

Consolidated Financial Results for the Third Quarter of Fiscal 2020 (April 1, 2020 - December 31, 2020)

Fiscal 2020 (Year ending March 31, 2021)

February 12, 2021

SUMITOMO REALTY & DEVELOPMENT CO., LTD.

Stock Exchange Listings TSE1
 Securities Code 8830
 Location of Head Office Tokyo, Japan
 URL <http://www.sumitomo-rd.co.jp/english/>

1. Results for Third Quarter (April 1, 2020 - December 31, 2020)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Revenue from operations		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec 31, 2020	705,852	(8.1)	179,425	(2.6)	174,912	(0.5)	128,352	13.7
Nine months ended Dec 31, 2019	768,061	0.7	184,173	5.2	175,753	6.2	112,859	13.7
(Reference) Fiscal 2019	1,013,512	0.1	234,332	6.8	220,520	8.5	140,997	8.4

Notes 1: Comprehensive Income

Fiscal 2020, 3rd quarter : 187,017 millions of yen, 38.2%; Fiscal 2019, 3rd quarter : 135,369 millions of yen, 121.6%

2: Percentages represent changes compared with the 3rd quarter of the previous year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec 31, 2020	270.82	—
Nine months ended Dec 31, 2019	238.13	—
(Reference) Fiscal 2019	297.50	—

Note: Average number of shares issued and outstanding (consolidated)

Fiscal 2020, 3rd quarter : 473,939,433 shares; Fiscal 2019, 3rd quarter : 473,939,984 shares

(2) Consolidated financial position (Amounts less than one million yen, except for per share amounts, are omitted.)

	Total assets	Shareholders' equity	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec 31, 2020	5,526,028	1,464,662	26.5
As of Dec 31, 2019	5,197,398	1,322,304	25.4
(Reference) Fiscal 2019	5,317,623	1,294,998	24.4

Note: Number of shares issued and outstanding (consolidated)

As of Dec 31, 2020: 473,939,326 shares; As of Dec 31, 2019 : 473,939,703 shares

2. Dividend Position

	Dividend per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2019	16.00	19.00	35.00
Forecast for Fiscal 2020	19.00	21.00	40.00

Dividend per share forecast for Fiscal 2020 announced on May 14, 2020 has been revised.

3. Consolidated Business Forecasts for Fiscal 2020 (Year ending March 31, 2021)

	Revenue from operations	Operating income	Ordinary profit	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2020	900,000	213,000	200,000	140,000

Consolidated business forecasts announced on November 12, 2020 have not been revised.

Note: The foregoing estimates were based on information available as of the date this data was released, and actual results may differ from estimates due to various arising in the future.

4. Results of main segments

(1) Revenue from operations

	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	291,020	297,941	+6,920	390,000	76
Sales	272,113	232,486	(39,626)	270,000	86
Construction	148,286	126,026	(22,259)	180,000	70
Brokerage	53,994	48,036	(5,957)	60,000	80
Other and Elimination/Corporate	2,647	1,361	(1,286)	—	—
Total	768,061	705,852	(62,209)	900,000	78

(2) Operating income

	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	125,859	121,433	(4,426)	160,000	76
Sales	45,482	54,489	+9,007	53,000	103
Construction	12,159	7,776	(4,383)	12,000	65
Brokerage	12,085	9,078	(3,007)	9,000	101
Other and Elimination/Corporate	(11,413)	(13,351)	(1,937)	(21,000)	—
Total	184,173	179,425	(4,747)	213,000	84

Note: From the beginning of fiscal 2020 (year ending March 31, 2021), the business segments for revenue and income from Sumitomo Real Estate Sales have been changed, from the allocation to "Sales", "Brokerage" and "Adjustments (not presented in the document)", to be consolidated into "Brokerage". Financial results for the third quarter of fiscal 2019 (April 1, 2019-December 31, 2019) have been adjusted retroactively.

Consolidated Balance Sheets

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

Assets	Millions of yen	
	December 31, 2020	March 31, 2020
Current assets:		
Cash, time and notice deposits	¥ 142,759	¥ 195,360
Notes and accounts receivable—trade	12,831	17,405
Real estate for sale	227,866	351,368
Real estate for sale in process	372,164	286,254
Costs on uncompleted construction contracts	14,276	10,369
Other inventories	1,140	887
Other current assets	59,702	54,447
Allowance for doubtful accounts	(46)	(60)
Total current assets	830,695	916,034
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,099,473	1,036,339
Land	2,762,885	2,558,356
Construction in progress	115,066	133,716
Other property and equipment, net	13,073	11,842
Total Property and equipment	3,990,499	3,740,255
Intangible assets		
Leasehold rights	60,021	55,823
Other intangible assets	2,011	1,738
Total intangible assets	62,032	57,561
Investment and other assets		
Investment securities	529,268	469,229
Guarantee and lease deposits paid to lessors	68,799	70,171
Deferred income taxes	12,288	30,067
Other investments	34,527	36,385
Allowance for doubtful accounts	(2,082)	(2,082)
Total investment and other assets	642,801	603,772
Total fixed assets	4,695,333	4,401,589
Total assets	¥ 5,526,028	¥ 5,317,623

Millions of yen

Liabilities and Net Assets

	December 31, 2020		March 31, 2020	
Current liabilities:				
Notes and accounts payable—trade	¥	17,803	¥	36,392
Short-term debt		29,165		26,726
Long-term debt due within one year		176,946		131,471
Long-term non-recourse loans due within one year		10,942		62,373
Commercial paper		126,000		120,000
Corporate bonds due within one year		10,000		—
Non-recourse bonds due within one year		1,000		8,000
Accrued income taxes		33,399		32,343
Deposits received		25,982		51,195
Accrued bonuses		1,033		5,441
Other current liabilities		136,665		148,102
Total current liabilities		568,937		622,045
Long-term liabilities:				
Corporate bonds		260,000		270,000
Non-recourse bonds		36,100		31,100
Long-term debt		2,616,696		2,572,156
Long-term non-recourse loans		266,394		219,082
Allowance for retirement benefits for directors		26		47
Net defined benefit liability		6,242		6,269
Guarantee and lease deposits received		254,409		247,609
Long-term deposits received		34,311		45,895
Other long-term liabilities		18,247		8,417
Total long-term liabilities		3,492,428		3,400,578
Total liabilities		4,061,366		4,022,624
Net assets:				
Shareholders' equity				
Capital		122,805		122,805
Capital surplus		104,153		104,153
Retained earnings		1,113,633		1,002,633
Treasury stock		(4,474)		(4,473)
Total shareholders' equity		1,336,118		1,225,119
Accumulated other comprehensive income (loss)				
Net unrealized holding gains on securities		136,609		76,335
Net deferred losses on hedges		(4,341)		(3,560)
Foreign currency translation adjustments		(3,681)		(2,718)
Remeasurements of defined benefit plans		(43)		(177)
Total accumulated other comprehensive income		128,543		69,879
Total net assets		1,464,662		1,294,998
Total liabilities and net assets	¥	5,526,028	¥	5,317,623

Consolidated Statements of Income

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2020	2019
Revenue from operations	¥ 705,852	¥ 768,061
Cost of revenue from operations	475,532	520,910
Gross profit	230,319	247,151
Selling, general and administrative expenses	50,893	62,977
Operating income	179,425	184,173
Non-operating income		
Interest and dividend income	11,316	11,218
Other non-operating income	1,406	386
Total non-operating income	12,723	11,605
Non-operating expenses		
Interest expense	13,880	14,417
Other non-operating expenses	3,355	5,607
Total non-operating expenses	17,236	20,024
Ordinary profit	174,912	175,753
Extraordinary income		
Gain on sale of property and equipment	536	0
Gain on sale of investment securities	12,420	75
Reversal of allowance for doubtful accounts	—	4,829
Other extraordinary income	—	0
Total extraordinary income	12,956	4,905
Extraordinary loss		
Loss on sale of property and equipment	—	348
Loss on impairment of fixed assets	—	9,660
Loss on disposal of property and equipment	1,064	1,366
Loss on devaluation of investment securities	1,582	57
Loss on sale of investment securities	206	—
Loss related to COVID-19	629	—
Other extraordinary losses	41	8
Total extraordinary losses	3,524	11,441
Income before income taxes	184,344	169,218
Income taxes	55,991	56,358
Profit	128,352	112,859
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 128,352	¥ 112,859

Consolidated Statements of Comprehensive Income

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2020	2019
Profit	¥ 128,352	¥ 112,859
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	60,274	22,249
Net deferred gains (losses) on hedges	(780)	989
Foreign currency translation adjustments	(963)	(764)
Remeasurements of defined benefit plans	133	34
Total other comprehensive income (loss)	58,664	22,509
Comprehensive income	187,017	135,369
Comprehensive income attributable to:		
Owners of the parent	187,017	135,369
Non-controlling interests	—	—