

Consolidated Financial Results for Fiscal 2021 (Year ended March 31, 2022)

May 12, 2022

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 2021 (Year ended March 31, 2022)

(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 2021	939,430	2.4	233,882	6.7	225,115	7.2	150,452	6.4
Fiscal 2020	917,472	(9.5)	219,244	(6.4)	209,949	(4.8)	141,389	0.3

Notes 1: Comprehensive Income

FY 2021: 151,408 millions of yen, (32.8%); FY 2020 : 225,376 millions of yen, 108.6%

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 2021	317.45	9.6	3.9	24.9
Fiscal 2020	298.33	10.1	3.8	23.9

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

FY 2021 : 473,939,017 shares; FY 2020 : 473,939,372 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
Fiscal 2021	5,806,040	1,634,049	28.1	3,447.81
Fiscal 2020	5,673,666	1,503,021	26.5	3,171.34

Note: Number of shares issued and outstanding (consolidated)

As of Mar 31, 2022 : 473,938,956 shares; As of Mar 31, 2021 : 473,939,053 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	%	%
Fiscal 2021	22.00	23.00	45.00	21,327	14.2	1.4
Fiscal 2020	19.00	21.00	40.00	18,957	13.4	1.4
Forecast for Fiscal 2022	24.00	26.00	50.00		14.8	

3. Forecast for Fiscal 2022 (Year ending March 31, 2023)

	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 2022	950,000	240,000	235,000	160,000

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

				(Millions of yen)	
	Fiscal 2020	Fiscal 2021	Increase (Decrease)	Forecast for Fiscal 2022	Increase (Decrease)
Leasing	398,237	425,081	+26,844	430,000	+4,918
Sales	263,394	233,788	(29,606)	220,000	(13,788)
Construction	188,707	204,361	+15,654	220,000	+15,638
Brokerage	65,792	73,484	+7,691	78,000	+4,515
Other and Elimination/Corporate	1,339	2,714	+1,374	2,000	—
Total	917,472	939,430	+21,958	950,000	+10,569

(2) Operating income

				(Millions of yen)	
	Fiscal 2020	Fiscal 2021	Increase (Decrease)	Forecast for Fiscal 2022	Increase (Decrease)
Leasing	155,245	162,649	+7,404	165,000	+2,350
Sales	53,931	50,485	(3,445)	50,000	(485)
Construction	15,565	18,523	+2,957	21,000	+2,476
Brokerage	11,480	18,025	+6,545	20,000	+1,974
Other and Elimination/Corporate	(16,978)	(15,801)	+1,177	(16,000)	—
Total	219,244	233,882	+14,638	240,000	+6,117

Consolidated Balance Sheets

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

Assets	Millions of yen	
	March 31, 2022	March 31, 2021
Current assets:		
Cash, time and notice deposits	¥ 151,392	¥ 188,340
Accounts receivable—trade	23,285	18,713
Real estate for sale	308,155	260,824
Real estate for sale in process	394,921	366,596
Costs on uncompleted construction contracts	8,210	8,637
Other inventories	1,163	743
Other current assets	54,447	68,377
Allowance for doubtful accounts	(43)	(37)
Total current assets	941,534	912,196
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,114,725	1,112,537
Land	2,847,702	2,778,474
Construction in progress	139,859	107,849
Other property and equipment, net	12,028	13,306
Total Property and equipment	4,114,316	4,012,168
Intangible assets		
Leasehold rights	61,802	60,161
Other intangible assets	2,191	2,249
Total intangible assets	63,994	62,411
Investment and other assets		
Investment securities	573,503	574,136
Guarantee and lease deposits paid to lessors	66,993	68,743
Deferred income taxes	11,456	11,071
Net defined benefit asset	257	—
Other investments	34,641	35,023
Allowance for doubtful accounts	(658)	(2,084)
Total investment and other assets	686,194	686,890
Total fixed assets	4,864,505	4,761,469
Total assets	¥ 5,806,040	¥ 5,673,666

Liabilities and Net Assets	<i>Millions of yen</i>	
	March 31, 2022	March 31, 2021
<i>Current liabilities:</i>		
Notes and accounts payable—trade	¥ 42,307	¥ 24,696
Short-term debt	28,610	26,620
Long-term debt due within one year	237,385	191,446
Long-term non-recourse loans due within one year	4,786	14,844
Commercial paper	40,000	120,000
Corporate bonds due within one year	—	20,000
Non-recourse bonds due within one year	—	1,500
Accrued income taxes	40,144	40,741
Deposits received	55,155	65,964
Accrued bonuses	5,803	4,023
Other current liabilities	185,836	152,123
Total current liabilities	<u>640,029</u>	<u>661,959</u>
<i>Long-term liabilities:</i>		
Corporate bonds	290,000	250,000
Non-recourse bonds	35,600	35,600
Long-term debt	2,667,324	2,640,210
Long-term non-recourse loans	256,287	261,073
Net defined benefit liability	5,796	5,258
Guarantee and lease deposits received	249,275	258,219
Long-term deposits received	8,764	27,932
Other long-term liabilities	18,912	30,392
Total long-term liabilities	<u>3,531,960</u>	<u>3,508,685</u>
Total liabilities	<u>4,171,990</u>	<u>4,170,645</u>
<i>Net assets:</i>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,256,742	1,126,669
Treasury stock	(4,475)	(4,475)
Total shareholders' equity	<u>1,479,226</u>	<u>1,349,153</u>
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	155,863	160,440
Net deferred losses on hedges	704	(2,988)
Foreign currency translation adjustments	(1,449)	(4,265)
Remeasurements of defined benefit plans	(294)	681
Total accumulated other comprehensive income	<u>154,823</u>	<u>153,867</u>
Total net assets	<u>1,634,049</u>	<u>1,503,021</u>
Total liabilities and net assets	<u>¥ 5,806,040</u>	<u>¥ 5,673,666</u>

Consolidated Statements of Income

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

	<i>Millions of yen</i>			
	Fiscal year ended March 31,			
	2022		2021	
Revenue from operations	¥	939,430	¥	917,472
Cost of revenue from operations		636,987		629,564
Gross profit		302,442		287,907
Selling, general and administrative expenses		68,560		68,663
Operating income		233,882		219,244
Non-operating income				
Interest and dividend income		12,792		11,835
Other non-operating income		1,463		2,041
Total non-operating income		14,255		13,877
Non-operating expenses				
Interest expense		18,033		18,317
Other non-operating expenses		4,989		4,854
Total non-operating expenses		23,023		23,172
Ordinary profit		225,115		209,949
Extraordinary income				
Gain on sale of property and equipment		97		536
Gain on sale of investment securities		2,426		13,115
Total extraordinary income		2,524		13,652
Extraordinary loss				
Loss on impairment of fixed assets		3,453		3,876
Loss on sale of property and equipment		0		—
Loss on disposal of property and equipment		4,014		7,890
Loss on devaluation of investment securities		1,160		489
Loss on sale of investment securities		1		312
Loss related to COVID-19		—		629
Other extraordinary losses		355		44
Total extraordinary losses		8,986		13,242
Income before income taxes		218,653		210,359
Income taxes		68,201		68,970
Profit		150,452		141,389
Profit attributable to non-controlling interests		—		—
Profit attributable to owners of parent	¥	150,452	¥	141,389

Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>			
	Fiscal year ended March 31,			
	2022		2021	
Profit	¥	150,452	¥	141,389
Other comprehensive income (loss)				
Net unrealized holding gains (losses) on securities		(4,577)		84,105
Net deferred gains (losses) on hedges		3,693		571
Foreign currency translation adjustments		2,815		(1,547)
Remeasurements of defined benefit plans		(976)		858
Total other comprehensive income (loss)		956		83,987
Comprehensive income		151,408		225,376
Comprehensive income attributable to:				
Owners of the parent		151,408		225,376
Non-controlling interests		—		—

Fair Value of Investment and Rental Properties

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

	<i>Millions of yen</i>			
	As of March 31, 2022		As of March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment and rental Properties	¥ 3,945,067	¥ 7,440,041	¥ 3,838,536	¥ 7,271,168