

Consolidated Financial Results for the Second Quarter of Fiscal 2022 (April 1, 2022 - September 30, 2022)

Fiscal 2022 (Year ending March 31, 2023)

November 11, 2022

SUMITOMO REALTY & DEVELOPMENT CO., LTD.

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

1. Results for Second Quarter (April 1, 2022 - September 30, 2022)

(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	%
Six months ended Sep 30, 2022	474,871	(1.3)	137,982	1.3	136,477	2.9	94,050	3.2
Six months ended Sep 30, 2021	480,968	(6.6)	136,192	2.5	132,602	2.4	91,103	(6.2)
(Reference) Fiscal 2021	939,430	2.4	233,882	6.7	225,115	7.2	150,452	6.4

Notes 1: Comprehensive Income

Fiscal 2022, 2nd quarter : 97,653 millions of yen, (6.6%); Fiscal 2021, 2nd quarter : 104,526 millions of yen, (21.8%)

2: Percentages represent changes year on year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep 30, 2022	198.45	—
Six months ended Sep 30, 2021	192.23	—
(Reference) Fiscal 2021	317.45	—

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

Fiscal 2022, 1H : 473,938,805 shares; Fiscal 2021, 1H : 473,939,042 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 Sep 30, 2022	5,854,704	1,720,779	29.4
As of Sep 30, 2021	5,735,036	1,597,595	27.9
(Reference) Fiscal 2021	5,806,040	1,634,049	28.1

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2022 : 473,938,663 shares; As of Sep 30, 2021 : 473,939,020 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2021	22.00	23.00	45.00
Forecast for Fiscal 2022	24.00	28.00	52.00

Forecast for Fiscal 2022 announced on May 12, 2022 has been revised.

3. Consolidated Business Forecasts for Fiscal 2022 (Year ending March 31, 2023)

	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 2022	950,000	240,000	235,000	160,000

Consolidated business forecasts announced on May 12, 2022 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

	Six months ended Sep 30, 2021	Six months ended Sep 30, 2022	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2022	Achieved (%)
Leasing	211,802	207,885	(3,916)	430,000	48
Sales	157,705	153,622	(4,083)	220,000	70
Construction	73,708	75,661	+1,952	220,000	34
Brokerage	36,774	36,270	(504)	78,000	47
Other and Elimination/Corporate	976	1,430	+454	—	—
Total	480,968	474,871	(6,097)	950,000	50

(2) Operating income

	Six months ended Sep 30, 2021	Six months ended Sep 30, 2022	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2022	Achieved (%)
Leasing	88,022	87,036	(985)	165,000	53
Sales	42,524	47,071	+4,547	50,000	94
Construction	3,688	2,854	(833)	21,000	14
Brokerage	9,902	9,991	+89	20,000	50
Other and Elimination/Corporate	(7,944)	(8,970)	(1,026)	(16,000)	—
Total	136,192	137,982	+1,790	240,000	57

Consolidated Balance Sheets

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

Assets	Millions of yen	
	September 30, 2022	March 31, 2022
Current assets:		
Cash, time and notice deposits	¥ 181,597	¥ 151,392
Notes and accounts receivable—trade	16,919	23,285
Real estate for sale	287,322	308,155
Real estate for sale in process	399,883	394,921
Costs on uncompleted construction contracts	16,244	8,210
Other inventories	1,403	1,163
Other current assets	60,509	54,447
Allowance for doubtful accounts	(43)	(43)
Total current assets	963,837	941,534
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,115,465	1,114,725
Land	2,880,081	2,847,702
Construction in progress	128,396	139,859
Other property and equipment, net	11,812	12,028
Total property and equipment	4,135,755	4,114,316
Intangibles		
Leasehold rights	62,018	61,802
Other intangibles	2,156	2,191
Total intangibles	64,175	63,994
Investment and other assets		
Investment securities	574,143	573,503
Guarantee and lease deposits	67,165	66,993
Net defined benefit asset	344	257
Deferred income taxes	11,648	11,456
Other investments	38,292	34,641
Allowance for doubtful accounts	(658)	(658)
Total investment and other assets	690,936	686,194
Total fixed assets	4,890,866	4,864,505
Total assets	¥ 5,854,704	¥ 5,806,040

Liabilities and Net Assets	<i>Millions of yen</i>	
	September 30, 2022	March 31, 2022
<i>Current liabilities:</i>		
Notes and accounts payable—trade	¥ 16,667	¥ 42,307
Short-term debt	31,315	28,610
Long-term debt due within one year	216,994	237,385
Long-term non-recourse loans due within one year	4,700	4,786
Commercial paper	35,000	40,000
Corporate bonds due within one year	20,000	-
Accrued income taxes	42,181	40,144
Deposits received	41,961	55,155
Accrued bonuses	4,384	5,803
Other current liabilities	156,492	185,836
Total current liabilities	569,698	640,029
<i>Long-term liabilities:</i>		
Corporate bonds	270,000	290,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,728,442	2,667,324
Long-term non-recourse loans	253,961	256,287
Net defined benefit liability	5,733	5,796
Guarantee and lease deposits received	251,081	249,275
Long-term deposits received	2,336	8,764
Other long-term liabilities	17,071	18,912
Total long-term liabilities	3,564,226	3,531,960
Total liabilities	4,133,924	4,171,990
<i>Net assets:</i>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,339,870	1,256,742
Treasury stock	(4,476)	(4,475)
Total shareholders' equity	1,562,352	1,479,226
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	150,615	155,863
Net deferred gains (losses) on hedges	4,386	704
Foreign currency translation adjustments	3,572	(1,449)
Remeasurements of defined benefit plans	(146)	(294)
Total accumulated other comprehensive income	158,426	154,823
Total net assets	1,720,779	1,634,049
Total liabilities and net assets	¥ 5,854,704	¥ 5,806,040

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended September 30,	
	2022	2021
Revenue from operations	¥ 474,871	¥ 480,968
Cost of revenue from operations	304,254	311,766
Gross profit	170,616	169,201
Selling, general and administrative expenses	32,633	33,008
Operating income	137,982	136,192
Non-operating income		
Interest and dividend income	8,835	6,758
Other non-operating income	82	626
Total non-operating income	8,918	7,384
Non-operating expenses		
Interest expense	8,699	9,117
Other non-operating expenses	1,724	1,857
Total non-operating expenses	10,423	10,975
Ordinary profit	136,477	132,602
Extraordinary income		
Gain on sale of property and equipment	1	82
Gain on sale of investment securities	0	377
Total extraordinary income	2	460
Extraordinary loss		
Loss on disposal of property and equipment	760	1,182
Loss on devaluation of investment securities	—	370
Loss on sale of investment securities	3	—
Other extraordinary losses	40	54
Total extraordinary losses	805	1,607
Income before income taxes	135,675	131,454
Income taxes	41,624	40,350
Profit	94,050	91,103
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 94,050	¥ 91,103

Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	Fiscal year ended September 30,	
	2022	2021
Profit	¥ 94,050	¥ 91,103
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	(5,248)	12,505
Net deferred gains (losses) on hedges	3,681	(481)
Foreign currency translation adjustments	5,021	1,739
Remeasurements of defined benefit plans	148	(339)
Total other comprehensive income (loss)	3,603	13,423
Comprehensive income	97,653	104,526
Comprehensive income attributable to:		
Owners of the parent	97,653	104,526
Non-controlling interests	—	—