

Consolidated Financial Results for the Third Quarter of Fiscal 2023 (April 1, 2023 - December 31, 2023)

Fiscal 2023 (Year ending March 31, 2024)

February 9, 2024

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, 2023 - December 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	%
Nine months ended Dec 31, 2023	726,458	3.9	203,998	3.6	207,377	5.5	145,592	7.4
Nine months ended Dec 31, 2022	698,885	(2.0)	196,919	1.6	196,615	3.3	135,605	5.1
(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, 3rd quarter : 209,772 millions of yen, 38.4%; Fiscal 2022, 3rd quarter : 151,539 millions of yen, 12.1%

2: Percentages represent changes year on year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec 31, 2023	307.20	—
Nine months ended Dec 31, 2022	286.12	—
(Reference) Fiscal 2022	341.66	—

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

Fiscal 2023, 3rd quarter : 473,938,526 shares; Fiscal 2022, 3rd quarter : 473,938,754 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, 2023	6,585,120	1,982,130	30.1
As of Dec 31, 2022	5,958,933	1,763,290	29.6
(Reference) Fiscal 2022	6,365,436	1,799,372	28.3

Note: Number of shares issued and outstanding (consolidated)

As of Dec 31, 2023: 473,938,468 shares; As of Dec 31, 2022 : 473,938,643 shares

2. Dividend Position

	Dividend 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

	Nine months ended Dec 31, 2022	Nine months ended Dec 31, 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2023	Achieved (%)
Leasing	315,439	333,460	+18,020	445,000	75
Sales	190,255	199,265	+9,009	225,000	89
Construction	135,741	135,781	+40	220,000	62
Brokerage	54,856	54,648	(208)	77,000	71
Other and Elimination/Corporate	2,590	3,302	+711	3,000	—
Total	698,885	726,458	+27,573	970,000	75

(2) Operating income

	Nine months ended Dec 31, 2022	Nine months ended Dec 31, 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2023	Achieved (%)
Leasing	132,309	135,970	+3,661	172,000	79
Sales	53,005	56,274	+3,269	54,000	104
Construction	10,459	12,101	+1,642	23,000	53
Brokerage	15,020	15,339	+319	22,000	70
Other and Elimination/Corporate	(13,874)	(15,688)	(1,813)	(16,000)	—
Total	196,919	203,998	+7,079	255,000	80

Consolidated Balance Sheets

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

Assets	Millions of yen	
	December 31, 2023	March 31, 2023
Current assets:		
Cash and deposits	¥ 214,167	¥ 185,119
Accounts receivable—trade	20,898	38,047
Real estate for sale	379,085	399,244
Real estate for sale in process	387,611	381,753
Costs on uncompleted construction contracts	17,452	8,002
Other inventories	937	1,070
Other current assets	60,258	73,659
Allowance for doubtful accounts	(23)	(24)
Total current assets	1,080,387	1,086,872
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,234,630	1,265,357
Land	3,100,330	3,057,436
Construction in progress	151,969	126,591
Other property and equipment, net	14,648	15,078
Total property and equipment	4,501,578	4,464,465
Intangibles		
Leasehold rights	60,672	60,846
Other intangibles	3,389	2,446
Total intangibles	64,062	63,292
Investment and other assets		
Investment securities	820,459	628,396
Guarantee and lease deposits	64,663	67,043
Net defined benefit asset	427	292
Deferred income taxes	12,591	13,249
Other investments and other assets	41,853	42,728
Allowance for doubtful accounts	(904)	(905)
Total investment and other assets	939,091	750,805
Total fixed assets	5,504,733	5,278,563
Total assets	¥ 6,585,120	¥ 6,365,436

Millions of yen

Liabilities and Net Assets

	December 31, 2023	March 31, 2023
Current liabilities:		
Notes and accounts payable—trade	¥ 24,901	¥ 29,066
Short-term debt	29,665	28,610
Long-term debt due within one year	265,040	219,472
Long-term non-recourse debt due within one year	4,460	4,640
Commercial paper	265,000	180,000
Corporate bonds due within one year	120,000	70,000
Accrued income taxes	29,969	30,827
Deposits received	13,132	75,117
Provision for bonuses	864	4,924
Other current liabilities	198,602	198,870
Total current liabilities	951,635	841,527
Long-term liabilities:		
Corporate bonds	270,000	250,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,784,697	2,898,052
Long-term non-recourse debt	248,344	251,647
Net defined benefit liability	5,396	5,534
Guarantee and lease deposits received	253,465	254,008
Long-term deposits received	553	2,324
Other long-term liabilities	53,297	27,368
Total long-term liabilities	3,651,355	3,724,536
Total liabilities	4,602,990	4,566,064
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,514,971	1,396,392
Treasury stock	(4,477)	(4,476)
Total shareholders' equity	1,737,453	1,618,875
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	232,233	171,827
Net deferred gains (losses) on hedges	6,006	5,979
Foreign currency translation adjustments	6,427	2,659
Remeasurements of defined benefit plans	8	30
Total accumulated other comprehensive income	244,676	180,497
Total net assets	1,982,130	1,799,372
Total liabilities and net assets	¥ 6,585,120	¥ 6,365,436

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2023	2022
Revenue from operations	¥ 726,458	¥ 698,885
Cost of revenue from operations	467,554	450,996
Gross profit	258,904	247,888
Selling, general and administrative expenses	54,905	50,969
Operating income	203,998	196,919
Non-operating income		
Interest and dividend income	19,191	15,212
Other non-operating income	317	225
Total non-operating income	19,508	15,437
Non-operating expenses		
Interest expenses	13,512	13,224
Other non-operating expenses	2,616	2,518
Total non-operating expenses	16,129	15,742
Ordinary profit	207,377	196,615
Extraordinary income		
Gain on sale of property and equipment	2,499	1
Gain on sale of investment securities	1,325	152
Total extraordinary income	3,825	154
Extraordinary loss		
Loss on sale of property and equipment	14	—
Loss on disposal of property and equipment	1,148	1,319
Loss on reduction of property and equipment	424	—
Loss on sale of investment securities	1,334	6
Loss on devaluation of investment securities	—	156
Other extraordinary loss	407	48
Total extraordinary loss	3,329	1,530
Income before income taxes	207,874	195,238
Income taxes	62,281	59,633
Profit	145,592	135,605
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 145,592	¥ 135,605

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2023	2022
Profit	¥ 145,592	¥ 135,605
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	60,405	(2,018)
Net deferred gains (losses) on hedges	27	10,812
Foreign currency translation adjustments	3,768	6,918
Remeasurements of defined benefit plans	(21)	222
Total other comprehensive income (loss)	64,179	15,934
Comprehensive income	209,772	151,539
Comprehensive income attributable to:		
Owners of the parent	209,772	151,539
Non-controlling interests	—	—