

# *Supplementary Material*

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Fiscal 2018  
(April 1, 2018 – March 31, 2019)



**Sumitomo Realty & Development Co., Ltd.**

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## Results for the Seventh Management Plan (Apr 2016 – Mar 2019)

(Billions of yen)

	Forecast* (Cumulative Totals)	FY '16 Results	FY '17 Results	FY '18 Results	Cumulative Totals	Increase/ Decrease
Revenue from Operations	2,700	925	948	1,013	2,887	+ 187
Operating Income	550	188	206	220	614	+ 64
Ordinary Profit	480	168	187	204	559	+ 79

\* Announced on May 12, 2016

## «Reference» Results of the Past Management Plans (Years ended March 31)

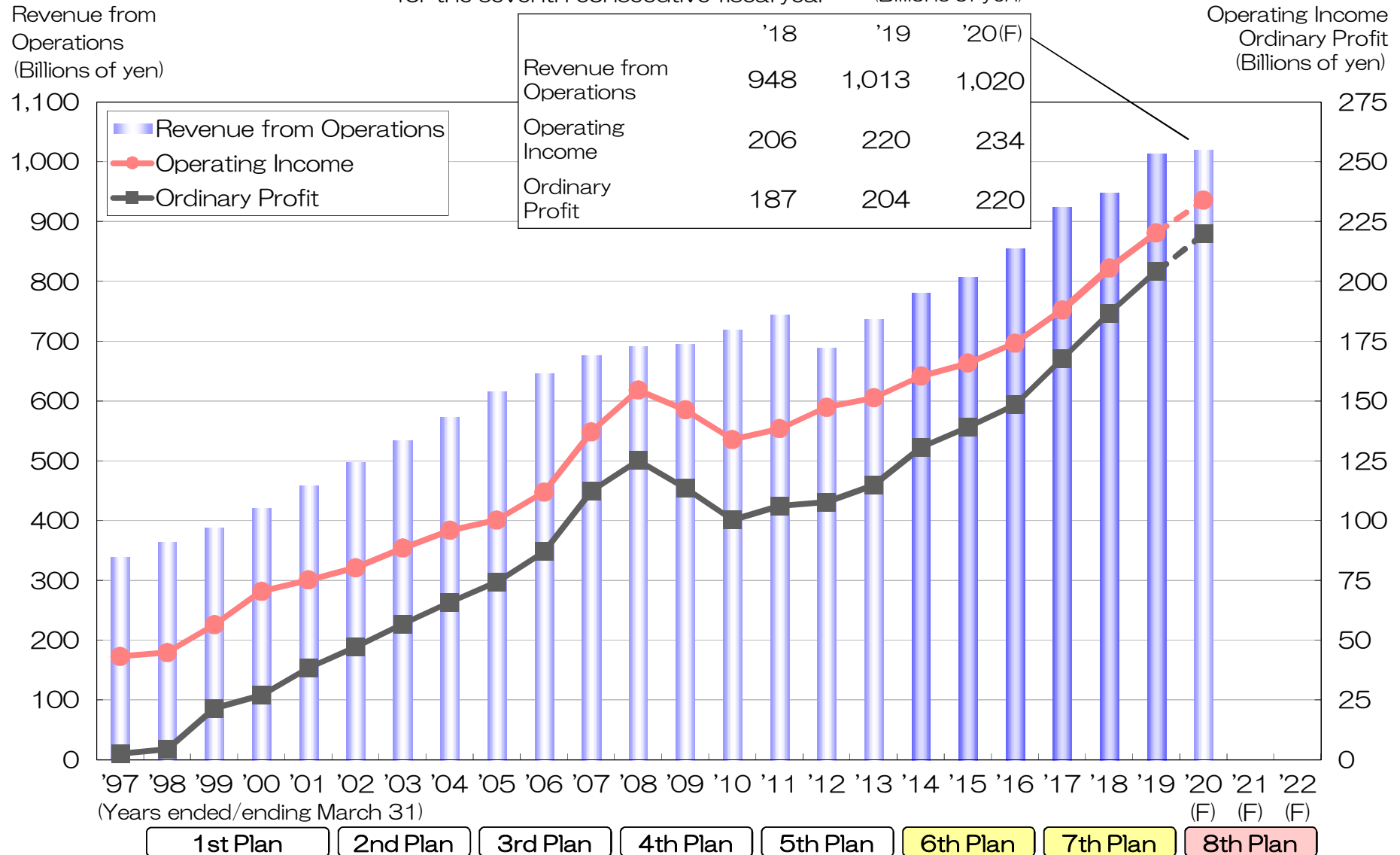
(Billions of yen)

Three-year Cumulative totals	1st Plan* 1999-2001	2nd Plan 2002-2004	3rd Plan 2005-2007	4th Plan 2008-2010	5th Plan 2011-2013	6th Plan 2014-2016	7th Plan 2017-2019
Revenue from Operations	1,270	1,606	1,939	2,107	2,170	2,442	2,887
Operating Income	202	265	349	435	437	501	614
Ordinary Profit	87	170	274	339	329	418	559

\* The 1st plan began in the March 1998 fiscal year and spanned four years.  
 Figures shown represent cumulative totals for the final three years of the plan.

# Historical Financial Results

Achieve record results  
for the seventh consecutive fiscal year (Billions of yen)



## Results for Fiscal 2018 (Apr 1, 2018 – Mar 31, 2019)

(Billions of yen)

		FY '17 Results	FY '18 Results	Increase/ Decrease	FY '18 Previously Announced Forecasts*	Increase/ Decrease
	Leasing	354	382	+28	365	+17
	Sales	311	332	+21	310	+22
	Construction	209	222	+12	220	+2
	Brokerage	69	73	+4	70	+3
Revenue from Operations		948	1,013	+65	970	+43
	Leasing	139	150	+11	145	+5
	Sales	47	47	0	47	0
	Construction	16	20	+4	18	+2
	Brokerage	21	22	+1	22	0
Operating Income		206	220	+15	213	+7
	Other income (expenses)	(19)	(16)	+3	(18)	+2
Ordinary Profit		187	204	+17	195	+9
Profit attributable to owners of parent		120	131	+11	130	+1

\* Announced on May 10, 2018

## Forecasts for Fiscal 2019 (Apr 1, 2019 – Mar 31, 2020)

(Billions of yen)

		FY '17 Results	FY '18 Results	FY '19 Forecasts	Increase/ Decrease
	Leasing	354	382	390	+8
	Sales	311	332	320	(12)
	Construction	209	222	230	+8
	Brokerage	69	73	73	0
Revenue from Operations		948	1,013	1,020	+7
	Leasing	139	150	163	+13
	Sales	47	47	47	0
	Construction	16	20	22	+2
	Brokerage	21	22	22	0
Operating Income		206	220	234	+14
	Other income (expenses)	(19)	(16)	(14)	+2
Ordinary Profit		187	204	220	+16
Profit attributable to owners of parent		120	131	140	+9

# 1. Performance targets

Achieve consecutive record results for the three-year period covered, with cumulative ordinary profit of ¥700 billion.

Achieve record results for the ninth consecutive fiscal year under the three management plans since the Sixth Management Plan by maintaining the pace of growth attained under the Seventh Management Plan with which substantial profit increase was achieved.

## Three-year cumulative earnings targets

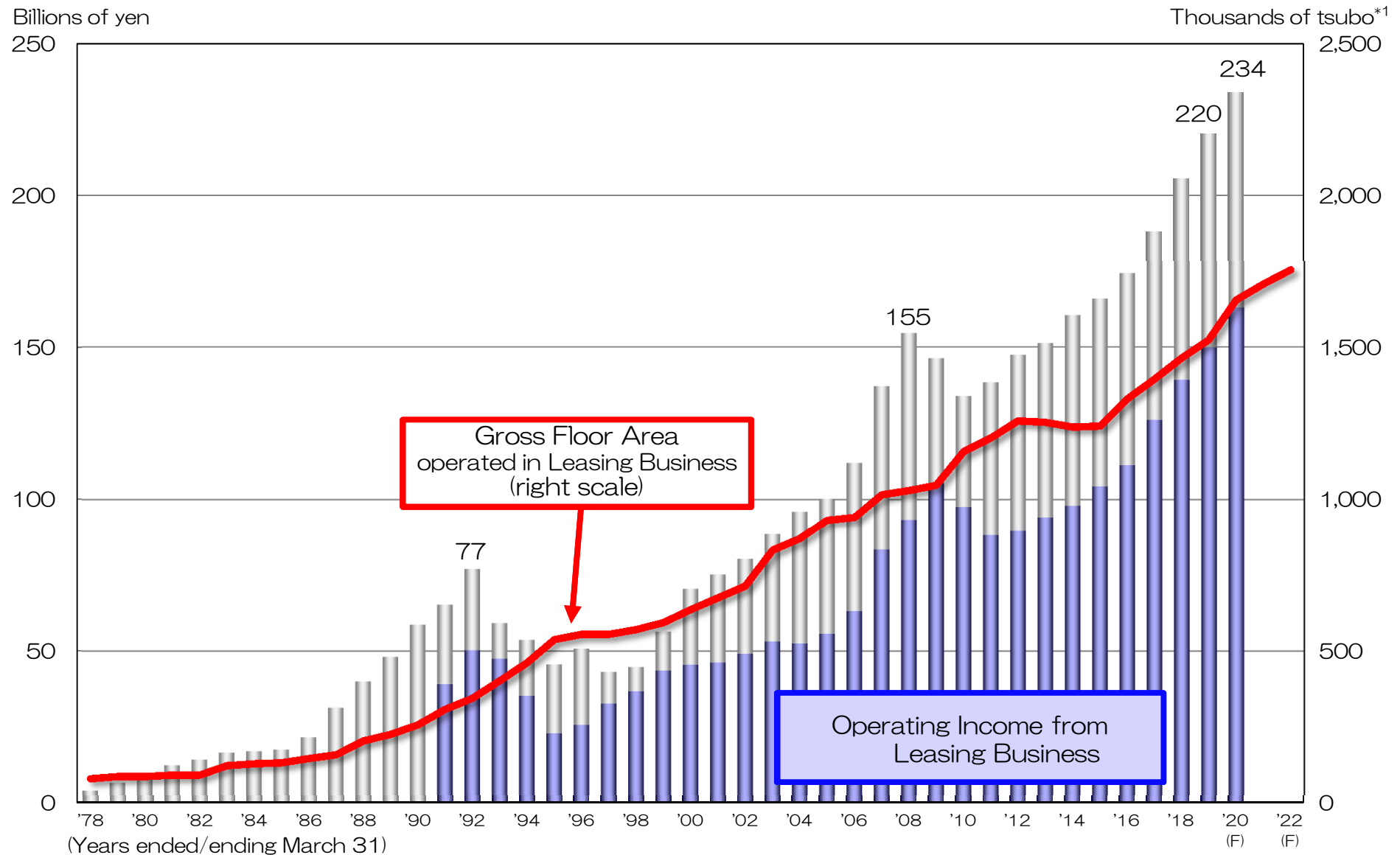
Revenue from Operations	¥ 3,100 billion	( + ¥ 213.2 billion, + 7 % )*
Operating Income	¥ 740 billion	( + ¥ 125.8 billion, + 20 % )*
Ordinary Profit	¥ 700 billion	( + ¥ 141.2 billion, + 25 % )*

\* Compared with results for the Seventh Management Plan

«Reference» Comparison of Management Plan results (Years ended/ending March 31) (Billions of yen)

Three-year Cumulative totals	5th Plan 2011-2013	6th Plan 2014-2016	7th Plan 2017-2019	8th Plan 2020-2022
Revenue from Operations	2,170	2,442	2,887	3,100
Operating Income	437	501	614	740
Ordinary Profit	329	418	559	700

# Consolidated Operating Income and Gross Floor Area



\*<sup>1</sup> 1 tsubo = 3.3m<sup>2</sup>

\*<sup>2</sup> Segment information has been disclosed since the March 1991 fiscal year

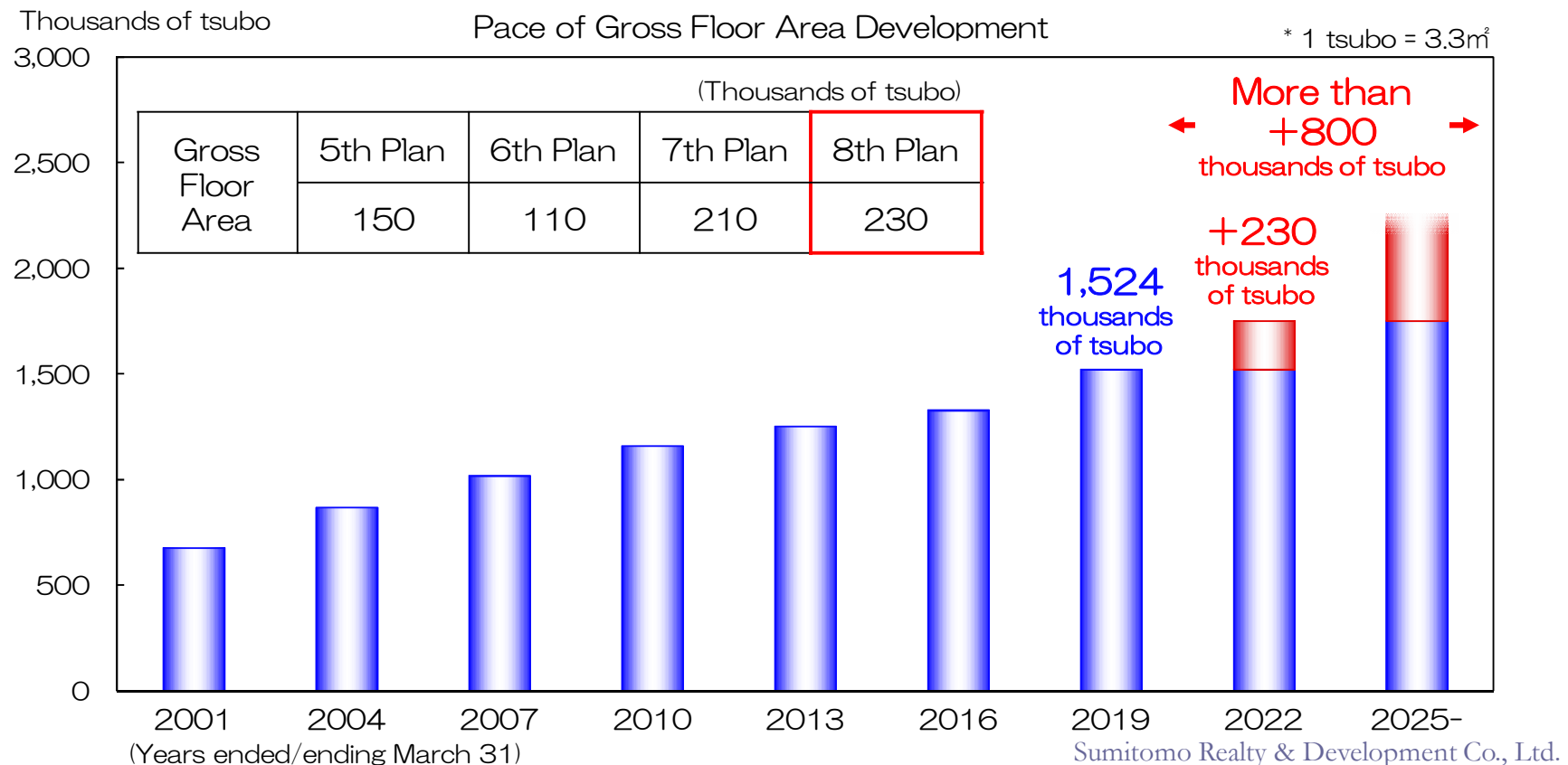


## 2. Leasing asset investment plan

(Non-current asset investment excluding sales assets, such as condominiums for sale)

### Further investment in leasing office assets in central Tokyo, strengthening our earnings base.

1. Concrete development plan for over 800 thousand tsubo\* of gross floor area, mainly comprising redevelopment projects. (Equivalent to over 50% of 1,520 thousand tsubo of gross floor area for leasing as of the end of the Seventh Management Plan)  
The total investment will amount to ¥2,000 billion, expected to generate profits within six to seven years.
2. During the Eighth Management Plan, approximately 30%, or 230 thousand tsubo, of total gross floor area of the investment pipeline will be completed and brought to market.



## 2. Leasing asset investment plan

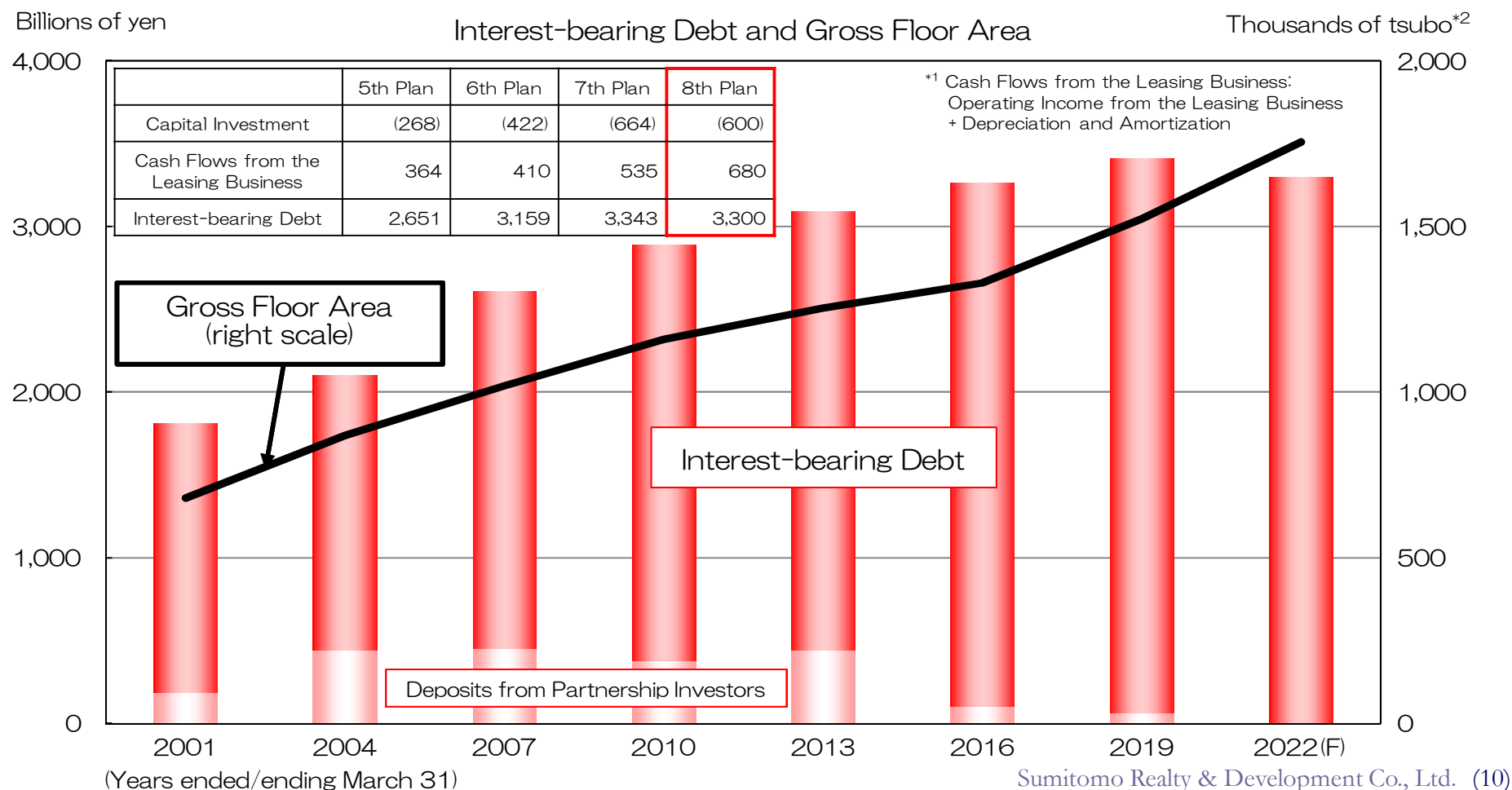
(Non-current asset investment excluding sales assets, such as condominiums for sale)

Further investment in leasing office assets in central Tokyo, strengthening our earnings base.

3. Of ¥2,000 billion, ¥600 billion is expected to be invested in the next three years.

Funding will be covered by expanding cash flows from the leasing business\*<sup>1</sup>. (No increase in interest-bearing debt expected.)

\*<sup>2</sup> 1 tsubo = 3.3m<sup>2</sup>



### 3. Performance targets and strategies by segment

Office building leasing in Tokyo to be the driving force of growth.

＜ Performance targets by segment ＞

(Billions of yen)

Three-year Cumulative totals		5th Plan 2011-2013	6th Plan 2014-2016	7th Plan 2017-2019	8th Plan 2020-2022
	Leasing	843	886	1,073	1,200
	Sales	670	773	957	950
	Construction	500	589	635	720
	Brokerage	147	177	209	220
	Revenue from Operations	2,170	2,442	2,887	3,100
	Leasing	272	314	416	530
	Sales	110	127	140	140
	Construction	49	47	50	70
	Brokerage	41	52	63	65
	Operating Income	437	501	614	740
Ordinary Profit		329	418	559	700

(Years ended/ending March 31)

### 3. Performance targets and strategies by segment

\* 1 tsubo = 3.3m<sup>2</sup>

#### Leasing

Profit growth of the Seventh Management Plan, supported by the buoyant market environment, to be surpassed.

- Profitability of existing properties, which improved on the back of lower vacancy rates and higher rents, to be further strengthened.
- Earnings secured by full-year contribution from the properties completed in the Seventh Management Plan (210 thousand tsubo\* of gross floor area) and by starting operation of newly completed projects in the Eighth Management Plan (230 thousand tsubo of gross floor area).

#### Sales

High level of profit of the Seventh Management Plan to be maintained.

- Marketing speed adjustment, following profit-pursuing policy rather than volume-pursuing policy.
- The policy of securing prime sites without fail amid continuing intensified competition for land acquisition, to be maintained.
- The policy of pursuing as many projects as possible when such opportunities arise, to be maintained.

#### Construction

Remodeling (Shinchiku Sokkurisan): Growth track, recovered in the Seventh Management Plan following the sluggish period until the Sixth Management Plan, to be maintained.

- Expansion in remodeling demand expected in a growing market, matching the Japanese government's policy of accumulating high-quality residential property stock.

Custom Homes: Business base to be strengthened through improvement of construction systems and quality control.

- Annual contract volume expanded to 3,000 units in the Seventh Management Plan. Business base to be reinforced for growth in the Ninth Management Plan onward.

#### Brokerage

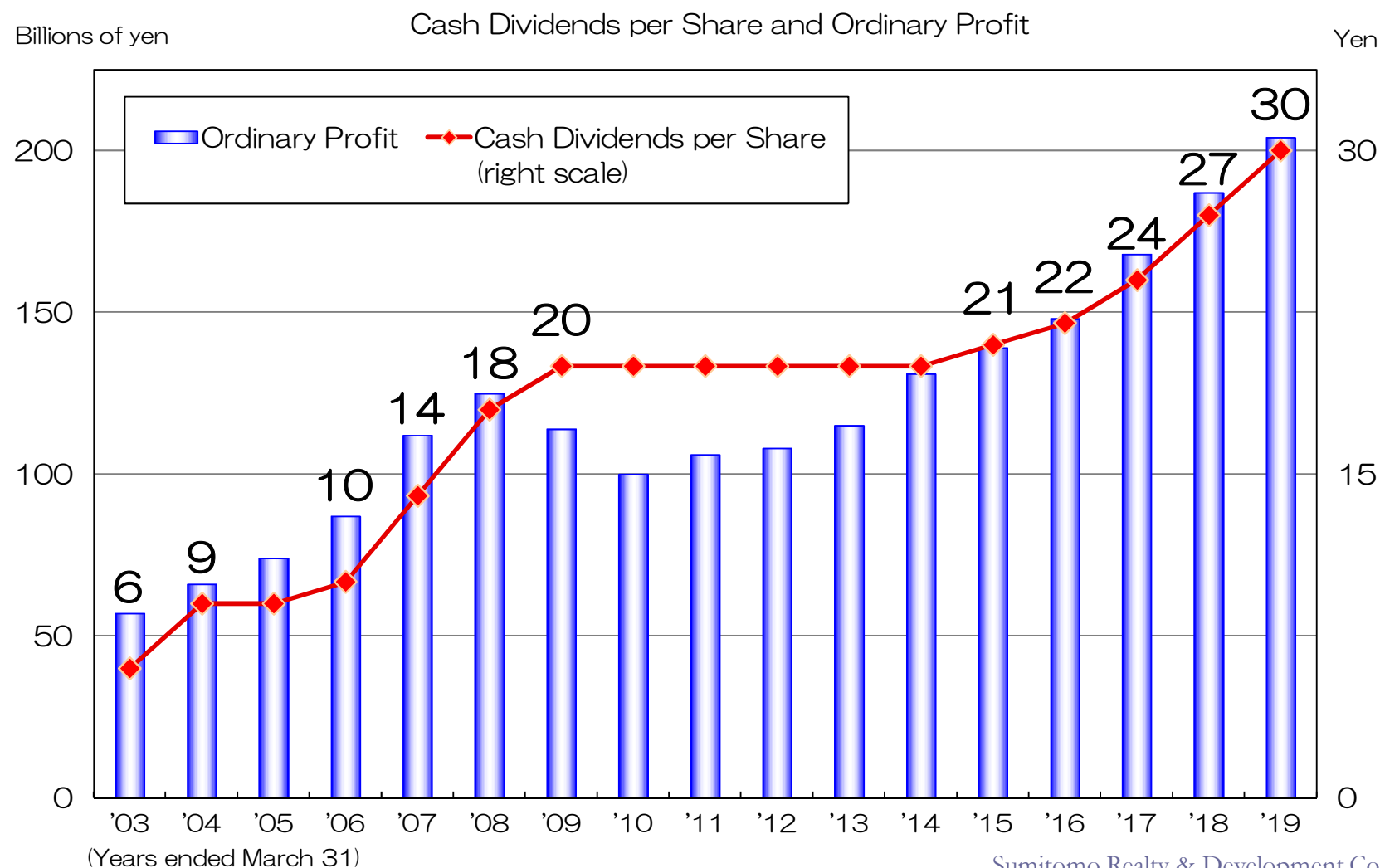
Group collaboration to be strengthened, establishing the base for growth in the Ninth Management Plan onward.

- Efficiency of the brokerage business to be further improved, with Sumitomo Real Estate Sales Co., Ltd. becoming a wholly owned subsidiary in the Seventh Management Plan.

## 4. Policy for shareholder returns

“Sustainable dividend increase” policy, in line with profit growth, to be maintained.

Cash flow allocation policy of prioritizing investment in office properties for lease, to be maintained.



## Principal New Office Building Projects

\* 1 tsubo = 3.3m<sup>2</sup>

Project Name	Location	Gross Floor Area (Tsubo*)	Expected Completion
Sumitomo Fudosan Shinjuku Central Park Tower	Shinjuku Ward	18,200	Aug 2019
Sumitomo Fudosan Akihabara Ekimae Building	Chiyoda Ward	8,700	Aug 2019
Sumitomo Fudosan Akihabara First Building	Chiyoda Ward	8,200	Sep 2019
Sumitomo Fudosan Ikebukuro Higashi Building	Toshima Ward	4,800	Dec 2019
Haneda Airport Project	Ota Ward	27,700	Mar 2020
Ariake Project	Koto Ward	60,000	Mar 2020
Sumitomo Fudosan Kojimachi Garden Tower	Chiyoda Ward	14,500	Apr 2020
Kita-shinagawa 5-chome Project	Shinagawa Ward	14,300	Mar 2021
Shibaura 3-chome Project	Minato Ward	3,800	Mar 2021
Ochanomizu Project	Bunkyo Ward	3,800	Mar 2021
Kanda Izumicho Project	Chiyoda Ward	3,800	Apr 2021
Higashi-gotanda 2-chome Project	Shinagawa Ward	6,300	May 2021
Others		56,000	
<b>8th Plan Total</b>		<b>230,100</b>	
Mita 3- and 4-chome Project (Fudanotsuji)	Minato Ward	69,000	Jul 2022
Nishi-shinjuku 5-chome Kita Project	Shinjuku Ward	40,800	Oct 2022

## Principal New Office Building Projects

\* 1 tsubo = 3.3m<sup>2</sup>

**Sumitomo Fudosan  
Shinjuku Central Park Tower**

Location	Shinjuku Ward, Tokyo
Expected Completion	Aug 2019
Gross Floor Area	18,200 tsubo
No. of Floor	33 above ground / 2 below ground



**Sumitomo Fudosan  
Akihabara Ekimae Building**

Location	Chiyoda Ward, Tokyo
Expected Completion	Aug 2019
Gross Floor Area	8,700 tsubo
No. of Floor	21 above ground / 2 below ground



**Sumitomo Fudosan  
Akihabara First Building**

Location	Chiyoda Ward, Tokyo
Expected Completion	Sep 2019
Gross Floor Area	8,200 tsubo
No. of Floor	23 above ground / 1 below ground



## Principal New Office Building Projects

\* 1 tsubo = 3.3m<sup>2</sup>

**Sumitomo Fudosan  
Ikebukuro Higashi Building**

Location	Toshima Ward, Tokyo
Expected Completion	Dec 2019
Gross Floor Area	4,800 tsubo
No. of Floor	14 above ground



**Sumitomo Fudosan  
Kojimachi Garden Tower**

Location	Chiyoda Ward, Tokyo
Expected Completion	Apr 2020
Gross Floor Area	14,500 tsubo
No. of Floor	21 above ground / 1 below ground



**Shibaura 3-chome Project**

Location	Minato Ward, Tokyo
Expected Completion	Mar 2021
Gross Floor Area	3,800 tsubo
No. of Floor	8 above ground



## Principal New Office Building Projects

\* 1 tsubo = 3.3m<sup>2</sup>

Mita 3- and 4-chome Project (Fudanotsuji)

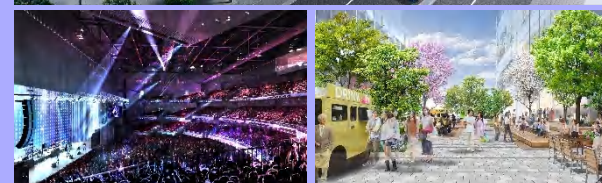
Location	Minato Ward, Tokyo	Gross Floor Area	69,000 tsubo
Expected Completion	Jul 2022	No. of Floor	42 above ground/ 3 below ground



Nishi-shinjuku 5-chome Kita Project

Location	Shinjuku Ward, Tokyo	Gross Floor Area	40,800 tsubo
Expected Completion	Oct 2022	No. of Floor	35 above ground/ 2 below ground

## Principal New Office Building Projects

\* 1 tsubo = 3.3m<sup>2</sup>

## Haneda Airport Project

## Ariake Project

Location	Ota Ward, Tokyo (direct connection to international terminal)		Koto Ward, Tokyo	
Expected Completion	Mar 2020		Mar 2020	
Gross Floor Area	27,700 tsubo		60,000 tsubo	
Main use	Hotel	1,700 rooms	Commercial	12,000 tsubo
	Commercial	2,000 tsubo	Hotel	800 rooms
	Event hall	750 tsubo	Event hall	1,500 tsubo
	Others	Bus Terminal / SPA	Others	SPA



## Principal Condominium Projects (Scheduled Delivery in FY 2019)



City Tower Ginza Higashi

Chuo Ward, Tokyo

483 units

22 above ground / 1 below ground

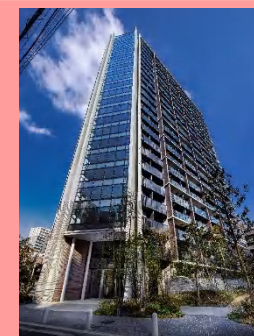


Shinagawa East City Tower

Shinagawa Ward, Tokyo

363 units

26 above ground



City Tower Ebisu

Shibuya Ward, Tokyo

307 units

23 above ground / 2 below ground



City Towers Tokyo Bay

Koto Ward, Tokyo

1,539 units

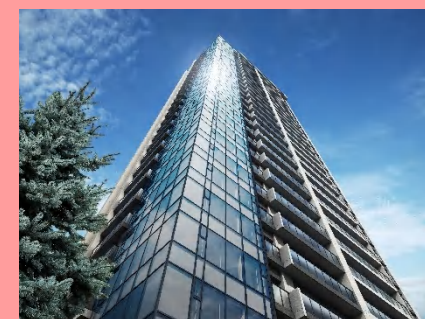
32 above ground / 1 below ground (West)  
33 above ground (Central / East)

City Tower Shinagawa Park Front

Shinagawa Ward, Tokyo

312 units

23 above ground / 1 below ground



City Tower Sapporo

Sapporo

165 units

31 above ground / 1 below ground

\* units = number of units for sale

Sumitomo Realty &amp; Development Co., Ltd. (19)

## Principal Condominium Projects (Scheduled Delivery in FY 2020-)



City Tower Oimachi

Shinagawa Ward, Tokyo

493 units

29 above ground / 1 below ground

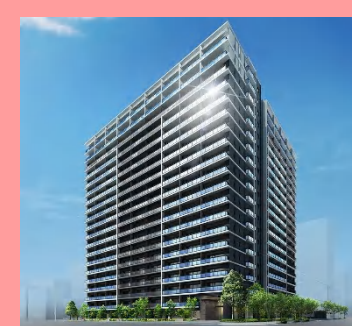


City Tower Tokorozawa Classy

Tokorozawa

276 units

29 above ground / 2 below ground



City Tower Aoi

Nagoya

354 units

20 above ground

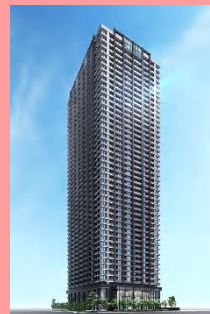


City Tower Musashi-koyama

Shinagawa Ward, Tokyo

318 units

41 above ground / 2 below ground



City Tower Osaka Honmachi

Osaka

854 units

48 above ground



Grand Hills Minami Aoyama

Minato Ward, Tokyo

115 units

18 above ground / 2 below ground

\* units = number of units for sale