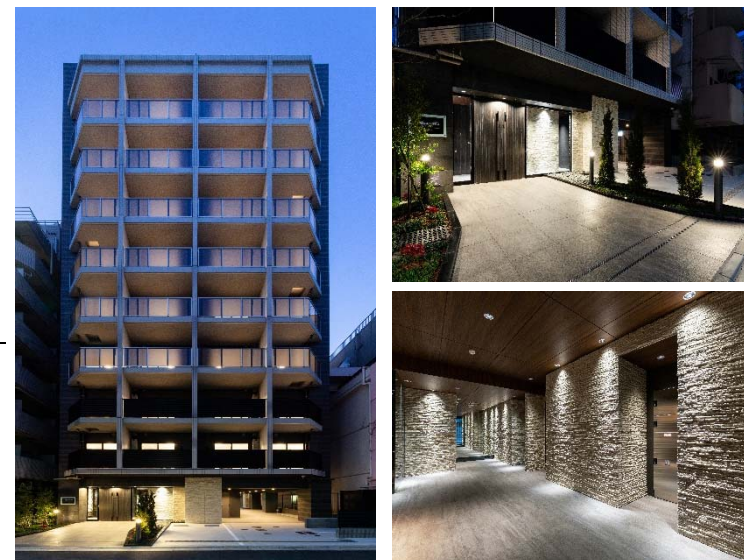


# SAMTY Co., Ltd.

## Financial Result Explanatory Material

First Quarter of Fiscal Year Ending November 30, 2020



S-RESIDENCE Kamata (Ota-ku, Tokyo)

The SAMTY logo, consisting of the word "SAMTY" in a bold, serif font, with a stylized blue and purple swoosh graphic above it.

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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<p>1. Measures to Prevent Spread of COVID-19 Infections ..... P.4</p> <p>2. Topics for Fiscal Year Ended November 30, 2020 ..... P.6</p> <p>    (1) Purchase of Treasury Shares</p> <p>    (2) Initiatives with Samty Residential Investment Corporation</p> <p>3. Medium-Term Management Plan “Samty Toughening Plan” ..... P.9</p> <p>4. Key Strategies ..... P.11</p> <p>    ✓ Samty Group Business Model [Key Strategy 1]</p> <p>    ✓ Investment Plan Progress Status [Key Strategy 2]</p> <p>    ✓ [Real Estate Business] Purchase Status – Land for Projects [Key Strategy 2]</p> <p>    ✓ [Real Estate Business] Sales Results – Development and Renovation Securitization/ Investment Unit Sales in Lots</p> <p>    ✓ [Real Estate Business] Residence Development Projects</p> <p>    ✓ [Property Leasing Business] Acquisition Results [Key Strategy 2]</p> <p>    ✓ [Real Estate Business] Development Plan for Hotels and Office Buildings [Key Strategy 3]</p> <p>    ✓ Financial Strategy</p>	<p>5. First Quarter of Fiscal Year Ending November 30, 2020 Overview of Financial Results ..... P.21</p> <p>    ✓ First Quarter of Fiscal Year Ending November 30, 2020 Overview of Consolidated Financial Statements</p> <p>    ✓ First Quarter of Fiscal Year Ending November 30, 2020 Consolidated Balance Sheet Overview</p> <p>    ✓ Financial Position</p> <p>    ✓ First Quarter of Fiscal Year Ending November 30, 2020 Overview of Consolidated Financial Statements by Segment</p> <p>    ✓ Securing Ongoing Steady Profit</p> <p>    ✓ [Real Estate Business] Overview of Consolidated Financial Statements</p> <p>    ✓ [Property Leasing Business] Overview of Consolidated Financial Statements</p> <p>    ✓ [Property Leasing Business] Asset Holdings by Region, Occupancy Rates</p> <p>    ✓ [Other Business] Overview of Consolidated Financial Statements</p>
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## Measures to Prevent Spread of COVID-19 Infections

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The Samty Group's policy is to make social distancing logos, calling for people to avoid the "Three Cs"—closed spaces, crowded places and close-contact settings—and saying that it is better for them to stay home.

**S A ← M M M → T Y**

3つのM(密)を避けて、家にいよう



As measures to prevent the spread of COVID-19 infections, we are implementing a raft of initiatives, such as those listed below.

- (1) In principle, all employees are prohibited from going to work and are to carry out their business tasks from home
- (2) Ban on in-house or face-to-face meetings, meetings conducted online or by means of conference call systems, etc.
- (3) Ban on international and domestic business travel
- (4) Exercising of restraint in traveling from place to place by public transport
- (5) Putting into practice of health management by having people take their temperature every morning, judgments with regard to ability to work
- (6) Washing of hands, gargling, use of alcohol to disinfect fingers, wearing of masks when going out

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# Topics

for First Quarter of Fiscal Year Ended November 30, 2020

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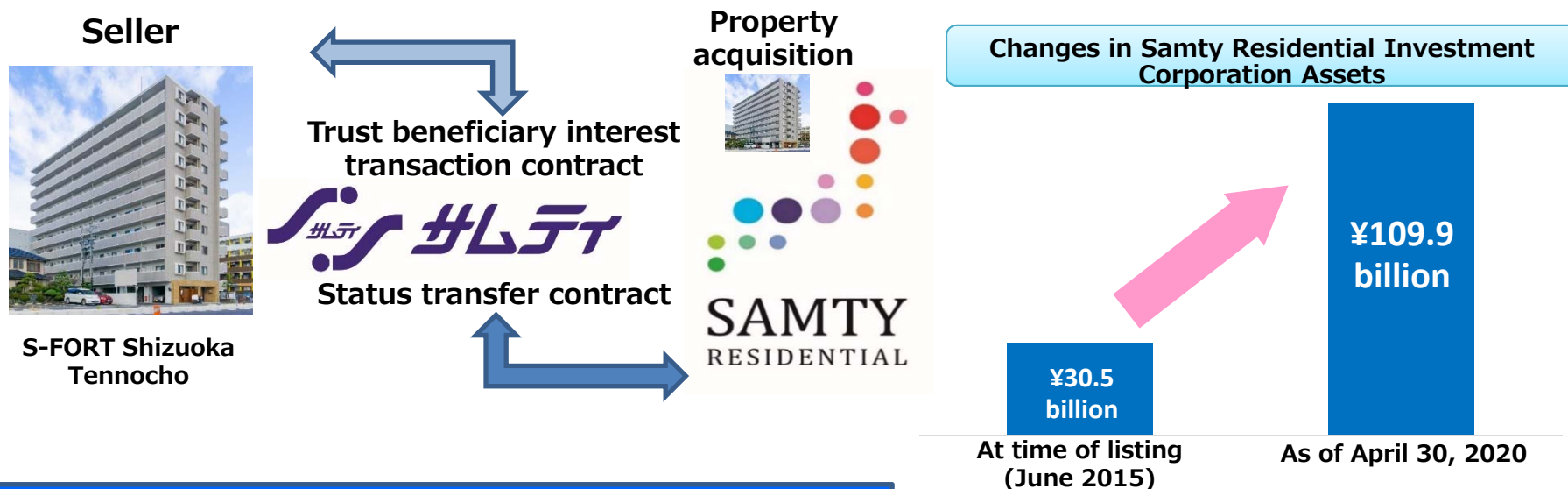
## **Reasons for Purchase of Treasury Shares**

Comprehensively taking into account the impact of COVID-19 infections, recent trends in the stock market and the stock price of the Company, start-up capital policy according to the business environment, and the return of profits to shareholders

(1)	Type of shares to be purchased	Common stock of the Company
(2)	Total number of shares to be purchased	(Upper limit) 1,000,000 shares (2.44% of total number of shares issued, excluding treasury shares)
(3)	Total purchase price	¥1.0 billion (upper limit)
(4)	Purchase period	From April 14, 2020, to August 31, 2020
(5)	Purchase method	Market purchase on the Tokyo Stock Exchange There are cases in which some or all orders will not be executed due to market trends and other factors.

### Property Acquisition by Status Transfer Contract

Samty Residential Investment Corporation acquired S-FORT Shizuoka Tennocho on February 3 by means of a status transfer contract of the Company.  
 The scale of Samty Residential's asset portfolio expanded to **118 properties, ¥109.9 billion**



### Introduction of Samty Residential Investment Corporation Employee Stock Ownership Plan

The Company is introducing an employee stock ownership plan (ESOP). The aims of the Plan are to: facilitate the acquisition of Samty Residential Investment Corporation investment units by Samty executives and employees; improve the unitholder value over the medium to long term by matching the interests of Samty Residential Investment Corporation with those of its unitholders; and assist in the asset formation of its executives and employees.



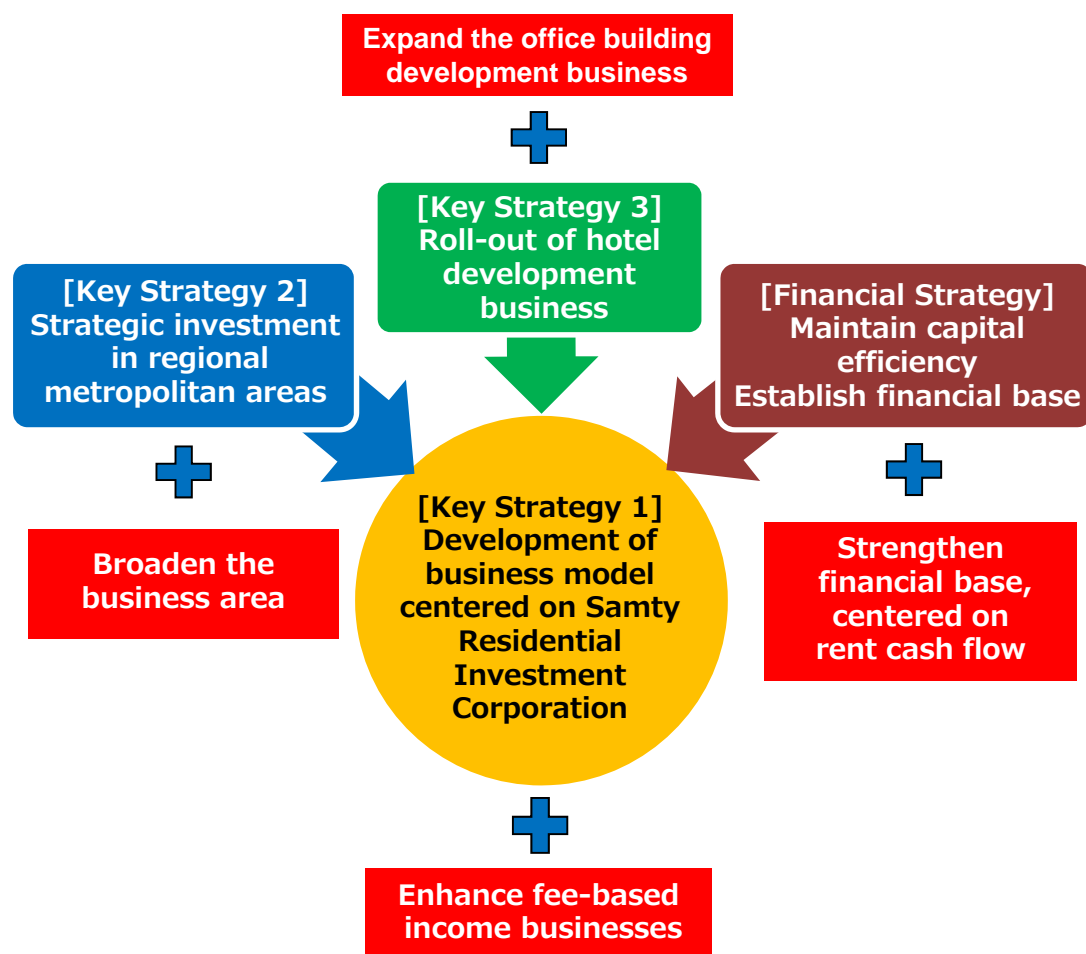
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# Medium-Term Management Plan “Samty Toughening Plan”

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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 Result	FY11/19 Result	New Medium-term Plan 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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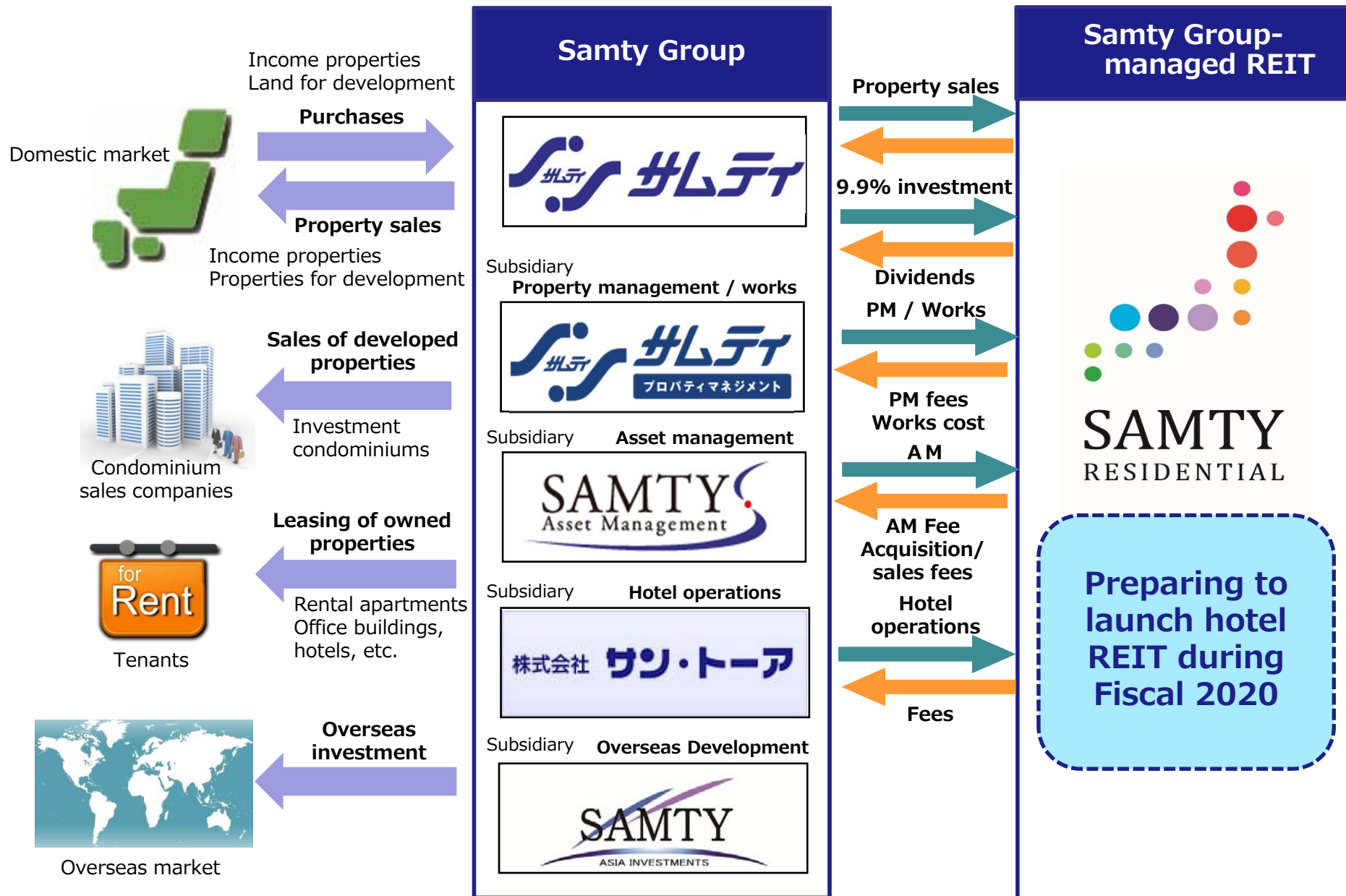
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## Key Strategies

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# Samty Group Business Model

## [Key Strategy 1: REIT-Centered Business Model]



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.

Achieved ¥192.3 billion of investment in the 1Q of FY2020/11, rate of progress of 64.1%.

Bolstering of asset portfolio is on track.

Three-Year (2019-2021) Total Investment Amount

**Approx. ¥300 billion** (¥192.3 billion<sub>(Note)</sub>/Rate of progress 64.1%)

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

¥80bn



Progress status<sub>(Note)</sub>

¥ 69.0bn

Rate of progress

86.3%

Development of hotels and office buildings

¥ 85bn



Progress status<sub>(Note)</sub>

¥ 35.0bn

Rate of progress

41.2%

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

¥135bn



Progress status<sub>(Note)</sub>

¥ 88.2bn

Rate of progress

65.4%

(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.

[Real Estate Business] Purchase Status – Land for Projects  
 [Key Strategy 2: Strategic investment in regional metropolitan areas]



In the 1Q of FY2020/11, acquired land for 14 projects.  
 The rate of progress on an acquisition amount basis is 15.8%.  
 We are working to accelerate land acquisition in the current fiscal year and promote progress under the Medium-Term Management Plan.

**Acquisition amount basis (actual results)**

	Budget for whole year	FY11/20 1Q Results		Planned settlement (contract completion)
			Rate of achievement	
<b>Acquisition amount (Billions of yen)</b>	26.5	4.2	15.8%	11.1

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

**On a number of acquisitions basis (actual results)**

	FY11/20 1Q Results							Planned settlement (contract completion)
	Hokkaido	Tokyo Metropolitan area	Chubu	Kansai	Chugoku	Kyushu	Total	
<b>Number of Acquisitions</b>	2	2	8	1	0	1	14	26
<b>Residence</b>	2	2	7	1	0	1	13	26
<b>Hotel</b>	0	0	1	0	0	0	1	0
<b>Office Building</b>	0	0	0	0	0	0	0	0

## [Real Estate Business] Sales Results

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



For development securitization, we sold a total of three properties—a hotel, an office building, and one other property—plus one property as renovation securitization. Comparison with full-year budget on number of building basis: 5.3%

#### Budget and actual results

Number of sales (Buildings)	Budget for whole year	FY11/20 1Q Results	Rate of progress
Development securitization	27	2	7.4%
S-RESIDENCE	18	0	-
Hotel, Office Building (Note)	3	1	-
Other	6	1	-
Renovation securitization	30	1	3.3%
Non-current assets	0	0	-
Total	57	3	5.3%

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



S-RESIDENCE Kamata

#### Cumulative total by area

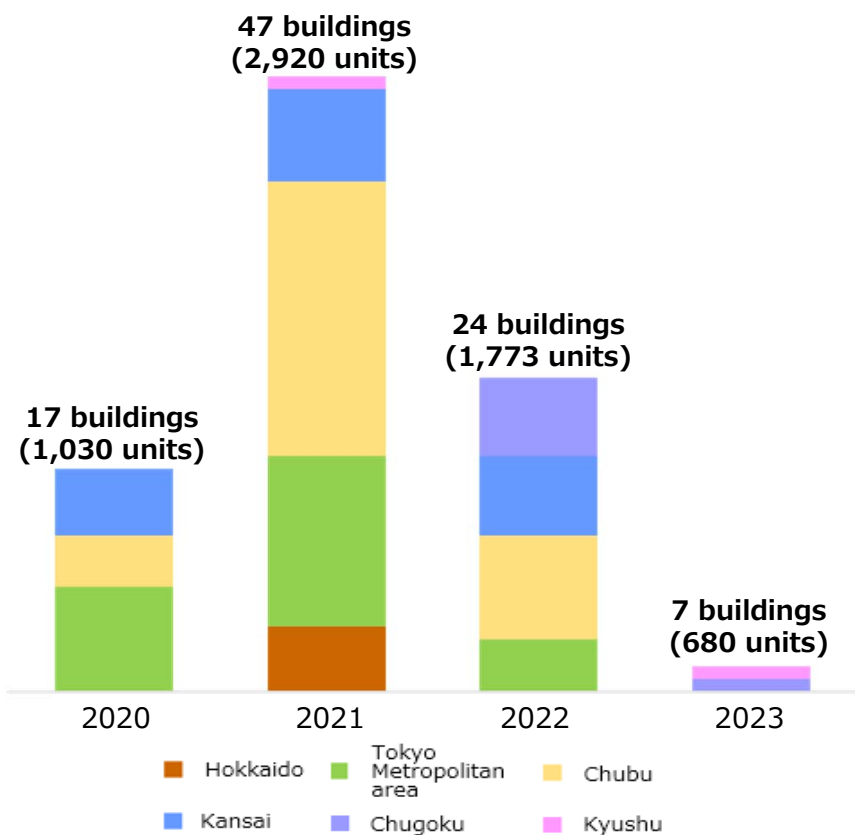
Number of sales (Buildings)	Hokkaido	Tokyo Metropolitan area	Chubu	Kansai	Chugoku · Shikoku	Kyushu	Total
Development securitization	0	1	1	0	0	0	2
S-RESIDENCE	0	0	0	0	0	0	0
Hotel, Office Building	0	0	1	0	0	0	1
Other	0	1	0	0	0	0	1
Renovation securitization	0	0	0	1	0	0	1
Non-current assets	0	0	0	0	0	0	0
Total	0	1	1	1	0	0	3

# [Real Estate Business] Residence Development Projects (1)



Scheduled for completion in 2020 are 17 buildings (1,030 units); 2021 47 buildings (2,920 units); 2022 24 buildings (1,773 units); 2023 seven buildings (680 units). A total of 95 buildings (6,403 units) are under development in cities throughout Japan, but primarily in Tokyo, Nagoya and Osaka.

**Total: 95 buildings, 6,403 units**



FY Completed	Property Name / Project Name	Location	No. of Units
2020	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 Showa-ku Hirojitori 2cho-me PJ	Showa-ku, Nagoya	27
	S-RESIDENCE Chikusa-ku Kiyozumicho 1cho-me PJ	Chikusa-ku, Nagoya	34
	S-RESIDENCE Kita-ku Kurokawahontori 3cho-me PJ	Kita-ku, Nagoya	77
	S-RESIDENCE Ota-ku Sanno 3cho-me PJ	Ota-ku, Tokyo	48
	S-RESIDENCE Sumida-ku Midori 1cho-me PJ	Sumida-ku, Tokyo	30
	S-RESIDENCE Mizuho-ku Naeshirocho PJ	Mizuho-ku, Nagoya	36
	S-RESIDENCE Sumida-ku Ishihara 1cho-me PJ	Sumida-ku, Tokyo	30
	S-RESIDENCE Kawasaki-ku Ikeda 1cho-me PJ	Kawasaki-shi, Kanagawa	77
	S-RESIDENCE Fukushima-ku Ebie 1cho-me II PJ	Fukushima-ku, Osaka	169
	Nerima-ku Asahicho 3cho-me PJ	Nerima-ku, Tokyo	61
	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
<b>Total</b>	<b>17 buildings</b>		<b>1,030</b>
2021	S-RESIDENCE Adachi-ku Senjutatsutacho PJ	Adachi-ku, Tokyo	46
	S-RESIDENCE Kita-ku Toshima PJ	Kita-ku, Tokyo	31
	S-RESIDENCE Taito-ku Asakusa 6cho-me PJ	Taito-ku, Tokyo	49
	S-RESIDENCE Nakamura-ku Meiekiminami 3cho-me PJ	Nakamura-ku, Nagoya	44
	S-RESIDENCE Meito-ku Homgo 2cho-me PJ	Meito-ku, Nagoya	183
	S-RESIDENCE Nishi-ku Kujo 2cho-me PJ	Nishi-ku, Osaka	90
	S-RESIDENCE Chuo-ku Kita8jonishi 19cho-me PJ	Chuo-ku, Sapporo	49
	S-RESIDENCE Chuo-ku Kita7jonishi 11cho-me PJ	Chuo-ku, Sapporo	44
	S-RESIDENCE Higashi-ku Aoi 3cho-me PJ	Higashi-ku, Nagoya	95
	S-RESIDENCE Toda-shi Shimomae 2cho-me PJ	Toda-shi, Saitama	40
	S-RESIDENCE Nishi-ku Nagono 2cho-me PJ	Nishi-ku, Nagoya	32
	S-RESIDENCE Nishi-ku Kodama 1cho-me PJ	Nishi-ku, Nagoya	88
	S-RESIDENCE Toyohira-ku Tsukisamuchuo PJ	Toyohira-ku, Sapporo	34
	S-RESIDENCE Nishi-ku Nijuyonken4jo 3cho-me PJ	Nishi-ku, Sapporo	37
	S-RESIDENCE Naka-ku Kamimaezu 2cho-me PJ	Naka-ku, Nagoya	56

Note: With regard to S-RESIDENCE described on pages 14 and 15, we have granted preferred negotiation rights to Samty Residential Investment Corporation, but as of the end of February 2020 there had been no agreement to buy or sell made with Samty Residential Investment Corporation.



# [Real Estate Business] Residence Development Projects (2)



FY Completed	Property Name / Project Name	Location	No. of Units
2021	S-RESIDENCE Arakawa-ku Higashinippori 4cho-me PJ	Arakawa-ku, Tokyo	27
	S-RESIDENCE Chikusa-ku Nakata 2cho-me PJ	Chikusa-ku, Nagoya	36
	S-RESIDENCE Kita-ku Oji 2cho-me PJ	Kita-ku, Tokyo	36
	S-RESIDENCE Atsuta-ku Gobancho PJ	Atsuta-ku, Nagoya	60
	S-RESIDENCE Machida-shi Tamagawagakuen 2cho-me PJ	Machida-shi, Tokyo	56
	S-RESIDENCE Atsuta-ku Yokota 1cho-me PJ	Atsuta-ku, Nagoya	77
	S-RESIDENCE Yokkaichi-shi Motomachi PJ	Yokkaichi-shi, Mie	60
	S-RESIDENCE Kita-ku Onaritori 3cho-me PJ	Kita-ku, Nagoya	66
	S-RESIDENCE Ichikawa-shi Ichikawaminami 3cho-me PJ	Ichikawa-shi, Chiba	46
	S-RESIDENCE Tenpaku-ku Furukawacho PJ	Tenpaku-ku, Nagoya	60
	S-RESIDENCE Chikusa-ku Shirutanicho PJ	Chikusa-ku, Nagoya	54
	S-RESIDENCE Kita-ku Tenmabashi 3cho-me PJ	Kita-ku, Osaka	63
	S-RESIDENCE Chuo-ku Kita1jonishi 21cho-me PJ	Chuo-ku, Sapporo	38
	S-RESIDENCE Nishi-ku Shonaitori 5cho-me PJ	Nishi-ku, Nagoya	68
	S-RESIDENCE Ichikawa-shi Gyotokuemimae 4cho-me PJ	Ichikawa-shi, Chiba	76
	S-RESIDENCE Kagoshima-shi Kamoike 2cho-me PJ	Kagoshima-shi, Kagoshima	108
	S-RESIDENCE Nishi-ku Noritakeshinmachi 3cho-me PJ	Nishi-ku, Nagoya	40
	S-RESIDENCE Ichinomiya-shi Sakae 2cho-me PJ	Ichinomiya-shi, Aichi	55
	S-RESIDENCE Chiyoda-ku Iwamotocho 1cho-me	Chiyoda-ku, Tokyo	39
	S-RESIDENCE Nishi-ku Sengen 1cho-me PJ	Nishi-ku, Nagoya	36
	S-RESIDENCE Higashiosaka-shi Nishizutsumi 2cho-me PJ	Higashiosaka-shi, Osaka	138
	S-RESIDENCE Kita-ku Ozone 3cho-me PJ	Kita-ku, Nagoya	56
	S-RESIDENCE Nishi-ku Kaminagoya 2cho-me PJ	Nishi-ku, Nagoya	58
	S-RESIDENCE Sakai-shi Kita-ku Shinonomehigashimachi PJ	Kita-ku, Sakai	84
	S-RESIDENCE Chikusa-ku Uchiyama 3cho-me II PJ	Chikusa-ku, Nagoya	60
	S-RESIDENCE Saitama-shi Omiya-ku Kishicho 2cho-me PJ	Omiya-ku, Saitama	125
	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 Mizuho-ku Yanagaecho 2cho-me	Mizuho-ku, Nagoya	56
	Yodogawa-ku Niitaka 3cho-me PJ	Yodogawa-ku, Osaka	60
	Settsu-shi Senrioka 1cho-me PJ	Settsu-shi, Osaka	75
	SAMTY Naniwa-ku Nippombashi 5cho-me III PJ	Naniwa-ku, Osaka	98
	<b>Total</b>	<b>47 buildings</b>	<b>2,920</b>

FY Completed	Property Name / Project Name	Location	No. of Units
2022	S-RESIDENCE Nakamura-ku Toyokunitori 4cho-me PJ	Nakamura-ku, Nagoya	70
	S-RESIDENCE Koto-ku Toyo 1cho-me PJ	Koto-ku, Tokyo	34
	S-RESIDENCE Minami-ku Ujinakanda 5cho-me PJ	Minami-ku, Hiroshima	50
	S-RESIDENCE Minami-ku Ujinakanda 5cho-me PJ II	Minami-ku, Hiroshima	54
	S-RESIDENCE Taito-ku Motoasakusa 1cho-me PJ	Taito-ku, Tokyo	40
	S-RESIDENCE Nishi-ku Shonaitori 2cho-me PJ	Nishi-ku, Nagoya	78
	S-RESIDENCE Okayama-shi Kita-ku Omotecho 3cho-me PJ	Kita-ku, Okayama	84
	S-RESIDENCE Kawaguchi-shi Saiwaicho 2cho-me PJ	Kawaguchi-shi, Saitama	36
	S-RESIDENCE Meito-ku Meitohondori 3cho-me PJ	Meito-ku, Nagoya	60
	S-RESIDENCE Naka-ku Chiyoda 5cho-me PJ	Naka-ku, Nagoya	52
	S-RESIDENCE Naka-ku Oicho PJ	Naka-ku, Nagoya	70
	S-RESIDENCE Chuo-ku Irifune 1cho-me	Chuo-ku, Tokyo	28
	S-RESIDENCE Naka-ku Chiyoda 3cho-me PJ	Naka-ku, Nagoya	70
	S-RESIDENCE Chuo-ku Matsuyamachisumiyoshi III PJ	Chuo-ku, Osaka	140
	S-RESIDENCE Chikusa-ku Ikeshita 1cho-me PJ	Chikusa-ku, Nagoya	48
	S-RESIDENCE Naka-ku Kawaramachi Heiwa Odori PJ	Naka-ku, Hiroshima	83
	S-RESIDENCE Yodogawa-ku Miyahara 4cho-me PJ	Yodogawa-ku, Osaka	117
	S-RESIDENCE Naka-ku Sumiyoshicho PJ	Naka-ku, Hiroshima	48
	S-RESIDENCE Minami-ku Osugacho PJ	Minami-ku, Hiroshima	70
	S-RESIDENCE Nakamura-ku Kamejima 1cho-me PJ	Nakamura-ku, Nagoya	146
	S-RESIDENCE Fukushima-ku Tamagawa 4cho-me (East wing) PJ	Fukushima-ku, Osaka	112
	S-RESIDENCE Fukushima-ku Tamagawa 4cho-me (East wing) PJ	Fukushima-ku, Osaka	48
	Kyoto-shi Fushimi-ku Takeda PJ	Fushimi-ku, Kyoto	165
	Yodogawa-ku Nishimiyahara 1cho-me II PJ	Yodogawa-ku, Osaka	70
<b>Total</b>	<b>24 buildings</b>	<b>1,773</b>	
2023	S-RESIDENCE Atsuta-ku Yomban 2cho-me PJ	Atsuta-ku, Nagoya	120
	S-RESIDENCE Minami-ku Ohashi 2cho-me PJ	Minami-ku, Fukuoka	72
	S-RESIDENCE Suita-shi Enokicho PJ	Suita-shi, Osaka	84
	S-RESIDENCE Naka-ku Kokutaijimachi 1cho-me PJ	Naka-ku, Hiroshima	194
	S-RESIDENCE Mizuho-ku Daigishincho 1cho-me PJ	Mizuho-ku, Nagoya	82
	S-RESIDENCE Nakamura-ku Takebashicho PJ	Nakamura-ku, Nagoya	72
	S-RESIDENCE Matsudo-shi Matsudo PJ	Matsudo-shi, Chiba	56
<b>Total</b>	<b>7 buildings</b>	<b>680</b>	
<b>Total</b>	<b>95 buildings</b>	<b>6,403</b>	

[Property Leasing Business] Acquisition Results  
 [Key Strategy 2: Strategic investment in regional metropolitan areas]



Acquired profitable real estate (23 buildings, approx. ¥15.1 billion) in major cities across Japan. The rate of achievement against the full-year budget is 31.5%. In the same way as land acquisition, we will work to accelerate the acquisition of income-generating real estate in the current fiscal year and promote progress under the Medium-Term Management Plan.

Acquisition amount basis (actual results)

	Budget for whole year	FY11/20 1Q Results		Planned settlement (contract completion)
		Rate of progress		
Acquisition amount (Billions of yen)	48.0	15.1	31.5%	14.2

On a number of acquisitions basis (actual results)

	FY11/20 1Q Results								Planned settlement (contract completion)
	Hokkaido	Tohoku	Tokyo Metropolitan area	Chubu	Kansai	Chugoku	Kyushu	Total	
Number of Acquisitions	2	1	1	3	6	0	10	23	17
Residence	2	1	1	3	5	0	10	22	15
Hotel	0	0	0	0	0	0	0	0	1
Office Building	0	0	0	0	0	0	0	0	1
Other	0	0	0	0	1	0	0	1	0



SAMTY Maruyama Residence



PALWISH Tama-plaza



RESIDENCIA Meiekiminami



SAMTY Namba Grace



SAMTY Tenjin-minami

**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	(Provisional name) Agora Kyoto Shijo-karasuma North	Shimogyo-ku, Kyoto	80
	Hotel	(Provisional name) Agora Kyoto Shijo-karasuma South	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
	Hotel	HOTEL Takayama PJ	Takayama, Gifu	161
Total 3 buildings				610
Total 10 buildings				1,459



(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)



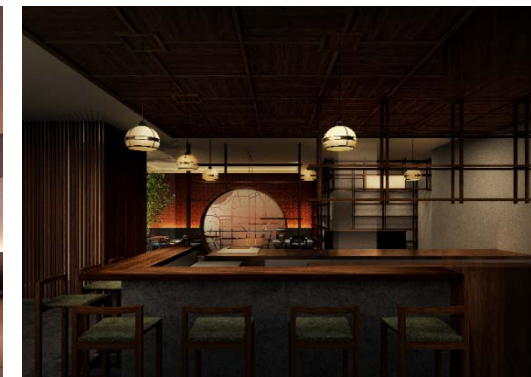
Mercure Kyoto Station  
 (Lobby)



Ibis Styles Nagoya  
 (Guest room)



Agora Kyoto Shijo-karasuma South  
 (Guest room)

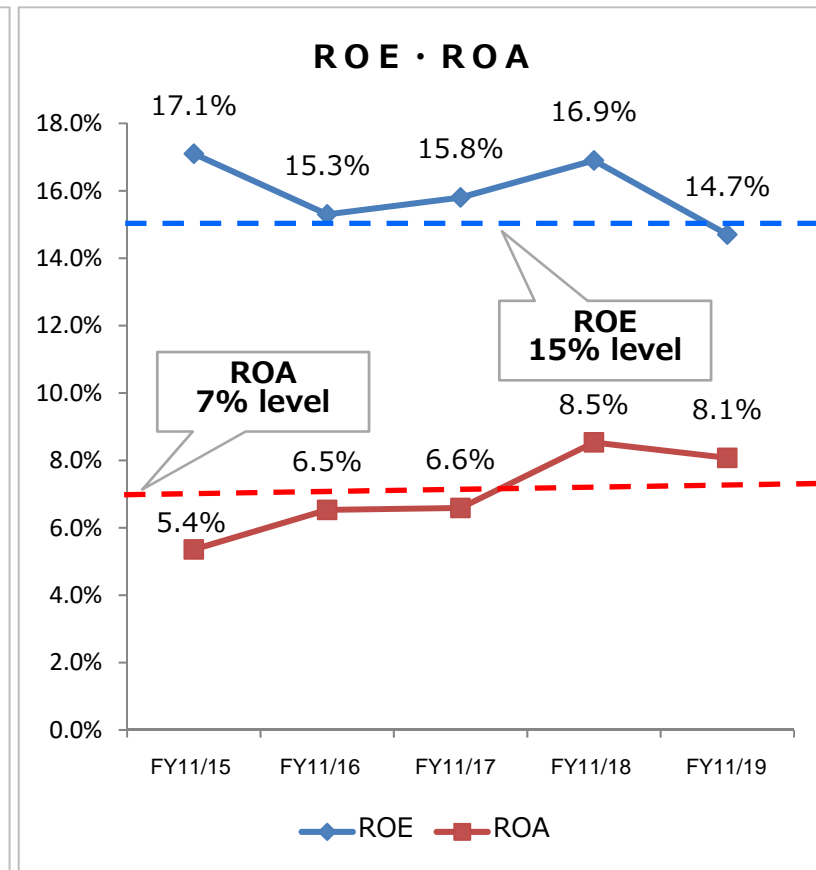
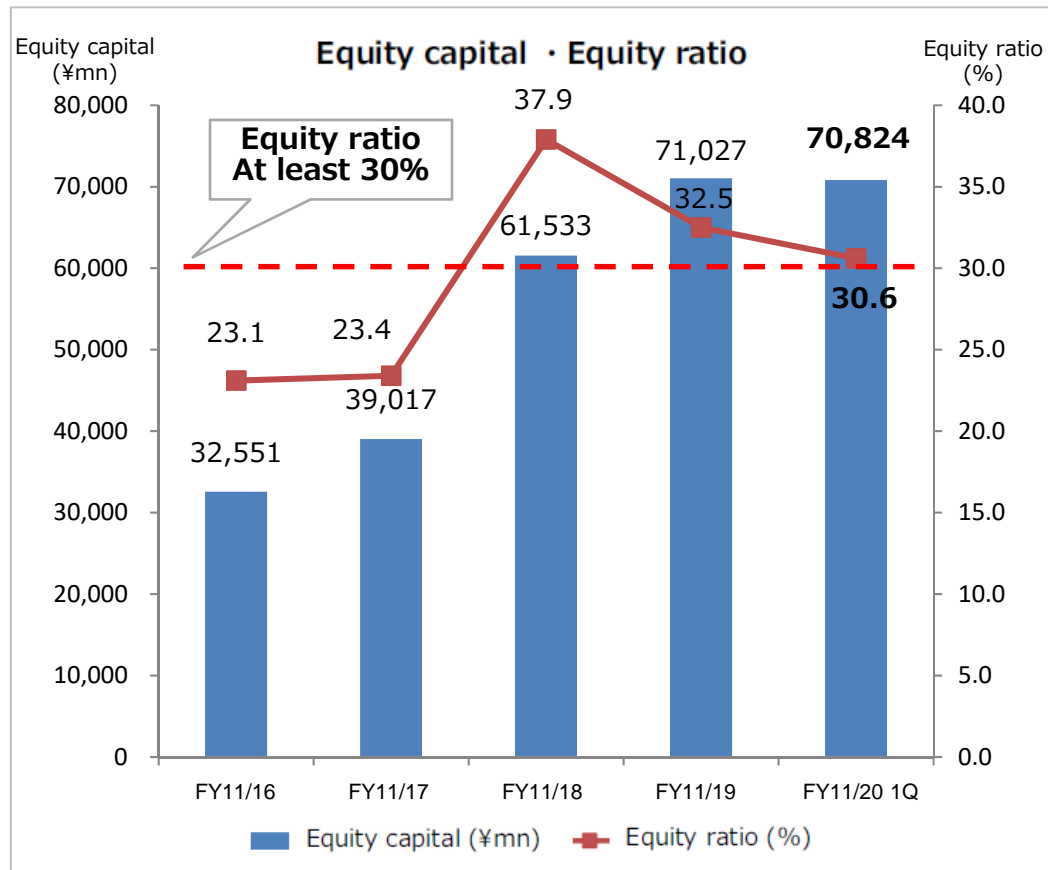


Agora Kyoto Shijo-karasuma North  
 (Lounge)

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, we use borrowing to actively acquire profitable real estate. At 30.6%, the capital ratio was maintained at more than 30%, as planned.



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

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First Quarter of Fiscal Year Ending November 30, 2020

Overview of Financial Results

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# First Quarter of Fiscal Year Ending November 30, 2020

## Overview of Consolidated Financial Statements



In FY2020/11, the future remains uncertain due, for example, to concerns about economic slowdowns in Japan and abroad resulting from the spread of COVID-19. In a business environment of this kind, net sales decreased 11.0% compared with the same period of the previous fiscal year to ¥12.5 billion, operating income rose 26.4% to ¥4.0 billion, ordinary income climbed 26.9% to ¥3.4 billion, and net income increased 23.4% to ¥2.5 billion. There were also firm 1Q increases in each of operating profit margin (32.5%, up 9.6 points compared with the same period of the previous fiscal year), ordinary profit margin (27.6%, up 8.2 points), and net profit margin (20.3%, up 5.6 points), thus we recorded increases in income and profit. Furthermore, sales are almost in line with the forecast for the full fiscal year.

(Unit: Millions of yen)	FY11/19 1Q Results		FY11/20 1Q Results		Year on year Increase/decrease	
		Ratio		Ratio		Rate of increase/decrease
Net sales	14,144	100.0	12,587	100.0	-1,557	-11.0%
Cost of sales	9,005	63.7	6,025	47.9	-2,980	-33.1%
Selling, general and administrative expenses	1,897	13.4	2,472	19.6	+574	+30.3%
Operating income	3,241	22.9	4,089	32.5	+848	+26.2%
Non-operating income	6	0.0	10	0.1	+4	+66.7%
Non-operating expenses	507	3.6	621	4.9	+114	+22.6%
Ordinary income	2,740	19.4	3,478	27.6	+737	+26.9%
Extraordinary income	259	1.8	(*) 116	0.9	-142	-
Extraordinary loss	0	0.0	1	0.0	+0	-
Profit attributable to owners of parent	2,074	14.7	2,560	20.3	+486	+23.4%
Net income per share (Yen)	54.49	-	62.53	-	+8	+14.8%

(\*) With regard to the recording of extraordinary income (¥116 million) for consumption taxes for prior periods

With regard to the findings of the tax investigation up to now, since there is a high probability that the amount pointed out by the National Taxation Bureau will be less than the amount accrued by the Company at the end of the previous fiscal year, the difference concerned was resolved after consultation with the Company's accounting auditor.

# First Quarter of Fiscal Year Ending November 30, 2020

## Consolidated Balance Sheet Overview

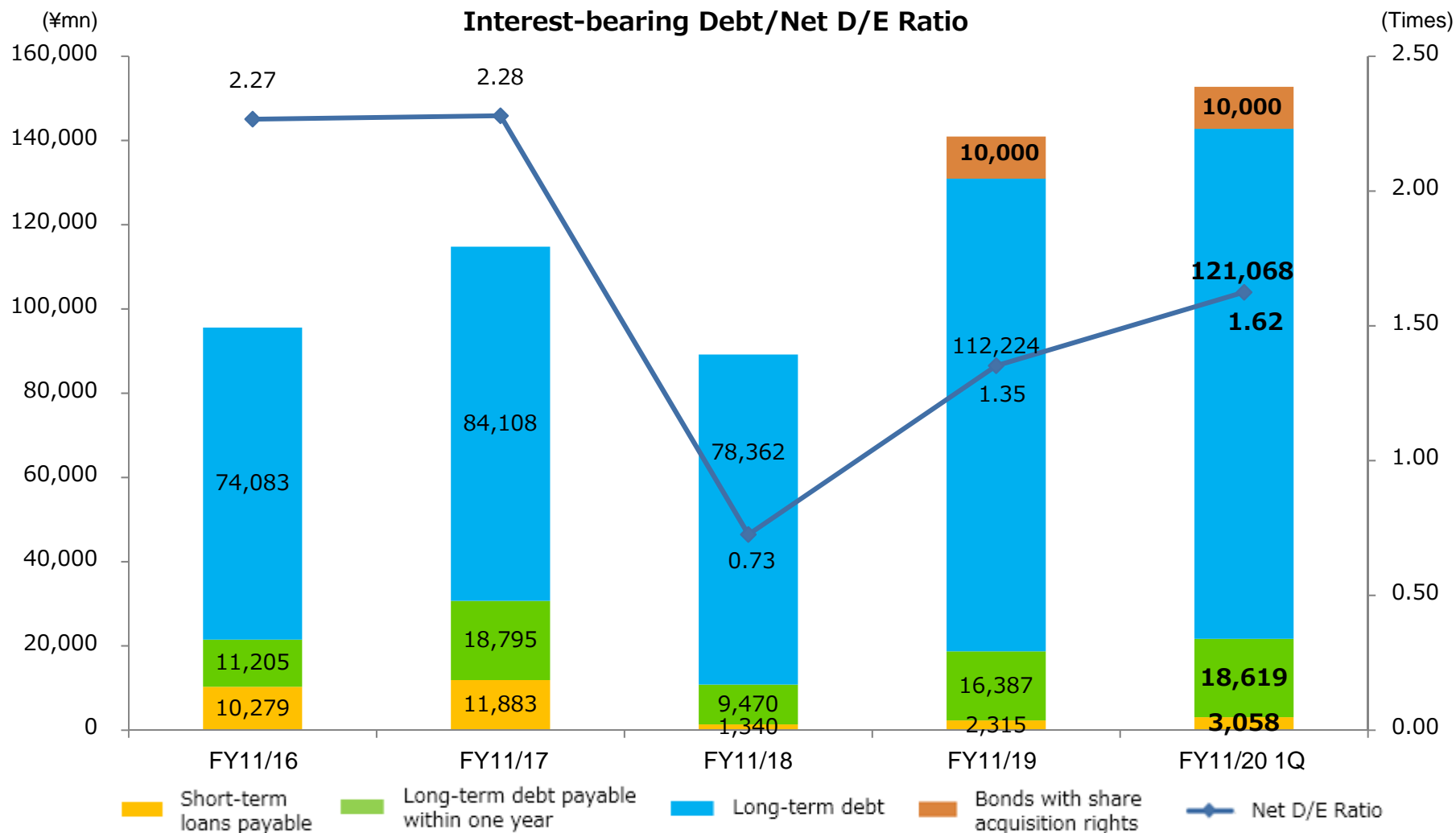


Making effective use of funds raised through property sales and borrowings, the Company actively acquires land for development and profitable real estate.

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)	FY11/19 Period-end results	FY11/20 1Q 1Q Results	Increase/ decrease	Main Reasons for Increase/Decrease
Total assets	218,803	231,710	+12,907	◇ Real Estate Properties for Sale
Current assets	122,428	128,174	+5,746	Transfers and other +23,071 million
Cash and deposits	44,918	37,691	-7,226	Property sales -4,767 million
Real estate for sale	28,637	46,941	+18,304	◇ Real Estate for Sales in Progress
Real estate for sale under construction	46,339	41,965	-4,374	Acquisitions of land for development/Building costs +7,562 million
Non-current assets	96,374	103,536	+7,161	Transfers and other -11,936 million
Property and equipment	78,420	85,494	+7,074	◇ Property and equipment
Intangible assets	172	165	-7	Acquisitions of Profitable Real Estate +18,177 million
Investments and other assets	17,781	17,876	+94	◇ Shareholders' Equity
Total Liabilities	147,175	160,285	+13,109	Net income for quarter +2,560 million
Current liabilities	22,581	26,747	+4,165	Dividend payments -1,801 million
Short-term borrowings	2,315	3,058	+742	
Current portion of long-term debt	16,387	18,619	+2,231	
Non-current liabilities	124,593	133,538	+8,944	
Long-term debt	112,224	121,068	+8,843	
Bonds with share acquisition rights	10,000	10,000	-	
Total net assets	71,627	71,425	-202	
Total liabilities and net assete	218,803	231,710	+12,907	
Interest-bearing debt	140,927	152,745	+11,817	
Shareholders' equity	70,455	71,213	+757	
Equity ratio (%)	32.5%	30.6%	-1.9%	

Long-term debt increased due to active acquisition of profitable real estate  
Interest-bearing debt increased, but net D/E ratio remained at 1.62 times



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



# First Quarter of Fiscal Year Ending November 30, 2020

## Overview of Consolidated Financial Statements by Segment



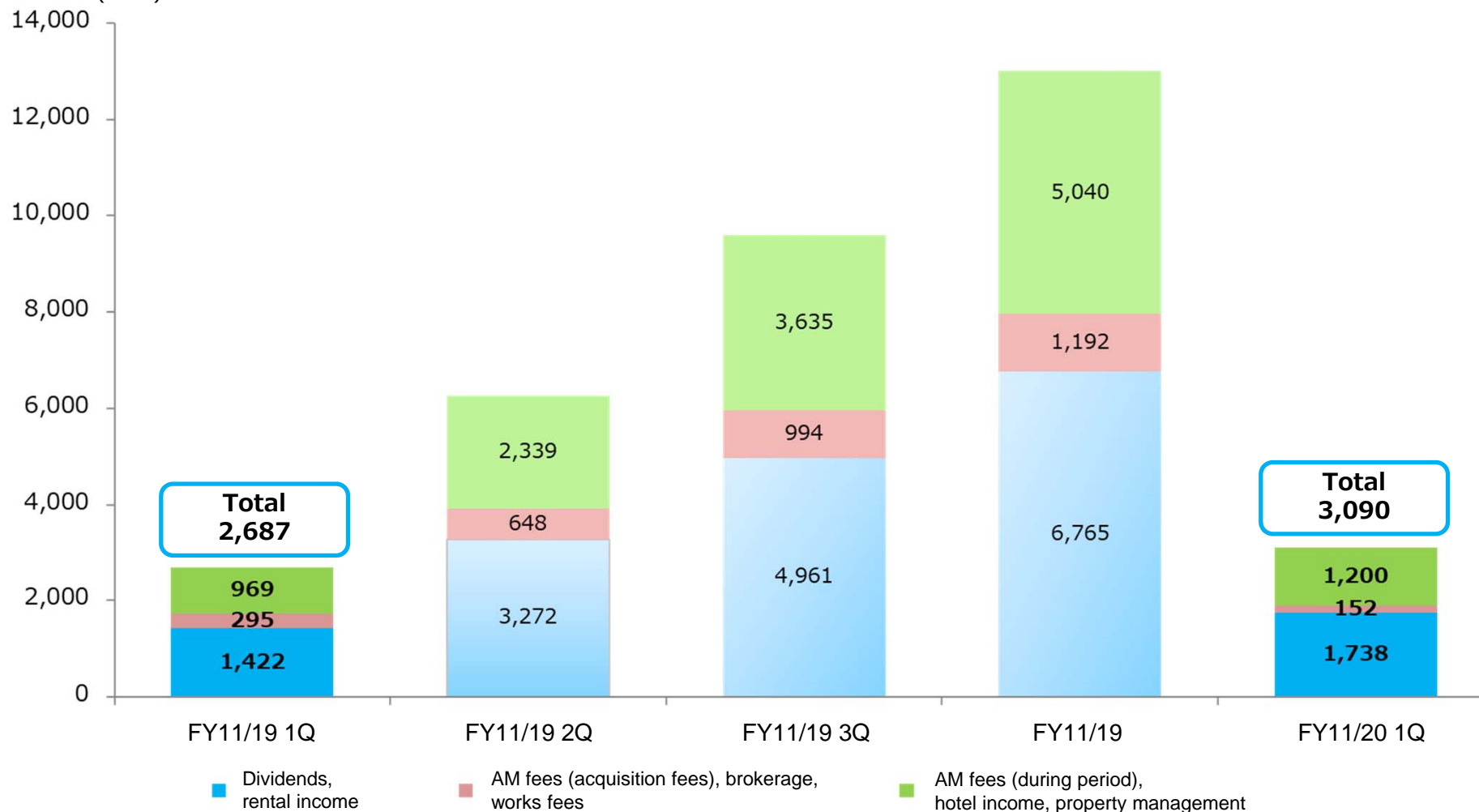
		Net sales	YoY
Real Estate Business	Compared with the same period in the previous fiscal year, net sales decreased 16.9%, but operating income increased 11.1% from the sale of the high-profit margin hotel site in front of Nagoya station.	¥9,880mn	-16.9%
Property Leasing Business	In the Property Leasing business, the occupancy rates of real estate under ownership remains high. Due to the aggressive acquisition of profitable real estate, net sales increased 30.2% compared with the 1Q of FY2019/11. Operating increased by 20.0% compared with the 1Q of FY2019/11.	¥1,853mn	+30.2%
Other Business	Following the opening of new hotels, net sales increased 5.4% compared with the same period in the previous fiscal year, but an operating loss has been recorded due to the impact from the spread of COVID-19 infections.	¥973mn	+5.4%

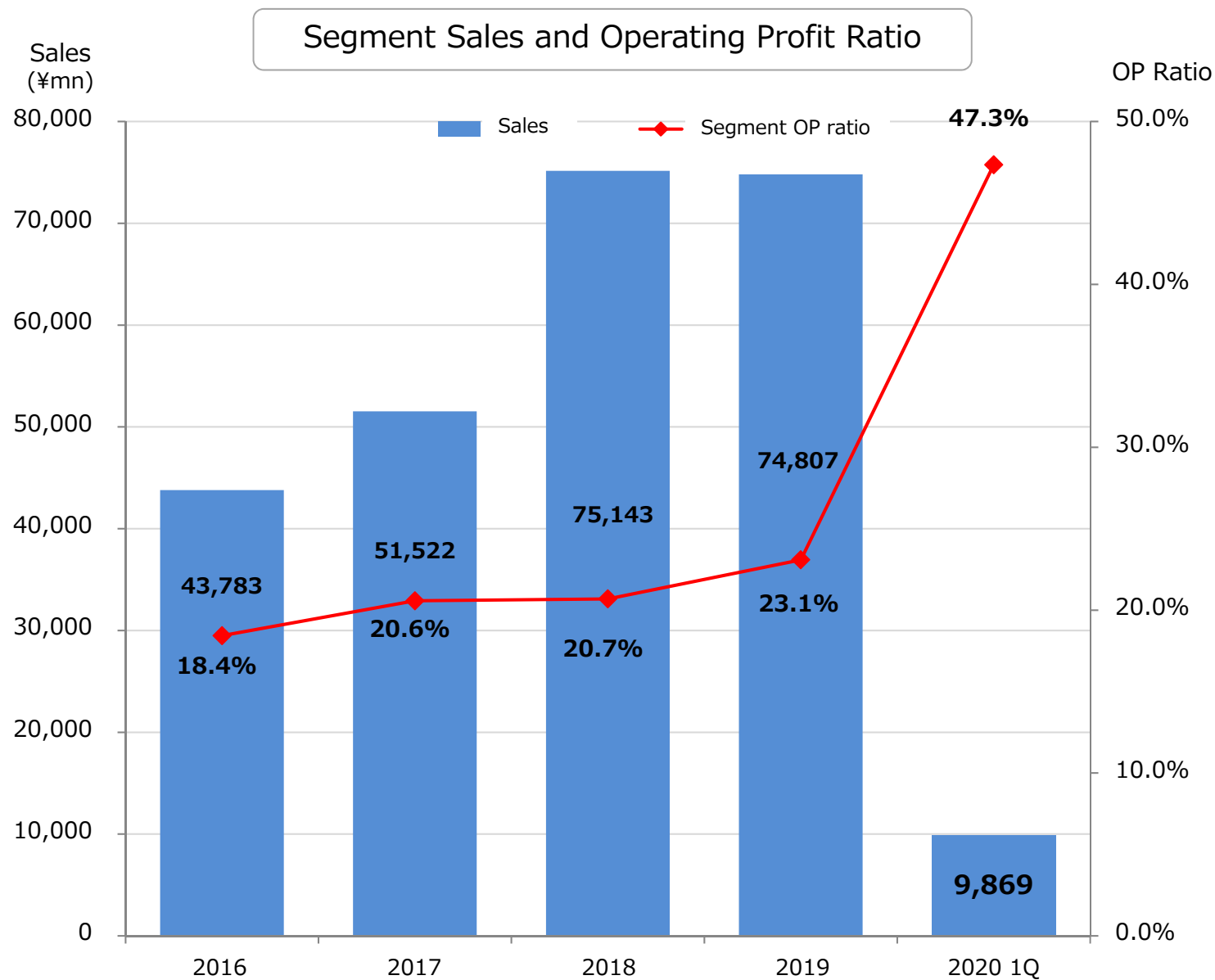
(Unit: Millions of yen)	FY11/19 1Q Results		FY11/20 1Q Results		Year on year Increase/decrease	
		Operating profit ratio		Operating profit ratio		Rate of increase/ decrease
Net sales	14,144	-	12,587	-	-1,557	-11.0%
Real Estate Business	11,882	-	9,880	-	-2,002	-16.9%
Property Leasing Business	1,423	-	1,853	-	+429	+30.2%
Other Business	923	-	973	-	+49	+5.4%
Adjustment	-86	-	-120	-	-34	-
Operating income	3,241	22.9%	4,089	32.5%	+848	+26.2%
Real Estate Business	3,632	30.6%	4,672	47.3%	+1,040	+28.6%
Property Leasing Business	557	39.1%	669	36.1%	+111	+20.0%
Other Business	30	3.3%	-65	-6.7%	-95	-311.1%
Adjustment	-979	-	-1,188	-	-208	-

## Contributory Factors in Differences with 1Q of FY2019/11

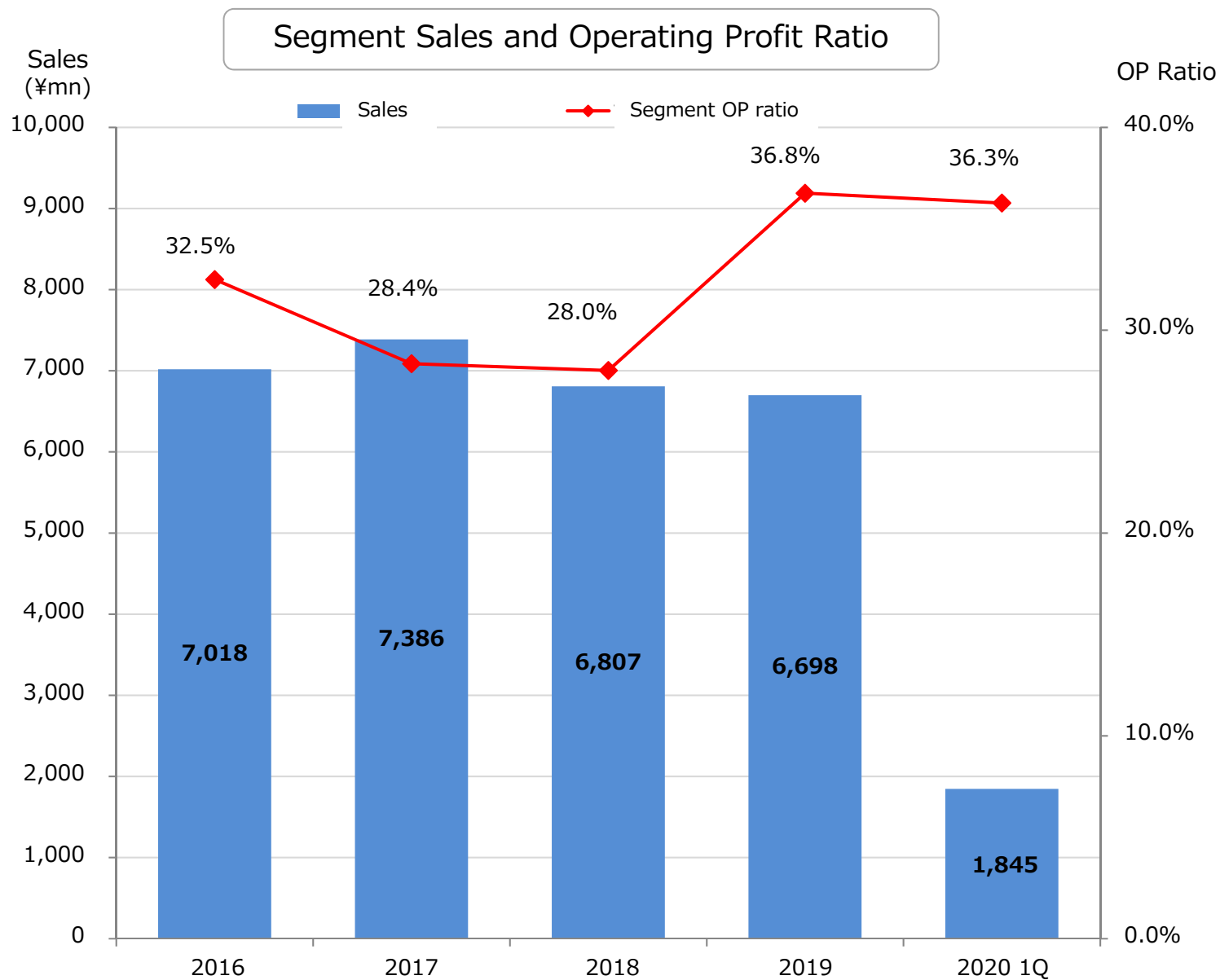
- Increase in rent income due to an increase in number of properties (+¥316 million)
- Including increased hotel revenue due to AM fees, opening of new hotels during period (+¥231 million)
- Due to decreases in brokerage and AM fees (acquisitions), works (decreased ¥143 million)

Net sales (¥mn)





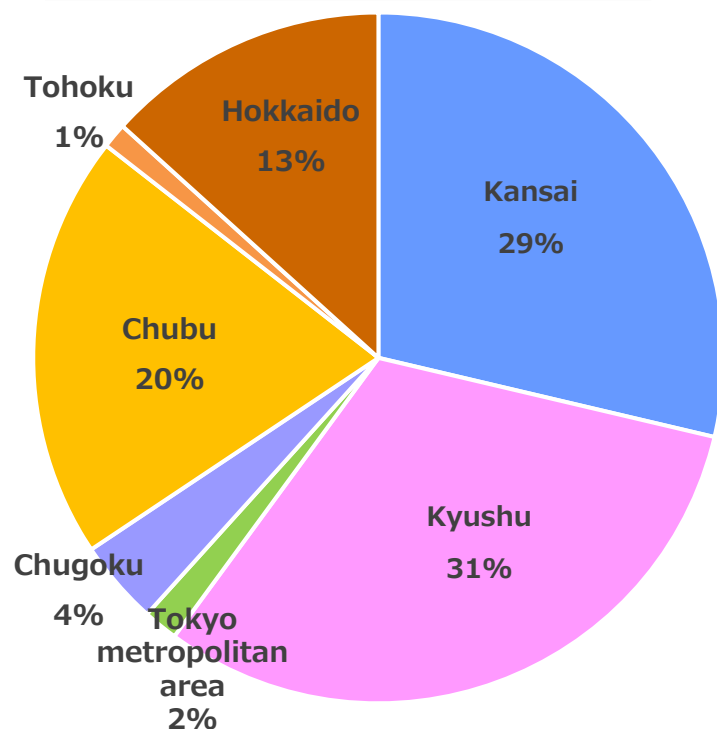
Note: The net sales figure stated for the 1Q of FY2020/11 is the amount prior to intersegment eliminations.



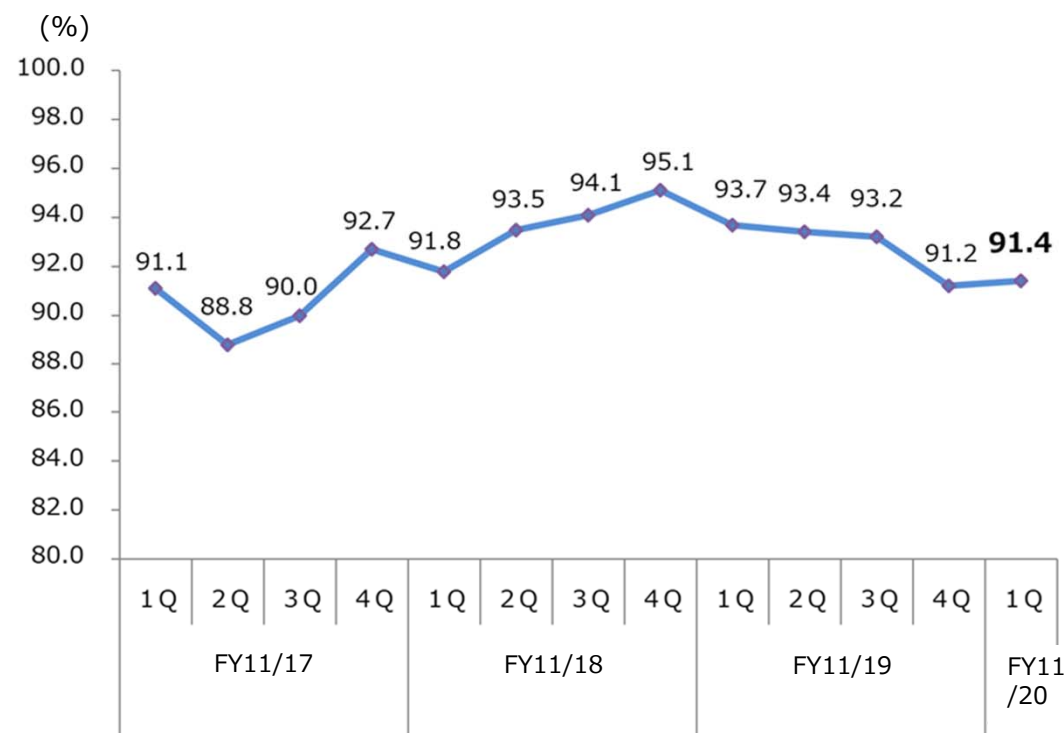
Note: The net sales figure stated for the 1Q of FY2020/11 is the amount prior to intersegment eliminations.

- 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. Strengthening leasing geared toward busy season.

Asset Holdings by Region



Occupancy Rate of Residences



(Note 1) As of February 29, 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.

### 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
S-PERIA Hotel Hakata	Hakata-ku, Fukuoka	287
S-PERIA INN Nihombashihakozaki	Chuo-ku, Tokyo	114
S-PERIA INN Osakahommachi	Nishi-ku, Osaka	125
S-PERIA Hotel Kyoto	Shimogyo-ku, Kyoto	165
NEST HOTEL Hiroshima Hatchobori	Naka-ku, Hiroshima	126
Total		1,347

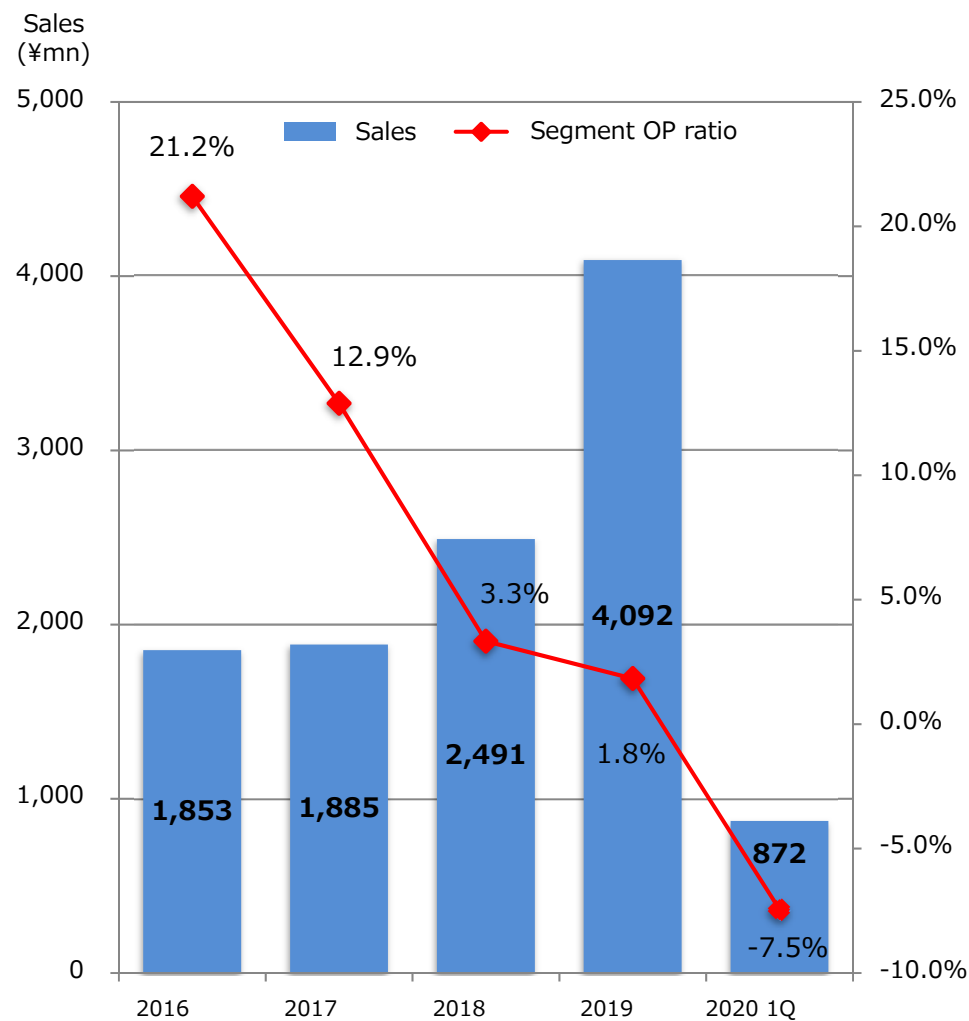


S-PERIA HOTEL Kyoto (Lobby)



NEST HOTEL Hiroshima Hatchobori (Exterior)

### Segment Sales and Operating Profit Ratio



Note: The net sales figure stated for the 1Q of FY2020/11 is the amount 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.

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**SAMTY**