

Consolidated Financial Results for the Third Quarter of Fiscal 2022 (April 1, 2022 - December 31, 2022)

Fiscal 2022 (Year ending March 31, 2023)

February 9, 2023

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 Third Quarter (April 1, 2022 - December 31, 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	%
Nine months ended Dec 31, 2022	698,885	(2.0)	196,919	1.6	196,615	3.3	135,605	5.1
Nine months ended Dec 31, 2021	713,412	1.1	193,768	8.0	190,293	8.8	129,002	0.5
(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, 3rd quarter: 151,539 millions of yen, 12.1%; Fiscal 2021, 3rd quarter: 135,142 millions of yen, (27.7%)

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, 2022	286.12	—
Nine months ended Dec 31, 2021	272.19	—
(Reference) Fiscal 2021	317.45	—

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

Fiscal 2022, 3rd quarter: 473,938,754 shares; Fiscal 2021, 3rd quarter: 473,939,031 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, 2022	5,958,933	1,763,290	29.6
As of Dec 31, 2021	5,704,088	1,617,783	28.4
(Reference) Fiscal 2021	5,806,040	1,634,049	28.1

Note: Number of shares issued and outstanding (consolidated)

As of Dec 31, 2022: 473,938,643 shares; As of Dec 31, 2021: 473,938,976 shares

2. Dividend Position

	Dividend 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

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

	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2022	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2022	Achieved (%)
Leasing	318,720	315,439	(3,281)	430,000	73
Sales	202,548	190,255	(12,293)	220,000	86
Construction	134,777	135,741	+964	220,000	62
Brokerage	55,428	54,856	(571)	78,000	70
Other and Elimination/Corporate	1,937	2,590	+653	—	—
Total	713,412	698,885	(14,527)	950,000	74

(2) Operating income

	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2022	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2022	Achieved (%)
Leasing	132,263	132,309	+45	165,000	80
Sales	46,770	53,005	+6,235	50,000	106
Construction	11,327	10,459	(867)	21,000	50
Brokerage	14,917	15,020	+102	20,000	75
Other and Elimination/Corporate	(11,510)	(13,874)	(2,364)	(16,000)	—
Total	193,768	196,919	+3,151	240,000	82

Consolidated Balance Sheets

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

Assets	Millions of yen	
	December 31, 2022	March 31, 2022
Current assets:		
Cash and deposits	¥ 161,176	¥ 151,392
Accounts receivable—trade	17,028	23,285
Real estate for sale	277,643	308,155
Real estate for sale in process	424,621	394,921
Costs on uncompleted construction contracts	16,667	8,210
Other inventories	1,687	1,163
Other current assets	61,796	54,447
Allowance for doubtful accounts	(43)	(43)
Total current assets	960,577	941,534
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,103,862	1,114,725
Land	2,921,053	2,847,702
Construction in progress	175,015	139,859
Other property and equipment, net	11,205	12,028
Total property and equipment	4,211,136	4,114,316
Intangibles		
Leasehold rights	62,199	61,802
Other intangibles	2,245	2,191
Total intangibles	64,445	63,994
Investment and other assets		
Investment securities	597,163	573,503
Guarantee and lease deposits	67,028	66,993
Net defined benefit asset	387	257
Deferred income taxes	11,717	11,456
Other investments	47,135	34,641
Allowance for doubtful accounts	(658)	(658)
Total investment and other assets	722,774	686,194
Total fixed assets	4,998,355	4,864,505
Total assets	¥ 5,958,933	¥ 5,806,040

Millions of yen

Liabilities and Net Assets

	December 31, 2022	March 31, 2022
Current liabilities:		
Notes and accounts payable—trade	¥ 19,273	¥ 42,307
Short-term debt	33,895	28,610
Long-term debt due within one year	236,413	237,385
Long-term non-recourse debt due within one year	4,670	4,786
Commercial paper	80,000	40,000
Corporate bonds due within one year	30,000	—
Accrued income taxes	23,799	40,144
Deposits received	30,592	55,155
Provision for bonuses	992	5,803
Other current liabilities	159,014	185,836
Total current liabilities	618,651	640,029
Long-term liabilities:		
Corporate bonds	260,000	290,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,748,237	2,667,324
Long-term non-recourse debt	252,804	256,287
Net defined benefit liability	5,710	5,796
Guarantee and lease deposits received	251,264	249,275
Long-term deposits received	2,336	8,764
Other long-term liabilities	21,038	18,912
Total long-term liabilities	3,576,992	3,531,960
Total liabilities	4,195,643	4,171,990
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,370,049	1,256,742
Treasury stock	(4,476)	(4,475)
Total shareholders' equity	1,592,532	1,479,226
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	153,844	155,863
Net deferred gains (losses) on hedges	11,517	704
Foreign currency translation adjustments	5,468	(1,449)
Remeasurements of defined benefit plans	(72)	(294)
Total accumulated other comprehensive income	170,757	154,823
Total net assets	1,763,290	1,634,049
Total liabilities and net assets	¥ 5,958,933	¥ 5,806,040

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2022	2021
Revenue from operations	¥ 698,885	¥ 713,412
Cost of revenue from operations	450,996	470,344
Gross profit	247,888	243,068
Selling, general and administrative expenses	50,969	49,300
Operating income	196,919	193,768
Non-operating income		
Interest and dividend income	15,212	12,149
Other non-operating income	225	781
Total non-operating income	15,437	12,931
Non-operating expenses		
Interest expenses	13,224	13,642
Other non-operating expenses	2,518	2,763
Total non-operating expenses	15,742	16,406
Ordinary profit	196,615	190,293
Extraordinary income		
Gain on sale of property and equipment	1	82
Gain on sale of investment securities	152	586
Total extraordinary income	154	669
Extraordinary loss		
Loss on impairment of fixed assets	—	3,053
Loss on disposal of property and equipment	1,319	2,490
Loss on devaluation of investment securities	156	1,075
Loss on sale of investment securities	6	0
Other extraordinary loss	48	56
Total extraordinary loss	1,530	6,677
Income before income taxes	195,238	184,285
Income taxes	59,633	55,283
Profit	135,605	129,002
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 135,605	¥ 129,002

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2022	2021
Profit	¥ 135,605	¥ 129,002
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	(2,018)	3,978
Net deferred gains (losses) on hedges	10,812	603
Foreign currency translation adjustments	6,918	2,067
Remeasurements of defined benefit plans	222	(509)
Total other comprehensive income (loss)	15,934	6,139
Comprehensive income	151,539	135,142
Comprehensive income attributable to:		
Owners of the parent	151,539	135,142
Non-controlling interests	—	—