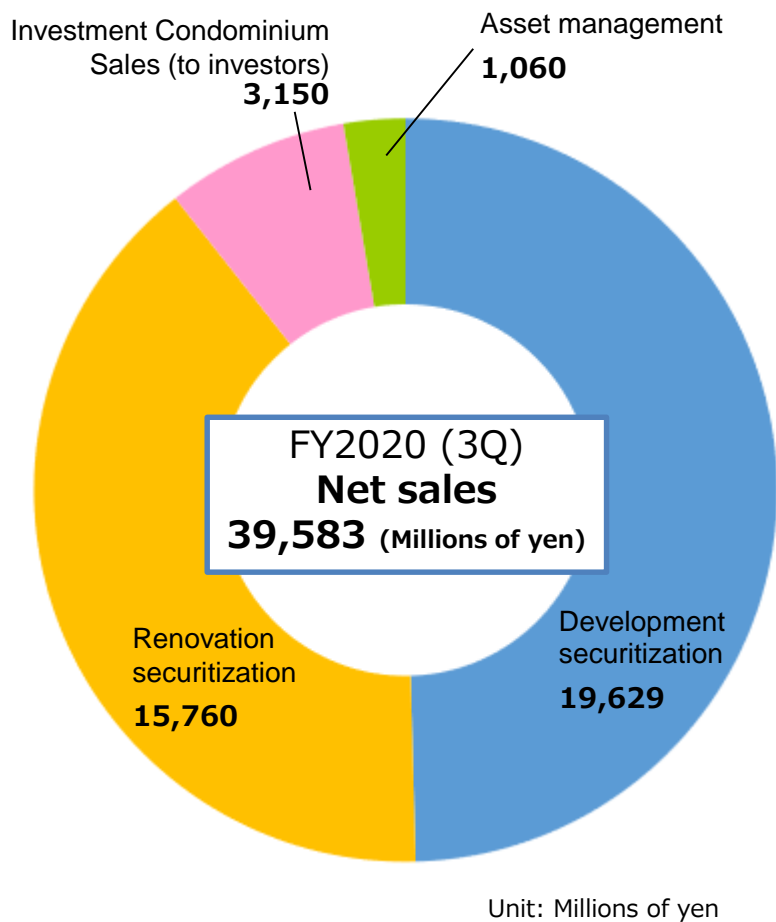
## Compared with Same Period of Previous Fiscal Year



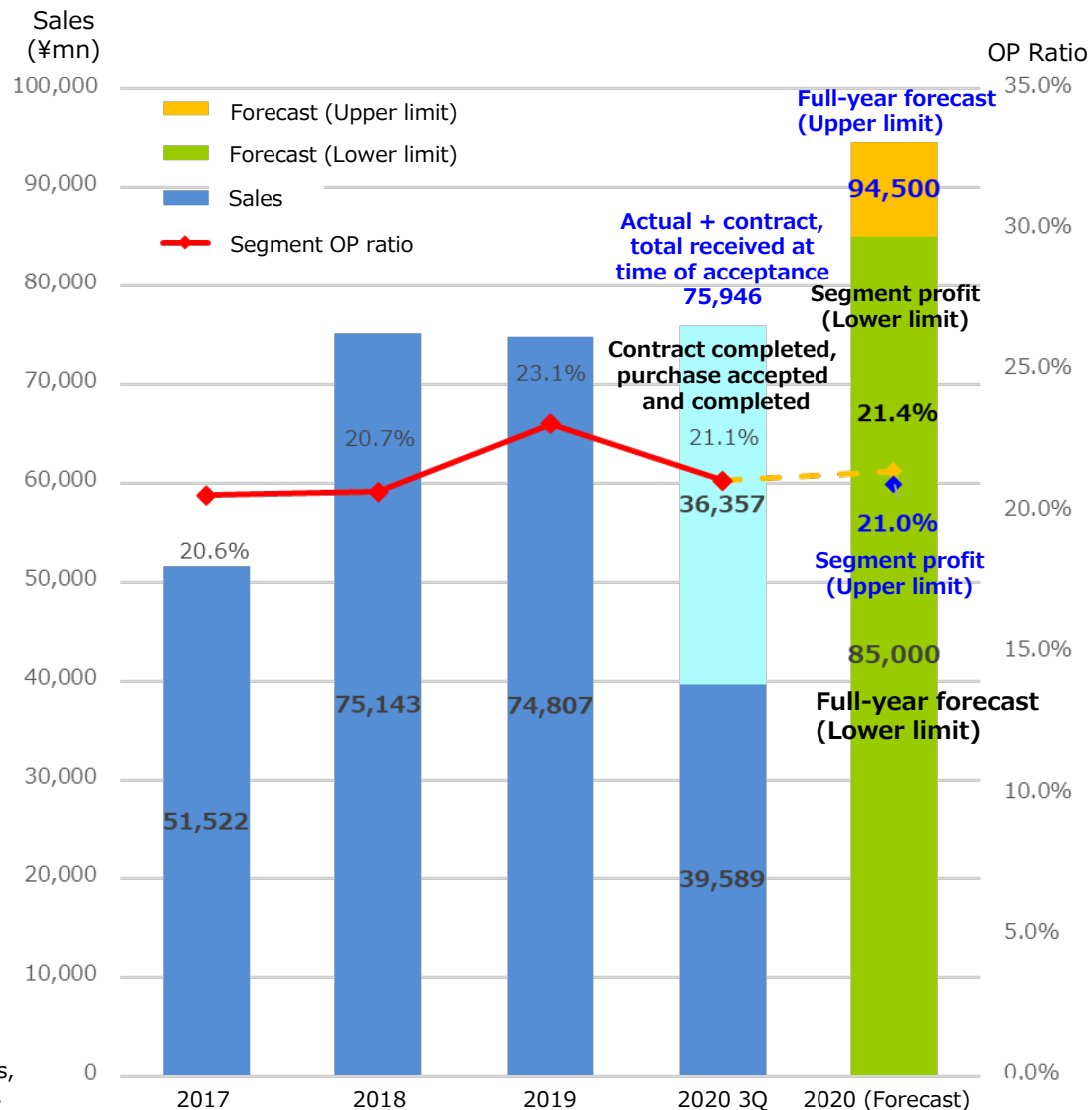
## Fiscal Year-end Comparison



Net Sales by Asset Category



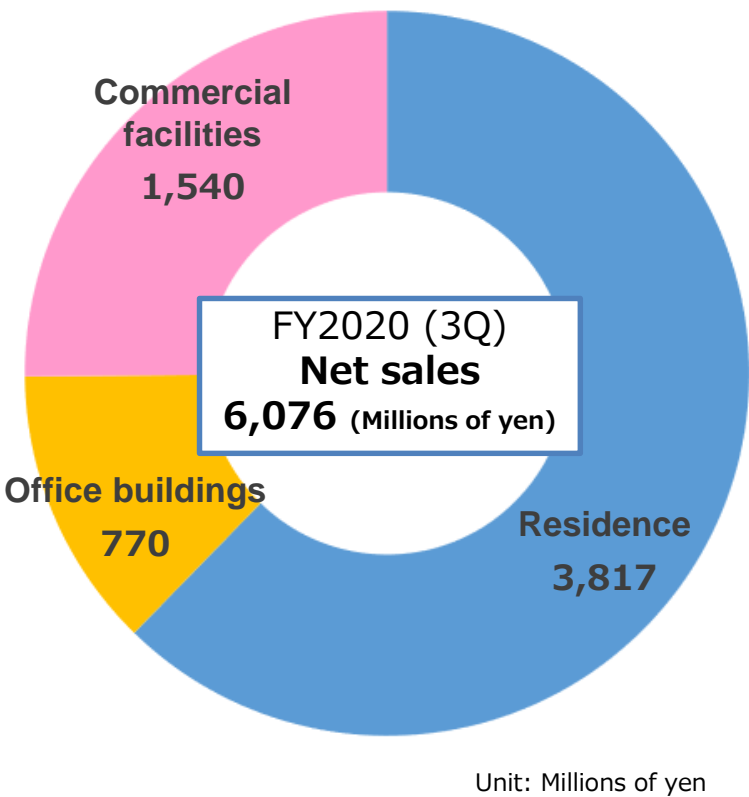
Segment Sales and Operating Profit Ratio



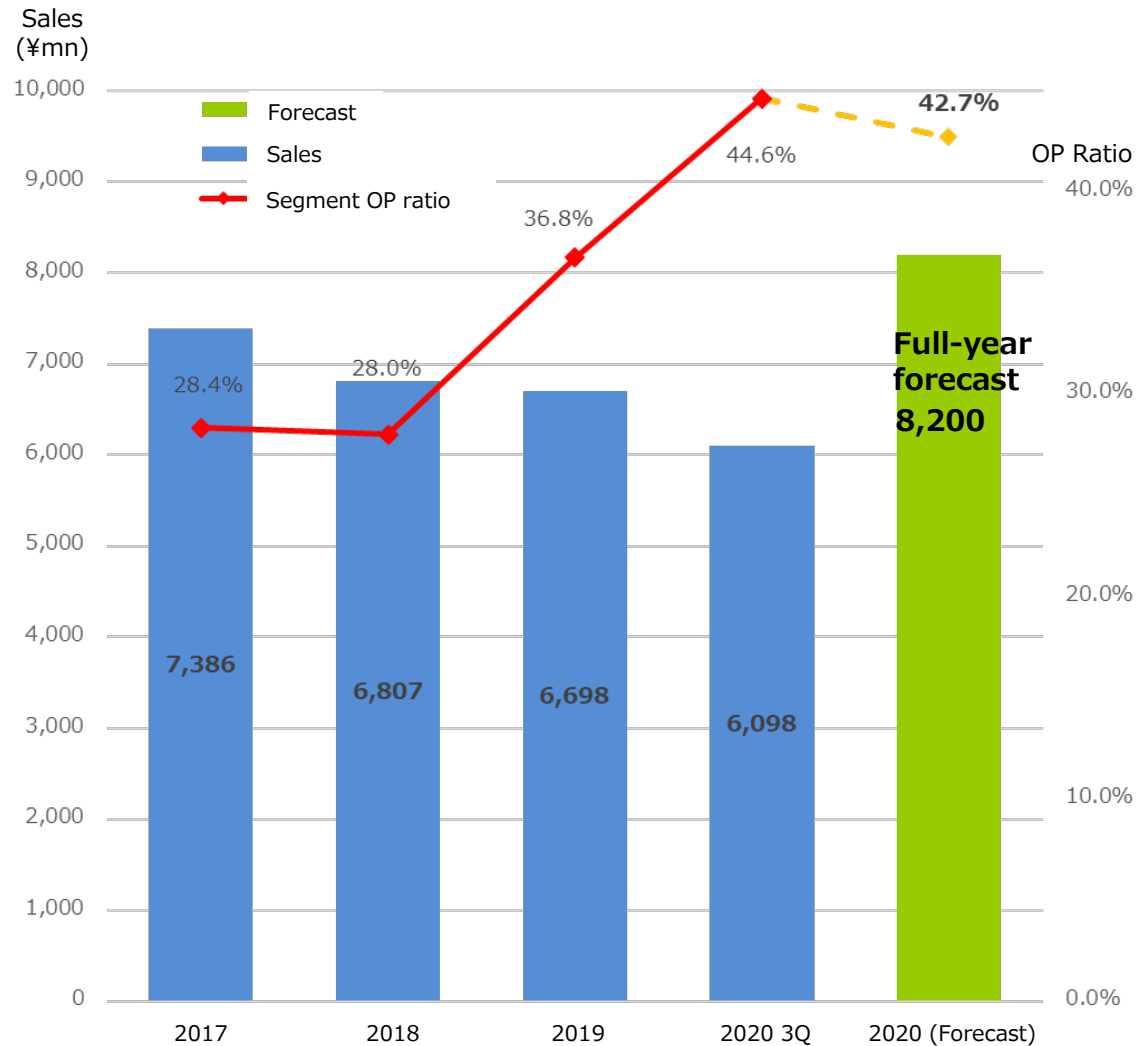
Note: Segment sales figures for FY2020 are after intersegment eliminations, while total sales amount figure is prior to intersegment eliminations.



Net Sales by Asset Category



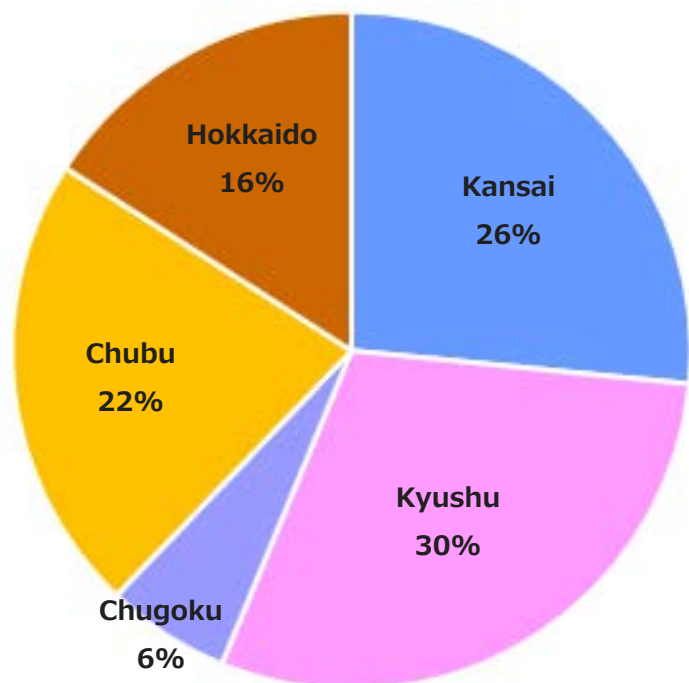
Segment Sales and Operating Profit Ratio



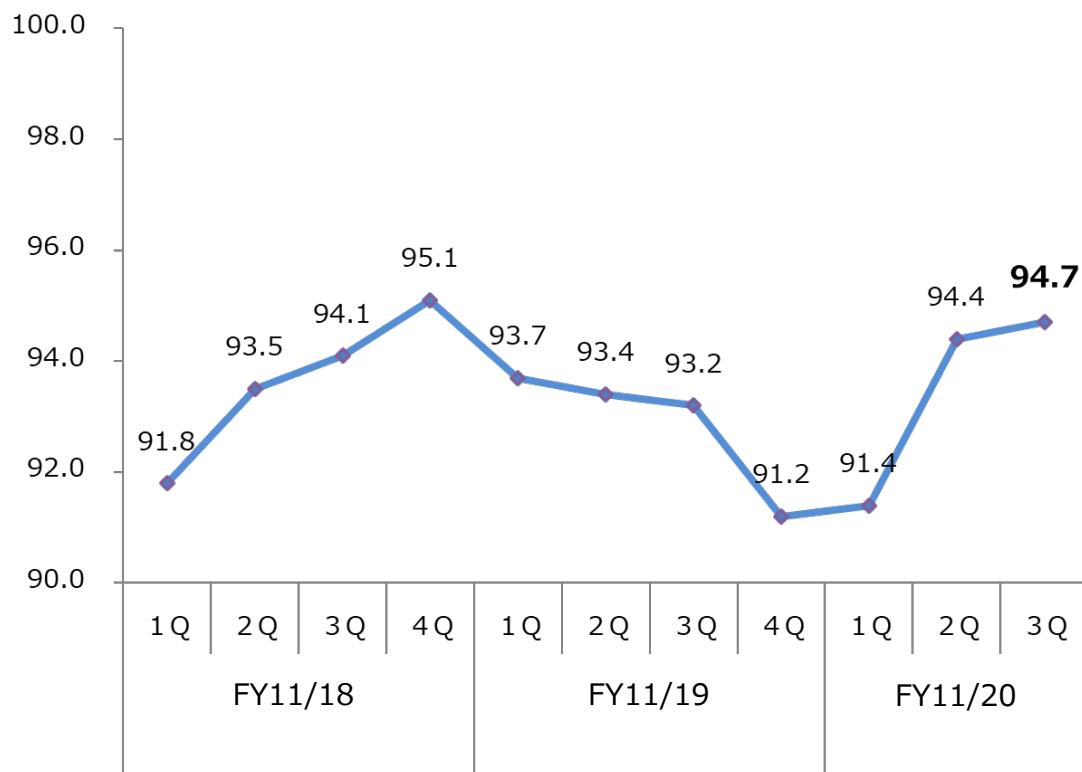
Note: Segment sales figures for FY2020 are after intersegment eliminations, while total sales amount figure is prior to intersegment eliminations.

- ◆ 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
- ◆ Not susceptible to the impact of COVID-19 infections, the residence occupancy rate remains high at 94.7%.
- ◆ Strengthen leasing for busy fall season.

## Asset Holdings by Region



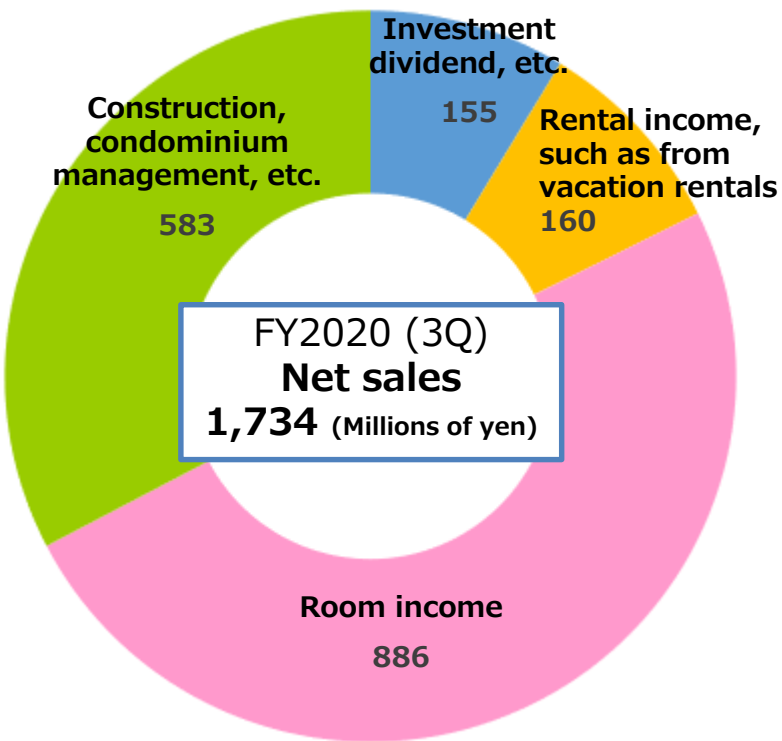
## Occupancy Rate of Residences



(Note 1) As of end of fiscal year ending August 31, 2020  
 (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

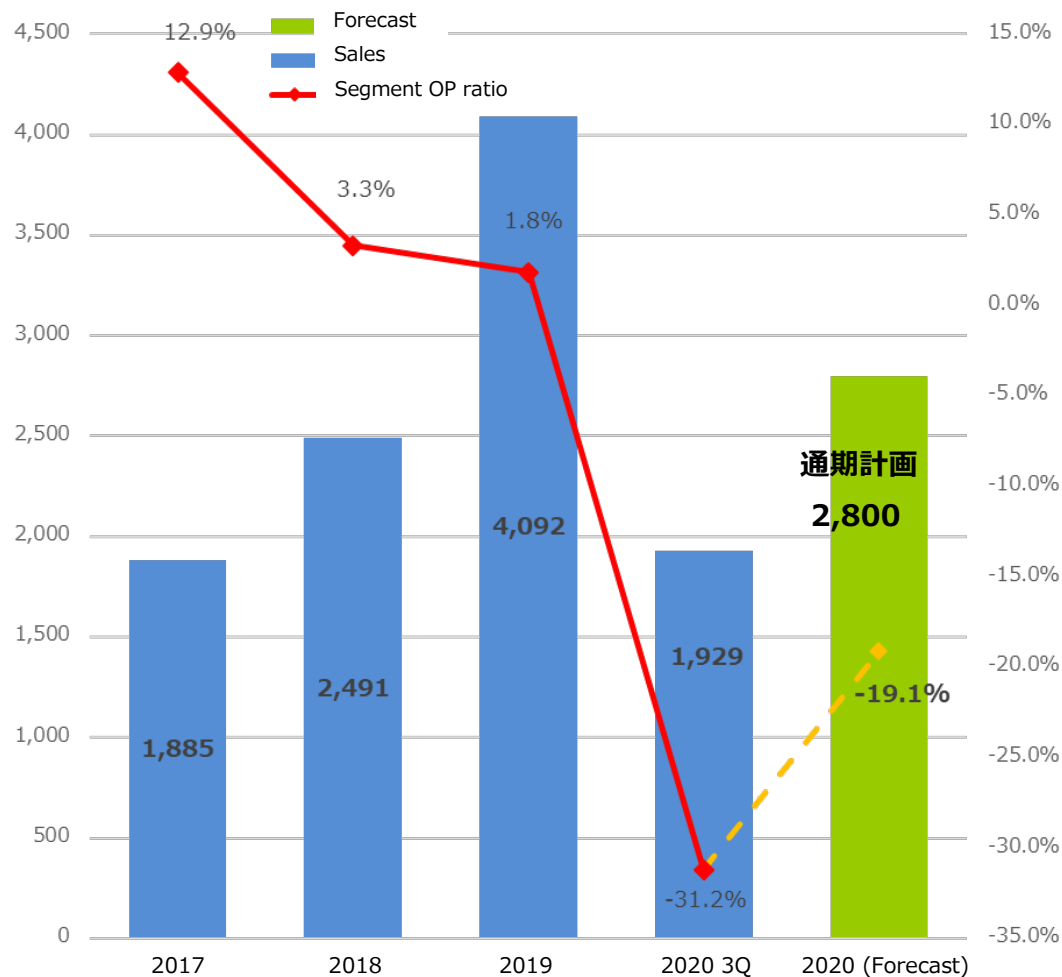
(Note) With the exception of special properties, calculated on the basis that, for example, the buildings were acquired new and that a certain period of time has not passed since the acquisition.

Net Sales by Asset Category



Unit: Millions of yen

Segment Sales and Operating Profit Ratio



Note: Segment sales figures for FY2020 are after intersegment eliminations, while total sales amount figure 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, with a blue and purple swoosh graphic element behind it.