

Consolidated Financial Results for the Second Quarter of Fiscal 2015 (April 1, 2015 - September 30, 2015)

Fiscal 2015 (Year ending March 31, 2016)

November 10, 2015

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 Second Quarter (April 1, 2015 - September 30, 2015)

(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, 2015	361,393	4.4	84,731	11.6	73,297	18.5	47,157	24.4
Six months ended Sep. 30, 2014	346,290	(11.5)	75,923	(8.7)	61,847	(9.0)	37,919	(9.4)
(Reference) Fiscal 2014	806,835	3.4	165,894	3.4	139,055	6.5	80,566	15.6

Notes 1: Comprehensive Income

Fiscal 2015, 2nd quarter : 33,088 millions of yen (49.0%); Fiscal 2014, 2nd quarter : 64,882 millions of yen +0.9%

2. Percentages represent changes compared with the first quarter of the previous year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep. 30, 2015	99.49	—
Six months ended Sep. 30, 2014	80.00	—
(Reference) Fiscal 2014	169.97	—

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

Fiscal 2015, 1H : 473,993,415 shares; Fiscal 2014, 1H : 474,019,646 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, 2015	4,544,910	856,918	18.9
As of Sep. 30, 2014	4,362,526	766,816	17.6
(Reference) Fiscal 2014	4,523,804	832,462	18.4

Note: Number of shares issued and outstanding (consolidated)

As of Sep. 30, 2015 : 473,985,961 shares; As of Sep. 30, 2014 : 474,012,870 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2014	10.00	11.00	21.00
Forecast for Fiscal 2015	11.00	11.00	22.00

3. Consolidated Business Forecasts for Fiscal 2015 (Year ending March 31, 2016)

	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 2015	850,000	174,000	147,000	88,000

Consolidated business forecasts announced on May 14, 2015 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, 2014	Six months ended Sep. 30, 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2015	Achieved (%)
Leasing	141,665	152,270	+10,604	300,000	51
Sales	93,526	102,450	+8,924	290,000	35
Construction	81,173	74,186	(6,987)	190,000	39
Brokerage	26,497	28,895	+2,398	63,000	46
Other and Elimination/Corporate	3,426	3,590	+163	7,000	-
Total	346,290	361,393	+15,102	850,000	43

(2) Operating income

	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2015	Achieved (%)
Leasing	53,247	59,451	+6,204	110,000	54
Sales	18,106	21,611	+3,505	44,000	49
Construction	3,412	2,576	(836)	13,500	19
Brokerage	6,074	7,826	+1,751	20,000	39
Other and Elimination/Corporate	(4,918)	(6,734)	(1,816)	(13,500)	-
Total	75,923	84,731	+8,808	174,000	49

Consolidated Balance Sheets

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

Millions of yen

Assets	September 30, 2015	March 31, 2015
Current assets:		
Cash, time and notice deposits	¥ 126,640	¥ 151,367
Notes and accounts receivable—trade	13,641	27,597
Real estate for sale	165,392	189,770
Real estate for sale in process	681,251	604,455
Costs on uncompleted construction contracts	12,246	5,708
Other inventories	2,403	2,015
Deferred income taxes	10,671	10,824
Other current assets	38,474	34,042
Allowance for doubtful accounts	(61)	(78)
Total current assets	<u>1,050,661</u>	<u>1,025,702</u>
Fixed assets:		
Property and equipment		
Buildings and structures, net	568,402	551,510
Land	2,272,157	2,259,845
Construction in progress	89,644	106,737
Other property and equipment, net	5,542	5,262
Total Property and equipment	<u>2,935,746</u>	<u>2,923,355</u>
Intangible assets		
Leasehold rights	50,653	53,075
Other intangible assets	1,017	939
Total intangible assets	<u>51,670</u>	<u>54,015</u>
Investment and other assets		
Investment securities	349,911	366,530
Guarantee and lease deposits paid to lessors	105,238	107,251
Deferred income taxes	13,490	13,534
Other investments	50,002	45,329
Allowance for doubtful accounts	(11,811)	(11,914)
Total investment and other assets	<u>506,831</u>	<u>520,731</u>
Total fixed assets	<u>3,494,248</u>	<u>3,498,101</u>
Total assets	<u>¥ 4,544,910</u>	<u>¥ 4,523,804</u>

Millions of yen

Liabilities and Net Assets

	September 30, 2015	March 31, 2015
Current liabilities:		
Notes and accounts payable—trade	¥ 22,576	¥ 66,963
Short-term debt	73,818	87,000
Long-term debt due within one year	329,682	320,862
Long-term non-recourse loans due within one year	90,530	60,927
Corporate bonds due within one year	40,000	60,000
Non-recourse bonds due within one year	12,040	8,264
Accrued income taxes	23,583	26,518
Deposits received	79,462	61,172
Accrued bonuses	3,795	3,725
Other current liabilities	103,582	102,109
Total current liabilities	779,070	797,543
Long-term liabilities:		
Corporate bonds	400,000	380,000
Non-recourse bonds	29,100	36,060
Long-term debt	1,874,750	1,735,356
Long-term non-recourse loans	291,532	338,558
Allowance for retirement benefits for directors	133	197
Net defined benefit liability	5,359	5,433
Guarantee and lease deposits received	171,792	168,273
Long-term deposits received	73,537	160,119
Other long-term liabilities	34,702	42,724
Total long-term liabilities	2,880,906	2,866,722
Total liabilities	3,659,976	3,664,265
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,750
Retained earnings	534,314	494,275
Treasury stock	(4,310)	(4,246)
Total shareholders' equity	785,557	745,584
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	72,982	88,798
Net deferred losses on hedges	(1,637)	(1,615)
Foreign currency translation adjustments	(106)	(550)
Remeasurements of defined benefit plans	122	244
Total accumulated other comprehensive income	71,360	86,877
Non-controlling interests	28,015	27,076
Total net assets	884,933	859,538
Total liabilities and net assets	¥ 4,544,910	¥ 4,523,804

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended September 30,	
	2015	2014
Revenue from operations	¥ 361,393	¥ 346,290
Cost of revenue from operations	248,065	243,626
Gross profit	113,327	102,663
Selling, general and administrative expenses	28,595	26,740
Operating income	84,731	75,923
Non-operating income		
Interest and dividend income	3,035	2,611
Other non-operating income	462	309
Total non-operating income	3,497	2,920
Non-operating expenses		
Interest expense	12,421	13,216
Other non-operating expenses	2,511	3,779
Total non-operating expenses	14,932	16,995
Ordinary profit	73,297	61,847
Extraordinary income		
Gain on sale of property and equipment	90	3
Gain on sale of investment securities	86	-
Total extraordinary income	176	3
Extraordinary losses		
Loss on disposal of property and equipment	800	1,583
Loss on devaluation of investment securities	270	-
Other extraordinary losses	4	13
Total extraordinary losses	1,076	1,596
Income before income taxes and minority interests	72,397	60,254
Income taxes	23,898	21,388
Profit	48,499	38,866
Profit attributable to non-controlling interests	1,341	946
Profit attributable to owners of parent	¥ 47,157	¥ 37,919

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended September 30,	
	2015	2014
Profit	¥ 48,499	¥ 38,866
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	(15,806)	27,088
Net deferred losses on hedges	(49)	(200)
Foreign currency translation adjustments	565	(783)
Remeasurements of defined benefit plans	(119)	(87)
Total other comprehensive income (loss)	(15,410)	26,016
Comprehensive income	¥ 33,088	¥ 64,882
Comprehensive income attributable to:		
Owners of parent	31,640	64,073
Non-controlling interests	1,447	809