

# Consolidated Financial Results for Fiscal 2020 (Year ended March 31, 2021)

May 13, 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 of Fiscal 2020 (Year ended March 31, 2021)

(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	%
<b>Fiscal 2020</b>	<b>917,472</b>	<b>(9.5)</b>	<b>219,244</b>	<b>(6.4)</b>	<b>209,949</b>	<b>(4.8)</b>	<b>141,389</b>	<b>0.3</b>
Fiscal 2019	1,013,512	0.1	234,332	6.8	220,520	8.5	140,997	8.4

Notes 1: Comprehensive Income

FY 2020 : 225,376 millions of yen, 108.6%; FY 2019 : 108,064 millions of yen, 2.2%

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	%	%	%
<b>Fiscal 2020</b>	<b>298.33</b>	<b>10.1</b>	<b>3.8</b>	<b>23.9</b>
Fiscal 2019	297.50	11.3	4.2	23.1

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

FY 2020 : 473,939,372 shares; FY 2019 : 473,939,888 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
<b>Fiscal 2020</b>	<b>5,673,666</b>	<b>1,503,021</b>	<b>26.5</b>	<b>3,171.34</b>
Fiscal 2019	5,317,623	1,294,998	24.4	2,732.41

Note: Number of shares issued and outstanding (consolidated)

As of Mar 31, 2021 : 473,939,053 shares; As of Mar 31, 2020 : 473,939,577 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	%	%
<b>Fiscal 2020</b>	<b>19.00</b>	<b>21.00</b>	<b>40.00</b>	<b>18,957</b>	<b>13.4</b>	<b>1.4</b>
Fiscal 2019	16.00	19.00	35.00	16,587	11.8	1.3
Forecast for Fiscal 2021	22.00	23.00	45.00		14.2	

### 3. Forecast for Fiscal 2021 (Year ending March 31, 2022)

	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
<b>Fiscal 2021</b>	<b>920,000</b>	<b>228,000</b>	<b>221,000</b>	<b>150,000</b>

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

	Fiscal 2020			Forecast for Fiscal 2021	
	Fiscal 2019	Fiscal 2020	Increase (Decrease)	Forecast for Fiscal 2021	Increase (Decrease)
Leasing	395,592	398,237	+2,645	400,000	+1,762
Sales	324,928	263,394	(61,533)	245,000	(18,394)
Construction	218,930	188,707	(30,222)	200,000	+11,292
Brokerage	71,199	65,792	(5,406)	75,000	+9,207
Other and Elimination/Corporate	2,862	1,339	(1,522)	—	—
<b>Total</b>	<b>1,013,512</b>	<b>917,472</b>	<b>(96,039)</b>	<b>920,000</b>	<b>+2,527</b>

(2) Operating income

	Fiscal 2020			Forecast for Fiscal 2021	
	Fiscal 2019	Fiscal 2020	Increase (Decrease)	Forecast for Fiscal 2021	Increase (Decrease)
Leasing	169,416	155,245	(14,170)	160,000	+4,754
Sales	46,490	53,931	+7,441	50,000	(3,931)
Construction	20,583	15,565	(5,017)	18,000	+2,434
Brokerage	14,592	11,480	(3,112)	16,000	+4,519
Other and Elimination/Corporate	(16,750)	(16,978)	(227)	(16,000)	—
<b>Total</b>	<b>234,332</b>	<b>219,244</b>	<b>(15,087)</b>	<b>228,000</b>	<b>+8,755</b>

Note: From the beginning of fiscal 2020 (year ended 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 fiscal 2019 have been adjusted retroactively.

## Consolidated Balance Sheets

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

Assets	Millions of yen	
	March 31, 2021	March 31, 2020
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 188,340	¥ 195,360
Notes and accounts receivable—trade	18,713	17,405
Real estate for sale	260,824	351,368
Real estate for sale in process	366,596	286,254
Costs on uncompleted construction contracts	8,637	10,369
Other inventories	743	887
Other current assets	68,377	54,447
Allowance for doubtful accounts	(37)	(60)
Total current assets	912,196	916,034
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	1,112,537	1,036,339
Land	2,778,474	2,558,356
Construction in progress	107,849	133,716
Other property and equipment, net	13,306	11,842
Total Property and equipment	4,012,168	3,740,255
Intangible assets		
Leasehold rights	60,161	55,823
Other intangible assets	2,249	1,738
Total intangible assets	62,411	57,561
Investment and other assets		
Investment securities	574,136	469,229
Guarantee and lease deposits paid to lessors	68,743	70,171
Deferred income taxes	11,071	30,067
Other investments	35,023	36,385
Allowance for doubtful accounts	(2,084)	(2,082)
Total investment and other assets	686,890	603,772
Total fixed assets	4,761,469	4,401,589
Total assets	¥ 5,673,666	¥ 5,317,623

<b>Liabilities and Net Assets</b>	<i>Millions of yen</i>			
		<b>March 31, 2021</b>		<b>March 31, 2020</b>
<b><i>Current liabilities:</i></b>				
Notes and accounts payable—trade	¥	24,696	¥	36,392
Short-term debt		26,620		26,726
Long-term debt due within one year		191,446		131,471
Long-term non-recourse loans due within one year		14,844		62,373
Commercial paper		120,000		120,000
Corporate bonds due within one year		20,000		—
Non-recourse bonds due within one year		1,500		8,000
Accrued income taxes		40,741		32,343
Deposits received		65,964		51,195
Accrued bonuses		4,023		5,441
Other current liabilities		152,123		148,102
Total current liabilities		<u>661,959</u>		<u>622,045</u>
<b><i>Long-term liabilities:</i></b>				
Corporate bonds		250,000		270,000
Non-recourse bonds		35,600		31,100
Long-term debt		2,640,210		2,572,156
Long-term non-recourse loans		261,073		219,082
Allowance for retirement benefits for directors		30		47
Net defined benefit liability		5,258		6,269
Guarantee and lease deposits received		258,219		247,609
Long-term deposits received		27,932		45,895
Other long-term liabilities		30,361		8,417
Total long-term liabilities		<u>3,508,685</u>		<u>3,400,578</u>
Total liabilities		<u>4,170,645</u>		<u>4,022,624</u>
<b><i>Net assets:</i></b>				
Shareholders' equity				
Capital		122,805		122,805
Capital surplus		104,153		104,153
Retained earnings		1,126,669		1,002,633
Treasury stock		(4,475)		(4,473)
Total shareholders' equity		<u>1,349,153</u>		<u>1,225,119</u>
Accumulated other comprehensive income (loss)				
Net unrealized holding gains on securities		160,440		76,335
Net deferred losses on hedges		(2,988)		(3,560)
Foreign currency translation adjustments		(4,265)		(2,718)
Remeasurements of defined benefit plans		681		(177)
Total accumulated other comprehensive income		<u>153,867</u>		<u>69,879</u>
Total net assets		<u>1,503,021</u>		<u>1,294,998</u>
Total liabilities and net assets	¥	<u>5,673,666</u>	¥	<u>5,317,623</u>

## Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenue from operations</b>	¥ 917,472	¥ 1,013,512
<b>Cost of revenue from operations</b>	629,564	691,832
<b>Gross profit</b>	287,907	321,680
<b>Selling, general and administrative expenses</b>	68,663	87,348
<b>Operating income</b>	219,244	234,332
<b>Non-operating income</b>		
Interest and dividend income	11,835	11,679
Other non-operating income	2,041	570
<b>Total non-operating income</b>	<b>13,877</b>	<b>12,249</b>
<b>Non-operating expenses</b>		
Interest expense	18,317	19,186
Other non-operating expenses	4,854	6,874
<b>Total non-operating expenses</b>	<b>23,172</b>	<b>26,061</b>
<b>Ordinary profit</b>	209,949	220,520
<b>Extraordinary income</b>		
Gain on sale of property and equipment	536	278
Gain on sale of investment securities	13,115	1,417
Reversal of allowance for doubtful accounts	—	4,824
<b>Total extraordinary income</b>	<b>13,652</b>	<b>6,519</b>
<b>Extraordinary loss</b>		
Loss on impairment of fixed assets	3,876	9,660
Loss on sale of property and equipment	—	2,130
Loss on disposal of property and equipment	7,890	1,566
Loss on devaluation of investment securities	489	7,838
Loss on sale of investment securities	312	—
Loss related to COVID-19	629	—
Other extraordinary losses	44	35
<b>Total extraordinary losses</b>	<b>13,242</b>	<b>21,231</b>
<b>Income before income taxes</b>	210,359	205,809
<b>Income taxes</b>	68,970	64,812
<b>Profit</b>	141,389	140,997
<b>Profit attributable to non-controlling interests</b>	—	—
<b>Profit attributable to owners of parent</b>	¥ 141,389	¥ 140,997

## Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>			
	<b>Fiscal year ended March 31,</b>			
	<b>2021</b>		<b>2020</b>	
<b>Profit</b>	¥	141,389	¥	140,997
<b>Other comprehensive income (loss)</b>				
Net unrealized holding gains (losses) on securities		84,105		(32,874)
Net deferred gains (losses) on hedges		571		411
Foreign currency translation adjustments		(1,547)		(366)
Remeasurements of defined benefit plans		858		(103)
Total other comprehensive income (loss)		83,987		(32,932)
<b>Comprehensive income</b>		225,376		108,064
Comprehensive income attributable to:				
Owners of the parent		225,376		108,064
Non-controlling interests		—		—

## Fair Value of Investment and Rental Properties

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

	<i>Millions of yen</i>			
	<b>As of March 31, 2021</b>		<b>As of March 31, 2020</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Investment and rental Properties	¥ 3,838,536	¥ 7,271,168	¥ 3,555,071	¥ 6,731,222