

Consolidated Financial Results for the Second Quarter of Fiscal 2023 (April 1, 2023 - September 30, 2023)

Fiscal 2023 (Year ending March 31, 2024)

November 10, 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 Second Quarter (April 1, 2023 - September 30, 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	%
Six months ended Sep 30, 2023	505,243	6.4	149,775	8.5	149,588	9.6	105,924	12.6
Six months ended Sep 30, 2022	474,871	(1.3)	137,982	1.3	136,477	2.9	94,050	3.2
(Reference) Fiscal 2022	939,904	0.1	241,274	3.2	236,651	5.1	161,925	7.6

Notes 1: Comprehensive Income

Fiscal 2023, 2nd quarter : 168,102 millions of yen, 72.1%; Fiscal 2022, 2nd quarter : 97,653 millions of yen, (6.6%)

2: Percentages represent changes year on year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep 30, 2023	223.50	—
Six months ended Sep 30, 2022	198.45	—
(Reference) Fiscal 2022	341.66	—

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

Fiscal 2023, 1H : 473,938,535 shares; Fiscal 2022, 1H : 473,938,805 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, 2023	6,550,878	1,954,204	29.8
As of Sep 30, 2022	5,854,704	1,720,779	29.4
(Reference) Fiscal 2022	6,365,436	1,799,372	28.3

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2023 : 473,938,521 shares; As of Sep 30, 2022 : 473,938,663 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2022	24.00	28.00	52.00
Forecast for Fiscal 2023	29.00	30.00	59.00

Forecast for Fiscal 2023 announced on May 11, 2023 has not been revised.

3. Consolidated Business Forecasts 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

Consolidated business forecasts announced on May 11, 2023 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, 2022	Six months ended Sep 30, 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2023	Achieved (%)
Leasing	207,885	220,197	+12,311	445,000	49
Sales	153,622	170,903	+17,281	225,000	76
Construction	75,661	75,416	(244)	220,000	34
Brokerage	36,270	37,149	+878	77,000	48
Other and Elimination/Corporate	1,430	1,577	+146	3,000	—
Total	474,871	505,243	+30,372	970,000	52

(2) Operating income

	Six months ended Sep 30, 2022	Six months ended Sep 30, 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2023	Achieved (%)
Leasing	87,036	89,154	+2,118	172,000	52
Sales	47,071	55,648	+8,576	54,000	103
Construction	2,854	3,846	+991	23,000	17
Brokerage	9,991	10,508	+517	22,000	48
Other and Elimination/Corporate	(8,970)	(9,381)	(410)	(16,000)	—
Total	137,982	149,775	+11,793	255,000	59

Consolidated Balance Sheets

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

Assets	Millions of yen	
	September 30, 2023	March 31, 2023
Current assets:		
Cash and deposits	¥ 234,828	¥ 185,119
Accounts receivable—trade	19,830	38,047
Real estate for sale	351,987	399,244
Real estate for sale in process	396,181	381,753
Costs on uncompleted construction contracts	17,484	8,002
Other inventories	799	1,070
Other current assets	57,575	73,659
Allowance for doubtful accounts	(22)	(24)
Total current assets	1,078,663	1,086,872
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,239,834	1,265,357
Land	3,088,260	3,057,436
Construction in progress	137,082	126,591
Other property and equipment, net	14,634	15,078
Total property and equipment	4,479,811	4,464,465
Intangibles		
Leasehold rights	60,672	60,846
Other intangibles	2,972	2,446
Total intangibles	63,644	63,292
Investment and other assets		
Investment securities	804,414	628,396
Guarantee and lease deposits	66,301	67,043
Net defined benefit asset	383	292
Deferred income taxes	12,854	13,249
Other investments and other assets	45,709	42,728
Allowance for doubtful accounts	(905)	(905)
Total investment and other assets	928,758	750,805
Total fixed assets	5,472,214	5,278,563
Total assets	¥ 6,550,878	¥ 6,365,436

Millions of yen

Liabilities and Net Assets

	September 30, 2023	March 31, 2023
Current liabilities:		
Notes and accounts payable—trade	¥ 19,662	¥ 29,066
Short-term debt	26,635	28,610
Long-term debt due within one year	290,560	219,472
Long-term non-recourse debt due within one year	4,516	4,640
Commercial paper	255,000	180,000
Corporate bonds due within one year	130,000	70,000
Accrued income taxes	46,223	30,827
Deposits received	23,301	75,117
Provision for bonuses	4,138	4,924
Other current liabilities	204,391	198,870
Total current liabilities	1,004,428	841,527
Long-term liabilities:		
Corporate bonds	240,000	250,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,757,582	2,898,052
Long-term non-recourse debt	249,445	251,647
Net defined benefit liability	5,432	5,534
Guarantee and lease deposits received	250,718	254,008
Long-term deposits received	553	2,324
Other long-term liabilities	52,913	27,368
Total long-term liabilities	3,592,245	3,724,536
Total liabilities	4,596,673	4,566,064
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,489,047	1,396,392
Treasury stock	(4,476)	(4,476)
Total shareholders' equity	1,711,529	1,618,875
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	228,471	171,827
Net deferred gains (losses) on hedges	8,785	5,979
Foreign currency translation adjustments	5,402	2,659
Remeasurements of defined benefit plans	16	30
Total accumulated other comprehensive income	242,675	180,497
Total net assets	1,954,204	1,799,372
Total liabilities and net assets	¥ 6,550,878	¥ 6,365,436

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended September 30,	
	2023	2022
Revenue from operations	¥ 505,243	¥ 474,871
Cost of revenue from operations	320,424	304,254
Gross profit	184,819	170,616
Selling, general and administrative expenses	35,043	32,633
Operating income	149,775	137,982
Non-operating income		
Interest and dividend income	10,498	8,835
Other non-operating income	187	82
Total non-operating income	10,685	8,918
Non-operating expenses		
Interest expense	9,103	8,699
Other non-operating expenses	1,770	1,724
Total non-operating expenses	10,873	10,423
Ordinary profit	149,588	136,477
Extraordinary income		
Gain on sale of property and equipment	2,499	1
Gain on sale of investment securities	831	0
Total extraordinary income	3,330	2
Extraordinary loss		
Loss on disposal of property and equipment	837	760
Loss on reduction of property and equipment	424	—
Loss on sale of investment securities	557	3
Other extraordinary loss	21	40
Total extraordinary loss	1,842	805
Income before income taxes	151,076	135,675
Income taxes	45,152	41,624
Profit	105,924	94,050
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 105,924	¥ 94,050

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended September 30,	
	2023	2022
Profit	¥ 105,924	¥ 94,050
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	56,643	(5,248)
Net deferred gains (losses) on hedges	2,806	3,681
Foreign currency translation adjustments	2,742	5,021
Remeasurements of defined benefit plans	(14)	148
Total other comprehensive income (loss)	62,178	3,603
Comprehensive income	168,102	97,653
Comprehensive income attributable to:		
Owners of the parent	168,102	97,653
Non-controlling interests	—	—