

Consolidated Financial Results for the Third Quarter of Fiscal 2021 (April 1, 2021 - December 31, 2021)

Fiscal 2021 (Year ending March 31, 2022)

February 10, 2022

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, 2021 - December 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	%
Nine months ended Dec 31, 2021	713,412	1.1	193,768	8.0	190,293	8.8	129,002	0.5
Nine months ended Dec 31, 2020	705,852	(8.1)	179,425	(2.6)	174,912	(0.5)	128,352	13.7
(Reference) Fiscal 2020	917,472	(9.5)	219,244	(6.4)	209,949	(4.8)	141,389	0.3

Notes 1: Comprehensive Income

Fiscal 2021, 3rd quarter: 135,142 millions of yen, (27.7%); Fiscal 2020, 3rd quarter: 187,017 millions of yen, 38.2%

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, 2021	272.19	—
Nine months ended Dec 31, 2020	270.82	—
(Reference) Fiscal 2020	298.33	—

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

Fiscal 2021, 3rd quarter: 473,939,031 shares; Fiscal 2020, 3rd quarter: 473,939,433 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, 2021	5,704,088	1,617,783	28.4
As of Dec 31, 2020	5,526,028	1,464,662	26.5
(Reference) Fiscal 2020	5,673,666	1,503,021	26.5

Note: Number of shares issued and outstanding (consolidated)

As of Dec 31, 2021: 473,938,976 shares; As of Dec 31, 2020: 473,939,326 shares

2. Dividend Position

	Dividend per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2020	19.00	21.00	40.00
Forecast for Fiscal 2021	22.00	23.00	45.00

3. Consolidated Business Forecasts 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
Fiscal 2021	920,000	228,000	221,000	150,000

Consolidated business forecasts announced on May 13, 2021 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, 2020	Nine months ended Dec 31, 2021	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2021	Achieved (%)
Leasing	297,941	318,720	+20,779	400,000	80
Sales	232,486	202,548	(29,937)	245,000	83
Construction	126,026	134,777	+8,750	200,000	67
Brokerage	48,036	55,428	+7,391	75,000	74
Other and Elimination/Corporate	1,361	1,937	+576	—	—
Total	705,852	713,412	+7,560	920,000	78

(2) Operating income

	Nine months ended Dec 31, 2020	Nine months ended Dec 31, 2021	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2021	Achieved (%)
Leasing	121,433	132,263	+10,830	160,000	83
Sales	54,489	46,770	(7,719)	50,000	94
Construction	7,776	11,327	+3,550	18,000	63
Brokerage	9,078	14,917	+5,838	16,000	93
Other and Elimination/Corporate	(13,351)	(11,510)	+1,841	(16,000)	—
Total	179,425	193,768	+14,342	228,000	85

Consolidated Balance Sheets

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

Assets	Millions of yen	
	December 31, 2021	March 31, 2021
Current assets:		
Cash, time and notice deposits	¥ 137,816	¥ 188,340
Notes and accounts receivable—trade	—	18,713
Notes and accounts receivable—trade, and contract assets	17,425	—
Real estate for sale	212,794	260,824
Real estate for sale in process	432,638	366,596
Costs on uncompleted construction contracts	14,791	8,637
Other inventories	1,033	743
Other current assets	59,685	68,377
Allowance for doubtful accounts	(33)	(37)
Total current assets	876,152	912,196
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,098,425	1,112,537
Land	2,834,380	2,778,474
Construction in progress	128,460	107,849
Other property and equipment, net	11,993	13,306
Total Property and equipment	4,073,259	4,012,168
Intangible assets		
Leasehold rights	60,934	60,161
Other intangible assets	2,224	2,249
Total intangible assets	63,159	62,411
Investment and other assets		
Investment securities	581,976	574,136
Guarantee and lease deposits paid to lessors	66,935	68,743
Deferred income taxes	11,999	11,071
Other investments	32,572	35,023
Allowance for doubtful accounts	(1,966)	(2,084)
Total investment and other assets	691,517	686,890
Total fixed assets	4,827,936	4,761,469
Total assets	¥ 5,704,088	¥ 5,673,666

Millions of yen

Liabilities and Net Assets

	December 31, 2021	March 31, 2021
Current liabilities:		
Notes and accounts payable—trade	¥ 23,550	¥ 24,696
Short-term debt	29,110	26,620
Long-term debt due within one year	224,246	191,446
Long-term non-recourse loans due within one year	8,920	14,844
Commercial paper	40,000	120,000
Corporate bonds due within one year	10,000	20,000
Non-recourse bonds due within one year	500	1,500
Accrued income taxes	21,454	40,741
Deposits received	25,102	65,964
Accrued bonuses	1,105	4,023
Other current liabilities	149,382	152,123
Total current liabilities	533,372	661,959
Long-term liabilities:		
Corporate bonds	290,000	250,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,666,450	2,640,210
Long-term non-recourse loans	257,474	261,073
Allowance for retirement benefits for directors	33	30
Net defined benefit liability	5,170	5,258
Guarantee and lease deposits received	249,740	258,219
Long-term deposits received	17,666	27,932
Other long-term liabilities	30,796	30,361
Total long-term liabilities	3,552,932	3,508,685
Total liabilities	4,086,305	4,170,645
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,235,292	1,126,669
Treasury stock	(4,475)	(4,475)
Total shareholders' equity	1,457,776	1,349,153
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	164,419	160,440
Net deferred losses on hedges	(2,385)	(2,988)
Foreign currency translation adjustments	(2,198)	(4,265)
Remeasurements of defined benefit plans	171	681
Total accumulated other comprehensive income	160,007	153,867
Total net assets	1,617,783	1,503,021
Total liabilities and net assets	¥ 5,704,088	¥ 5,673,666

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2021	2020
Revenue from operations	¥ 713,412	¥ 705,852
Cost of revenue from operations	470,344	475,532
Gross profit	243,068	230,319
Selling, general and administrative expenses	49,300	50,893
Operating income	193,768	179,425
Non-operating income		
Interest and dividend income	12,149	11,316
Other non-operating income	781	1,406
Total non-operating income	12,931	12,723
Non-operating expenses		
Interest expense	13,642	13,880
Other non-operating expenses	2,763	3,355
Total non-operating expenses	16,406	17,236
Ordinary profit	190,293	174,912
Extraordinary income		
Gain on sale of property and equipment	82	536
Gain on sale of investment securities	586	12,420
Total extraordinary income	669	12,956
Extraordinary loss		
Loss on impairment of fixed assets	3,053	—
Loss on disposal of property and equipment	2,490	1,064
Loss on devaluation of investment securities	1,075	1,582
Loss on sale of investment securities	0	206
Loss related to COVID-19	—	629
Other extraordinary losses	56	41
Total extraordinary losses	6,677	3,524
Income before income taxes	184,285	184,344
Income taxes	55,283	55,991
Profit	129,002	128,352
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 129,002	¥ 128,352

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2021	2020
Profit	¥ 129,002	¥ 128,352
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	3,978	60,274
Net deferred gains (losses) on hedges	603	(780)
Foreign currency translation adjustments	2,067	(963)
Remeasurements of defined benefit plans	(509)	133
Total other comprehensive income (loss)	6,139	58,664
Comprehensive income	135,142	187,017
Comprehensive income attributable to:		
Owners of the parent	135,142	187,017
Non-controlling interests	—	—