

Consolidated Financial Results for Fiscal 2022 (Year ended March 31, 2023)

May 11, 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 of Fiscal 2022 (Year ended March 31, 2023)

(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	%
Fiscal 2022	939,904	0.1	241,274	3.2	236,651	5.1	161,925	7.6
Fiscal 2021	939,430	2.4	233,882	6.7	225,115	7.2	150,452	6.4

Notes 1: Comprehensive Income

FY 2022: 187,599 millions of yen, 23.9%; FY 2021: 151,408 millions of yen, (32.8%)

2: Percentages represent changes compared with the previous year.

	Earnings per share	Return on average equity	Ratio of ordinary profit to average assets	Operating income margin
	Yen	%	%	%
Fiscal 2022	341.66	9.4	3.9	25.7
Fiscal 2021	317.45	9.6	3.9	24.9

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

FY 2022: 473,938,725 shares; FY 2021: 473,939,017 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	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2022	6,365,436	1,799,372	28.3	3,796.64
Fiscal 2021	5,806,040	1,634,049	28.1	3,447.81

Note: Number of shares issued and outstanding (consolidated)

As of Mar 31, 2023: 473,938,547 shares; As of Mar 31, 2022: 473,938,956 shares

2. Dividend Position

	Dividend per share			Amount of dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	Interim	Year end	Annual			
	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2022	24.00	28.00	52.00	24,644	15.2	1.4
Fiscal 2021	22.00	23.00	45.00	21,327	14.2	1.4
Forecast for Fiscal 2023	29.00	30.00	59.00		16.0	

3. Forecast for Fiscal 2023 (Year ending March 31, 2024)

	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 2023	970,000	255,000	250,000	175,000

Note: The foregoing estimates are 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

				(Millions of yen)	
	Fiscal 2021	Fiscal 2022	Increase (Decrease)	Forecast for Fiscal 2023	Increase (Decrease)
Leasing	425,081	425,368	+286	445,000	+19,631
Sales	233,788	222,077	(11,711)	225,000	+2,922
Construction	204,361	213,584	+9,222	220,000	+6,415
Brokerage	73,484	75,107	+1,623	77,000	+1,892
Other and Elimination/Corporate	2,714	3,767	+1,052	3,000	—
Total	939,430	939,904	+473	970,000	+30,095

(2) Operating income

				(Millions of yen)	
	Fiscal 2021	Fiscal 2022	Increase (Decrease)	Forecast for Fiscal 2023	Increase (Decrease)
Leasing	162,649	165,693	+3,043	172,000	+6,306
Sales	50,485	53,928	+3,442	54,000	+71
Construction	18,523	21,421	+2,898	23,000	+1,578
Brokerage	18,025	20,030	+2,005	22,000	+1,969
Other and Elimination/Corporate	(15,801)	(19,799)	(3,998)	(16,000)	—
Total	233,882	241,274	+7,391	255,000	+13,725

Consolidated Balance Sheets

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

Assets	Millions of yen	
	March 31, 2023	March 31, 2022
Current assets:		
Cash and deposits	¥ 185,119	¥ 151,392
Accounts receivable—trade	38,047	23,285
Real estate for sale	399,244	308,155
Real estate for sale in process	381,753	394,921
Costs on uncompleted construction contracts	8,002	8,210
Other inventories	1,070	1,163
Other current assets	73,659	54,447
Allowance for doubtful accounts	(24)	(43)
Total current assets	1,086,872	941,534
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,265,357	1,114,725
Land	3,057,436	2,847,702
Construction in progress	126,591	139,859
Other property and equipment, net	15,078	12,028
Total property and equipment	4,464,465	4,114,316
Intangibles		
Leasehold rights	60,846	61,802
Other intangibles	2,446	2,191
Total intangibles	63,292	63,994
Investments and other assets		
Investment securities	628,396	573,503
Guarantee and lease deposits	67,043	66,993
Net defined benefit asset	292	257
Deferred income taxes	13,249	11,456
Other investments and other assets	42,728	34,641
Allowance for doubtful accounts	(905)	(658)
Total investments and other assets	750,805	686,194
Total fixed assets	5,278,563	4,864,505
Total assets	¥ 6,365,436	¥ 5,806,040

Millions of yen

Liabilities and Net Assets

	March 31, 2023	March 31, 2022
Current liabilities:		
Notes and accounts payable—trade	¥ 29,066	¥ 42,307
Short-term debt	28,610	28,610
Long-term debt due within one year	219,472	237,385
Long-term non-recourse debt due within one year	4,640	4,786
Commercial paper	180,000	40,000
Corporate bonds due within one year	70,000	—
Accrued income taxes	30,827	40,144
Deposits received	75,117	55,155
Provision for bonuses	4,924	5,803
Other current liabilities	198,870	185,836
Total current liabilities	841,527	640,029
Long-term liabilities:		
Corporate bonds	250,000	290,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,898,052	2,667,324
Long-term non-recourse debt	251,647	256,287
Net defined benefit liability	5,534	5,796
Guarantee and lease deposits received	254,008	249,275
Long-term deposits received	2,324	8,764
Other long-term liabilities	27,368	18,912
Total long-term liabilities	3,724,536	3,531,960
Total liabilities	4,566,064	4,171,990
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,396,392	1,256,742
Treasury stock	(4,476)	(4,475)
Total shareholders' equity	1,618,875	1,479,226
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	171,827	155,863
Net deferred gains (losses) on hedges	5,979	704
Foreign currency translation adjustments	2,659	(1,449)
Remeasurements of defined benefit plans	30	(294)
Total accumulated other comprehensive income	180,497	154,823
Total net assets	1,799,372	1,634,049
Total liabilities and net assets	¥ 6,365,436	¥ 5,806,040

Consolidated Statements of Income

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

	<i>Millions of yen</i>			
	Fiscal year ended March 31,			
	2023		2022	
Revenue from operations	¥	939,904	¥	939,430
Cost of revenue from operations		625,452		636,987
Gross profit		314,452		302,442
Selling, general and administrative expenses		73,178		68,560
Operating income		241,274		233,882
Non-operating income				
Interest and dividend income		16,079		12,792
Other non-operating income		565		1,463
Total non-operating income		16,645		14,255
Non-operating expenses				
Interest expenses		17,576		18,033
Other non-operating expenses		3,691		4,989
Total non-operating expenses		21,268		23,023
Ordinary profit		236,651		225,115
Extraordinary income				
Gain on sale of property and equipment		14		97
Gain on sale of investment securities		4,712		2,426
Total extraordinary income		4,727		2,524
Extraordinary loss				
Loss on impairment of fixed assets		8,099		3,453
Loss on sale of property and equipment		—		0
Loss on disposal of property and equipment		1,742		4,014
Loss on devaluation of investment securities		213		1,160
Loss on sale of investment securities		7		1
Other extraordinary loss		979		355
Total extraordinary loss		11,042		8,986
Income before income taxes		230,336		218,653
Income taxes		68,410		68,201
Profit		161,925		150,452
Profit attributable to non-controlling interests		—		—
Profit attributable to owners of parent	¥	161,925	¥	150,452

Consolidated Statements of Comprehensive Income

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

	Millions of yen			
	Fiscal year ended March 31,			
	2023		2022	
Profit	¥	161,925	¥	150,452
Other comprehensive income (loss)				
Net unrealized holding gains (losses) on securities		15,964		(4,577)
Net deferred gains (losses) on hedges		5,274		3,693
Foreign currency translation adjustments		4,109		2,815
Remeasurements of defined benefit plans		325		(976)
Total other comprehensive income (loss)		25,673		956
Comprehensive income		187,599		151,408
Comprehensive income attributable to:				
Owners of the parent		187,599		151,408
Non-controlling interests		—		—

Fair Value of Investment and Rental Properties

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

	Millions of yen							
	As of March 31, 2023		As of March 31, 2022					
	Carrying amount	Fair value	Carrying amount	Fair value				
Investment and rental properties	¥	4,310,628	¥	8,047,339	¥	3,945,067	¥	7,440,041