

Consolidated Financial Results for Fiscal 2023 (Year ended March 31, 2024)

May 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 of Fiscal 2023 (Year ended March 31, 2024)

(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 2023	967,692	3.0	254,666	5.6	253,111	7.0	177,171	9.4
Fiscal 2022	939,904	0.1	241,274	3.2	236,651	5.1	161,925	7.6

Notes 1: Comprehensive Income

FY 2023 : 278,226 millions of yen, 48.3%; FY 2022 : 187,599 millions of yen, 23.9%

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 2023	373.83	9.2	3.9	26.3
Fiscal 2022	341.66	9.4	3.9	25.7

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

FY 2023 : 473,938,474 shares; FY 2022 : 473,938,725 shares

(2) Consolidated financial position (Amounts less than one million yen, except for per share amounts, are omitted.)

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2023	6,678,390	2,050,582	30.7	4,326.69
Fiscal 2022	6,365,436	1,799,372	28.3	3,796.64

Note: Number of shares issued and outstanding (consolidated)

As of Mar 31, 2024 : 473,938,137 shares; As of Mar 31, 2023 : 473,938,547 shares

2. Dividend Position

	Dividend per share			Amount of dividend (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Dividend on equity ratio (Consolidated) %
	Interim Yen	Year end Yen	Annual Yen			
Fiscal 2023	29.00	31.00	60.00	28,436	16.1	1.5
Fiscal 2022	24.00	28.00	52.00	24,644	15.2	1.4
Forecast for Fiscal 2024	35.00	35.00	70.00		17.5	

3. Forecast for Fiscal 2024 (Year ending March 31, 2025)

	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 2024	1,000,000	267,000	265,000	190,000

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

	Fiscal 2022	Fiscal 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2024	Increase (Decrease)
Leasing	425,368	444,406	+19,037	465,000	+20,593
Sales	222,077	241,207	+19,130	240,000	(1,207)
Construction	213,584	205,058	(8,525)	215,000	+9,941
Brokerage	75,107	72,308	(2,798)	75,000	+2,691
Other and Elimination/Corporate	3,767	4,711	+943	5,000	—
Total	939,904	967,692	+27,787	1,000,000	+32,307

(2) Operating income

	Fiscal 2022	Fiscal 2023	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2024	Increase (Decrease)
Leasing	165,693	176,580	+10,887	187,000	+10,419
Sales	53,928	60,208	+6,280	55,000	(5,208)
Construction	21,421	20,841	(580)	23,000	+2,158
Brokerage	20,030	18,739	(1,291)	22,000	+3,260
Other and Elimination/Corporate	(19,799)	(21,703)	(1,903)	(20,000)	—
Total	241,274	254,666	+13,392	267,000	+12,333

Consolidated Balance Sheets

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

Assets	Millions of yen			
	March 31, 2024		March 31, 2023	
Current assets:				
Cash and deposits	¥	103,911	¥	185,119
Accounts receivable—trade		31,547		38,047
Real estate for sale		396,807		399,244
Real estate for sale in process		474,633		381,753
Costs on uncompleted construction contracts		4,367		8,002
Other inventories		870		1,070
Other current assets		58,765		73,659
Allowance for doubtful accounts		(25)		(24)
		1,070,877		1,086,872
Fixed assets:				
Property and equipment				
Buildings and structures, net		1,281,710		1,265,357
Land		3,148,573		3,057,436
Construction in progress		81,151		126,591
Other property and equipment, net		15,015		15,078
		4,526,450		4,464,465
Intangibles				
Leasehold rights		65,538		60,846
Other intangibles		3,287		2,446
		68,826		63,292
Investments and other assets				
Investment securities		885,526		628,396
Guarantee and lease deposits		64,451		67,043
Net defined benefit asset		1,309		292
Deferred income taxes		17,660		13,249
Other investments and other assets		44,334		42,728
Allowance for doubtful accounts		(1,047)		(905)
		1,012,235		750,805
		5,607,513		5,278,563
		6,678,390		6,365,436

Liabilities and Net Assets	<i>Millions of yen</i>			
		March 31, 2024		March 31, 2023
<i>Current liabilities:</i>				
Notes and accounts payable—trade	¥	35,216	¥	29,066
Short-term debt		24,665		28,610
Long-term debt due within one year		289,415		219,472
Long-term non-recourse debt due within one year		4,374		4,640
Commercial paper		113,000		180,000
Corporate bonds due within one year		90,000		70,000
Accrued income taxes		44,729		30,827
Provision for bonuses		4,139		4,924
Other current liabilities		243,023		273,987
Total current liabilities		848,563		841,527
<i>Long-term liabilities:</i>				
Corporate bonds		270,000		250,000
Non-recourse bonds		35,600		35,600
Long-term debt		2,887,237		2,898,052
Long-term non-recourse debt		247,273		251,647
Net defined benefit liability		5,178		5,534
Guarantee and lease deposits received		258,494		254,008
Other long-term liabilities		75,460		29,693
Total long-term liabilities		3,779,244		3,724,536
Total liabilities		4,627,807		4,566,064
<i>Net assets:</i>				
Shareholders' equity				
Capital		122,805		122,805
Capital surplus		104,153		104,153
Retained earnings		1,546,549		1,396,392
Treasury stock		(4,478)		(4,476)
Total shareholders' equity		1,769,030		1,618,875
Accumulated other comprehensive income (loss)				
Net unrealized holding gains on securities		268,967		171,827
Net deferred gains (losses) on hedges		7,182		5,979
Foreign currency translation adjustments		4,696		2,659
Remeasurements of defined benefit plans		706		30
Total accumulated other comprehensive income		281,552		180,497
Total net assets		2,050,582		1,799,372
Total liabilities and net assets	¥	6,678,390	¥	6,365,436

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended March 31,	
	2024	2023
Revenue from operations	¥ 967,692	¥ 939,904
Cost of revenue from operations	635,342	625,452
Gross profit	332,349	314,452
Selling, general and administrative expenses	77,682	73,178
Operating income	254,666	241,274
Non-operating income		
Interest income	1,301	454
Dividend income	18,935	15,625
Other non-operating income	360	565
Total non-operating income	20,597	16,645
Non-operating expenses		
Interest expenses	17,961	17,576
Other non-operating expenses	4,190	3,691
Total non-operating expenses	22,152	21,268
Ordinary profit	253,111	236,651
Extraordinary income		
Gain on sale of property and equipment	2,532	14
Gain on sale of investment securities	10,338	4,712
Other extraordinary income	24	—
Total extraordinary income	12,895	4,727
Extraordinary loss		
Loss on impairment of fixed assets	6,998	8,099
Loss on sale of property and equipment	15	—
Loss on disposal of property and equipment	2,356	1,742
Loss on reduction of property and equipment	424	—
Loss on sale of investment securities	1,608	7
Loss on devaluation of investment securities	—	213
Other extraordinary loss	1,341	979
Total extraordinary loss	12,744	11,042
Income before income taxes	253,263	230,336
Income taxes	76,092	68,410
Profit	177,171	161,925
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 177,171	¥ 161,925

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended March 31,	
	2024	2023
Profit	¥ 177,171	¥ 161,925
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	97,139	15,964
Net deferred gains (losses) on hedges	1,203	5,274
Foreign currency translation adjustments	2,037	4,109
Remeasurements of defined benefit plans	675	325
Total other comprehensive income (loss)	101,055	25,673
Comprehensive income	278,226	187,599
Comprehensive income attributable to:		
Owners of the parent	278,226	187,599
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, 2024		As of March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment and rental properties	¥ 4,381,738	¥ 8,376,611	¥ 4,310,628	¥ 8,047,339