

Supplementary Material

Fiscal 2019
(April 1, 2019 – March 31, 2020)



Sumitomo Realty & Development Co., Ltd.

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Progress of the Eighth Management Plan (Apr 2019 – Mar 2022)

(Billions of yen)

	Forecast* (Cumulative Totals)	FY '19 Results	Achievement Rate
Revenue from Operations	3,100	1,014	33%
Operating Income	740	234	32%
Ordinary Profit	700	221	32%

* Announced on May 16, 2019

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

(Billions of yen)

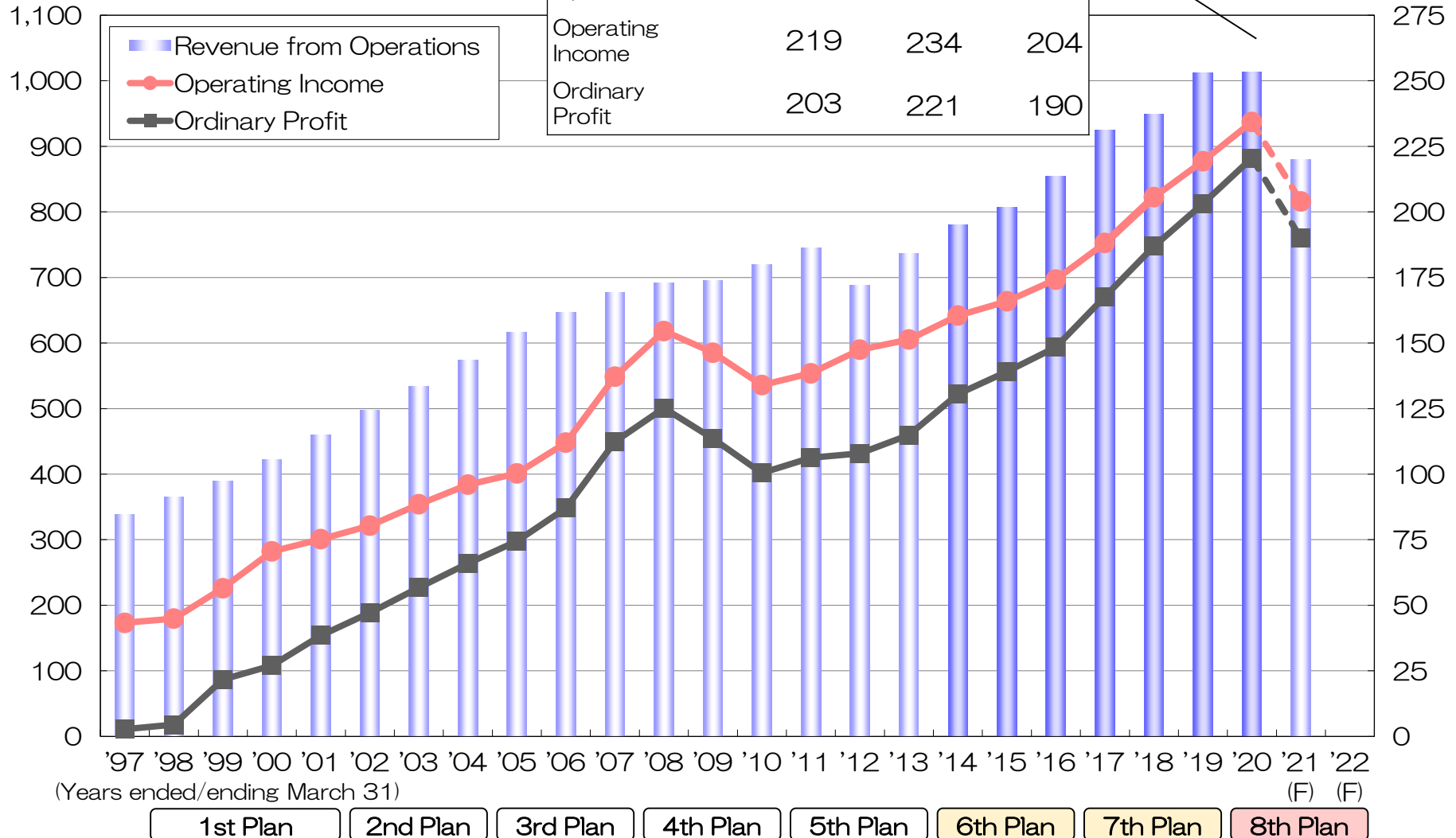
Three-year Cumulative totals	1st Plan* 1999-2001	2nd Plan 2002-2004	3rd Plan 2005-2007	4th Plan 2008-2010	5th Plan 2011-2013	6th Plan 2014-2016	7th Plan 2017-2019
Revenue from Operations	1,270	1,606	1,939	2,107	2,170	2,442	2,886
Operating Income	202	265	349	435	437	501	613
Ordinary Profit	87	170	274	339	329	418	558

* 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.

* Financial results for March 2019 fiscal year and the 7th plan have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Historical Financial Results

Revenue from
Operations



Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

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

(Billions of yen)

		FY '18 Results	FY '19 Results	Increase/ Decrease	FY '19 Previously Announced Forecasts*	Achieved
	Leasing	382	396	+14	390	+6
	Sales	332	325	(7)	320	+5
	Construction	222	219	(3)	230	(11)
	Brokerage	72	69	(3)	73	(4)
Revenue from Operations		1,012	1,014	+1	1,020	(6)
	Leasing	150	169	+19	163	+6
	Sales	47	47	+0	47	+0
	Construction	20	21	+0	22	(1)
	Brokerage	21	19	(2)	22	(3)
Operating Income		219	234	+15	234	+0
	Other income (expenses)	(16)	(14)	+2	(14)	+0
Ordinary Profit		203	221	+17	220	+1
Profit attributable to owners of parent		130	141	+11	140	+1

Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Forecasts for Fiscal 2020 (Apr 1, 2020 – Mar 31, 2021)

(Billions of yen)

		FY '18 Results	FY '19 Results	FY '20 Forecasts	Increase/ Decrease
	Leasing	382	396	390	(6)
	Sales	332	325	270	(55)
	Construction	222	219	170	(49)
	Brokerage	72	69	50	(19)
Revenue from Operations		1,012	1,014	880	(134)
	Leasing	150	169	163	(6)
	Sales	47	47	48	+1
	Construction	20	21	10	(11)
	Brokerage	21	19	10	(9)
Operating Income		219	234	204	(30)
Other income (expenses)		(16)	(14)	(14)	(0)
Ordinary Profit		203	221	190	(31)
Profit attributable to owners of parent		130	141	130	(11)

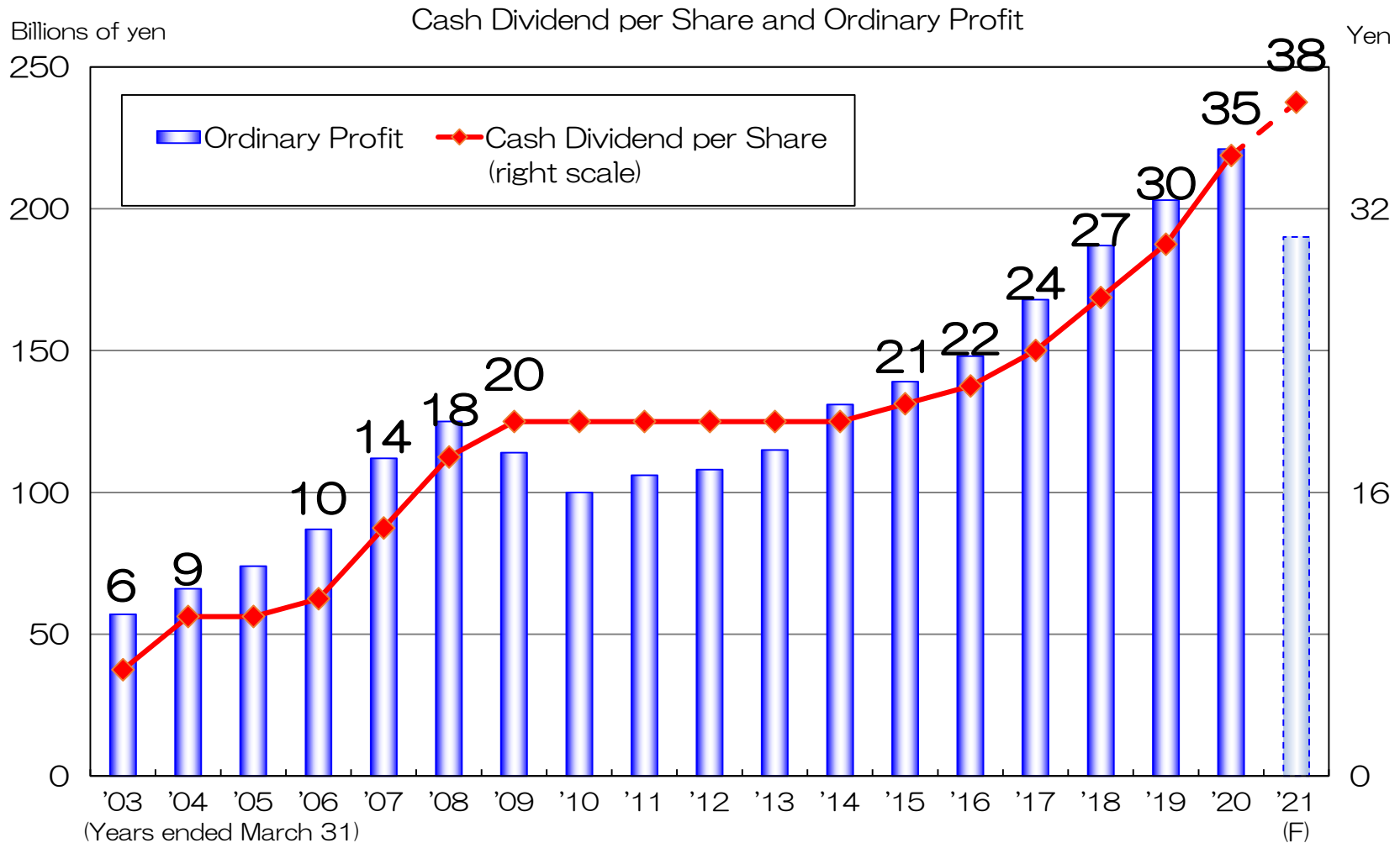
Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

The impact by the outbreak of COVID-19 on our business activities and business results is unclear. We estimate the forecasts based on the assumption that during the Fiscal 2020, the business activities will not return to the same level as the previous fiscal year, despite the anticipation that they will be gradually resumed from the second quarter.

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.



Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Principal New Office Building Projects

* 1 tsubo = 3.3m²

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	7,800	Aug 2019
Sumitomo Fudosan Ikebukuro Higashi Building	Toshima Ward	5,000	Sep 2019
Sumitomo Fudosan Akihabara First Building	Chiyoda Ward	8,200	Oct 2019
Haneda Airport Garden (Commercial Complex)	Ota Ward	27,700	Mar 2020
Ariake Garden (Commercial Complex)	Koto Ward	60,100	Mar 2020
Sumitomo Fudosan Kojimachi Garden Tower	Chiyoda Ward	14,500	May 2020
Sumitomo Fudosan Ochanomizu Building	Bunkyo Ward	3,800	Jan 2021
Sumitomo Fudosan Tamachi Building East	Minato Ward	3,900	Apr 2021
Sumitomo Fudosan Kanda Izumicho Building	Chiyoda Ward	3,000	Aug 2021
Osaki Higashi Project	Shinagawa Ward	14,400	Jan 2022
Others		45,100	
8th Plan Total		211,700	
Tokyo Mita Redevelopment Project (Mita 3- and 4-chome Project)	Minato Ward	60,400	Jan 2023
Nishi-shinjuku 5-chome Kita Project	Shinjuku Ward	41,300	Mar 2023
Nakano 2-chome Project	Nakano Ward	30,000	Feb 2024

Principal New Office Building Projects

* 1 tsubo = 3.3m²

**Sumitomo Fudosan
Shinjuku Central Park Tower**

Location Shinjuku Ward, Tokyo

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

Completion Aug 2019

Gross Floor Area 7,800 tsubo

No. of Floor 21 above ground /
2 below ground



**Sumitomo Fudosan
Ikebukuro Higashi Building**

Location Toshima Ward, Tokyo

Completion Sep 2019

Gross Floor Area 5,000 tsubo

No. of Floor 14 above ground

Principal New Office Building Projects

* 1 tsubo = 3.3m²

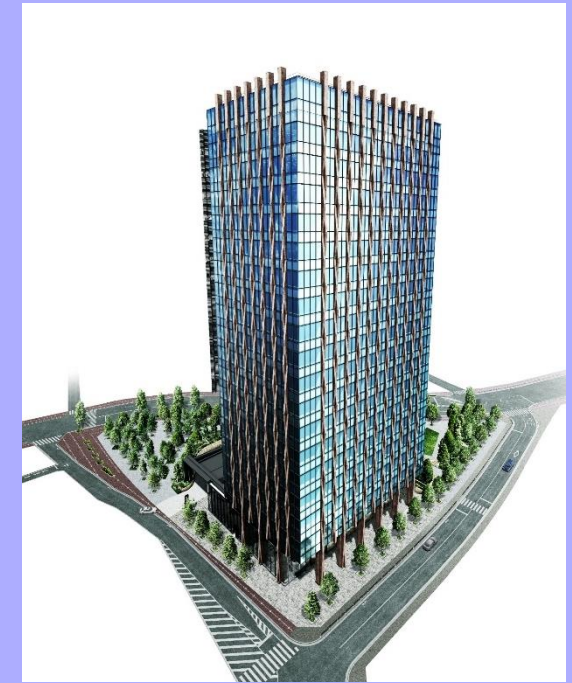
Sumitomo Fudosan Akihabara First Building

Sumitomo Fudosan Kojimachi Garden Tower

Sumitomo Fudosan Ochanomizu Building

Location	Chiyoda Ward, Tokyo	Chiyoda Ward, Tokyo	Bunkyo Ward, Tokyo
Expected Completion	Oct 2019	May 2020	Jan 2021
Gross Floor Area	8,200 tsubo	14,500 tsubo	3,800 tsubo
No. of Floor	23 above ground / 1 below ground	22 above ground	12 above ground / 1 below ground

Principal New Office Building Projects

* 1 tsubo = 3.3m²

Sumitomo Fudosan Tamachi Building East

Sumitomo Fudosan Kanda Izumicho Building

Osaki Higashi Project

Location	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Shinagawa Ward, Tokyo
Expected Completion	Apr 2021	Aug 2021	Jan 2022
Gross Floor Area	3,900 tsubo	3,000 tsubo	14,400 tsubo
No. of Floor	8 above ground	8 above ground / 1 below ground	19 above ground / 2 below ground

Principal New Office Building Projects

* 1 tsubo = 3.3m²

**Tokyo Mita Redevelopment Project
(Mita 3- and 4-chome Project)**

Location	Minato Ward, Tokyo	Gross Floor Area	60,400 tsubo
Expected Completion	Jan 2023	No. of Floor	42 above ground/ 4 below ground



Nishi-shinjuku 5-chome Kita Project

Location	Shinjuku Ward, Tokyo	Gross Floor Area	41,300 tsubo
Expected Completion	Mar 2023	No. of Floor	Office:33 above ground /2 below ground Residence:35 above ground/2 below ground

Principal New Office Building Projects

* 1 tsubo = 3.3m²

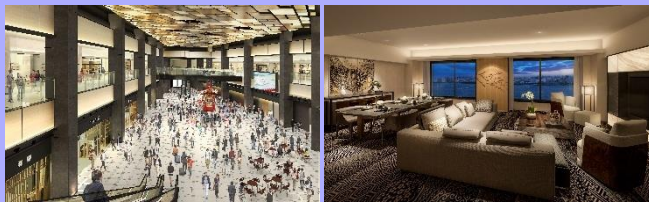
Nakano 2-chome Project

Location	Nakano Ward, Tokyo
Expected Completion	Feb 2024
Gross Floor Area	30,000 tsubo
No. of Floor	37 above ground/ 2 below ground

Shinjuku Sumitomo Building “Sankaku Hiroba”
(Renovation)

Location	Shinjuku Ward, Tokyo	Expected Completion	June 2020
Main use	Atrium	Capacity: approx. 2,000 people (Maximum ceiling height: approx. 25 meters)	
	Event Hall	Capacity: approx. 1,000 people	
	Commercial	20 stores (Shops and Restaurants)	

Principal New Office Building Projects

* 1 tsubo = 3.3m²expected
completion
imageexpected
completion
image

Haneda Airport Garden

Location	Haneda Airport 2-chome, Ota Ward, Tokyo (direct connection to international terminal)	
Completion	Mar 2020	
Gross Floor Area	27,700 tsubo	
Main use	Hotel	1,717 rooms
	Commercial	90 stores
	Event hall	Capacity : approx. 700 people
	Others	Bus Terminal / SPA

Ariake Garden

Ariake 2-chome, Koto Ward, Tokyo (Ariake Kita 3-1 area redevelopment project)			
Mar 2020			
60,100 tsubo			
	Commercial	203 stores	
	Hotel	749 rooms	
	Event hall	Capacity : approx. 8,000 people	
	Others	SPA / Theater	

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

277 units

29 above ground / 2 below ground

City Tower Aoi

Nagoya

354 units

20 above ground

* units = number of units for sale

Principal Condominium Projects (Scheduled Delivery from FY 2021)



City Tower Musashi-koyama

Shinagawa Ward, Tokyo

318 units

41 above ground / 2 below ground



City House Shimomeguro

Meguro Ward, Tokyo

195 units

5 above ground



Grand Hills Minami Aoyama

Minato Ward, Tokyo

105 units

18 above ground / 2 below ground



City House Koganei Koen

Kodaira, Tokyo

740 units

9 above ground



City Tower Osaka Honmachi

Osaka

855 units

48 above ground / 1 below ground



City Terrace Yokohama

Yokohama

313 units

North:10 above ground
South:15 above ground

Performance Targets for the Eighth Management Plan

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	(+ ¥ 214.2 billion, + 7 %)*
Operating Income	¥ 740 billion	(+ ¥ 126.8 billion, + 21 %)*
Ordinary Profit	¥ 700 billion	(+ ¥ 142.2 billion, + 25 %)*

* Compared with results for the Seventh Management Plan

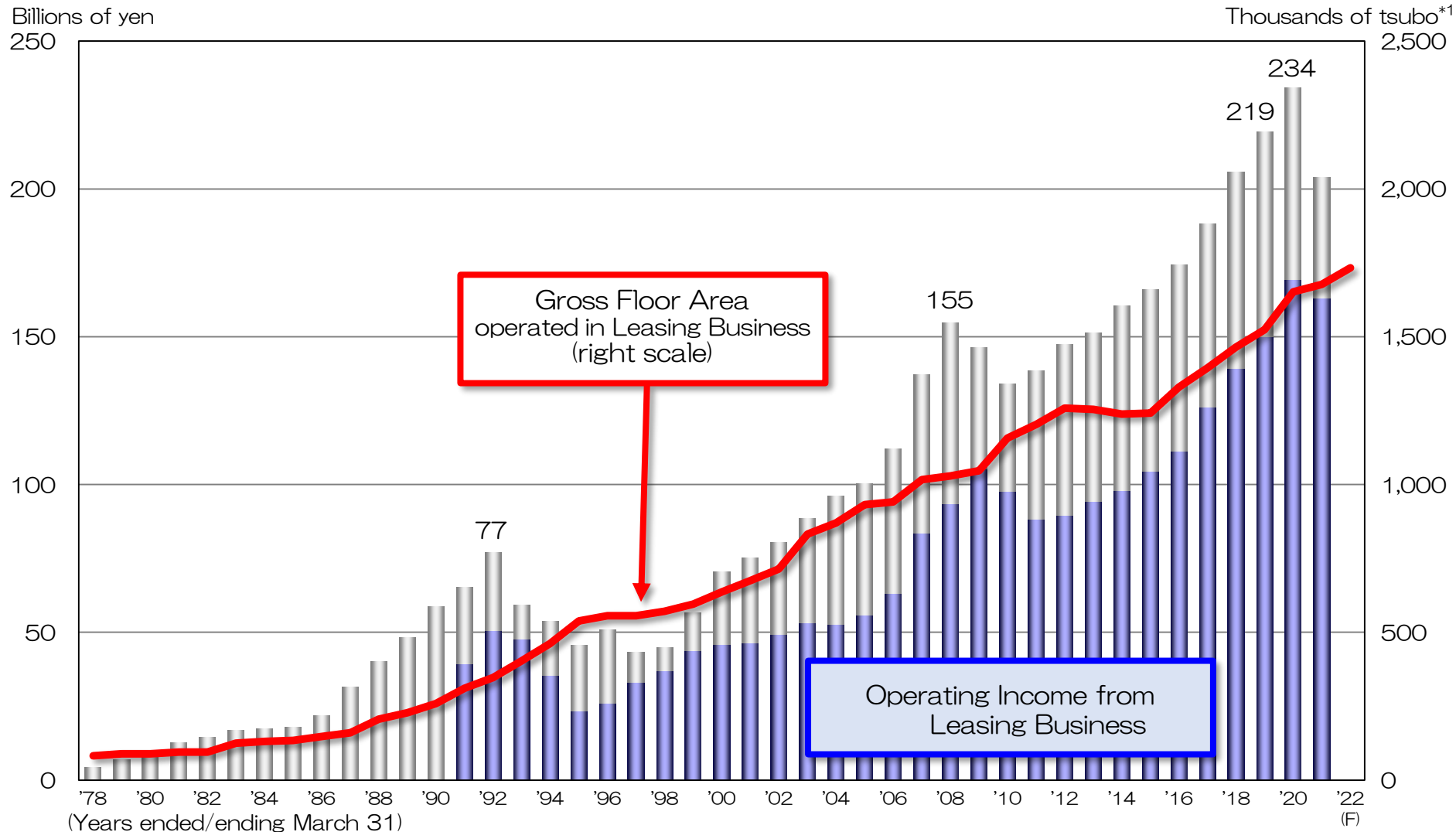
«Reference» Comparison of Management Plan results (Years ended/ending March 31) (Billions of yen)

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	2,886	3,100
Operating Income	437	501	613	740
Ordinary Profit	329	418	558	700

* Announced on May 16, 2019

Financial results for March 2019 fiscal year and the 7th plan have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Consolidated Operating Income and Gross Floor Area



*1 1 tsubo = 3.3m²

*2 Segment information has been disclosed since the March 1991 fiscal year

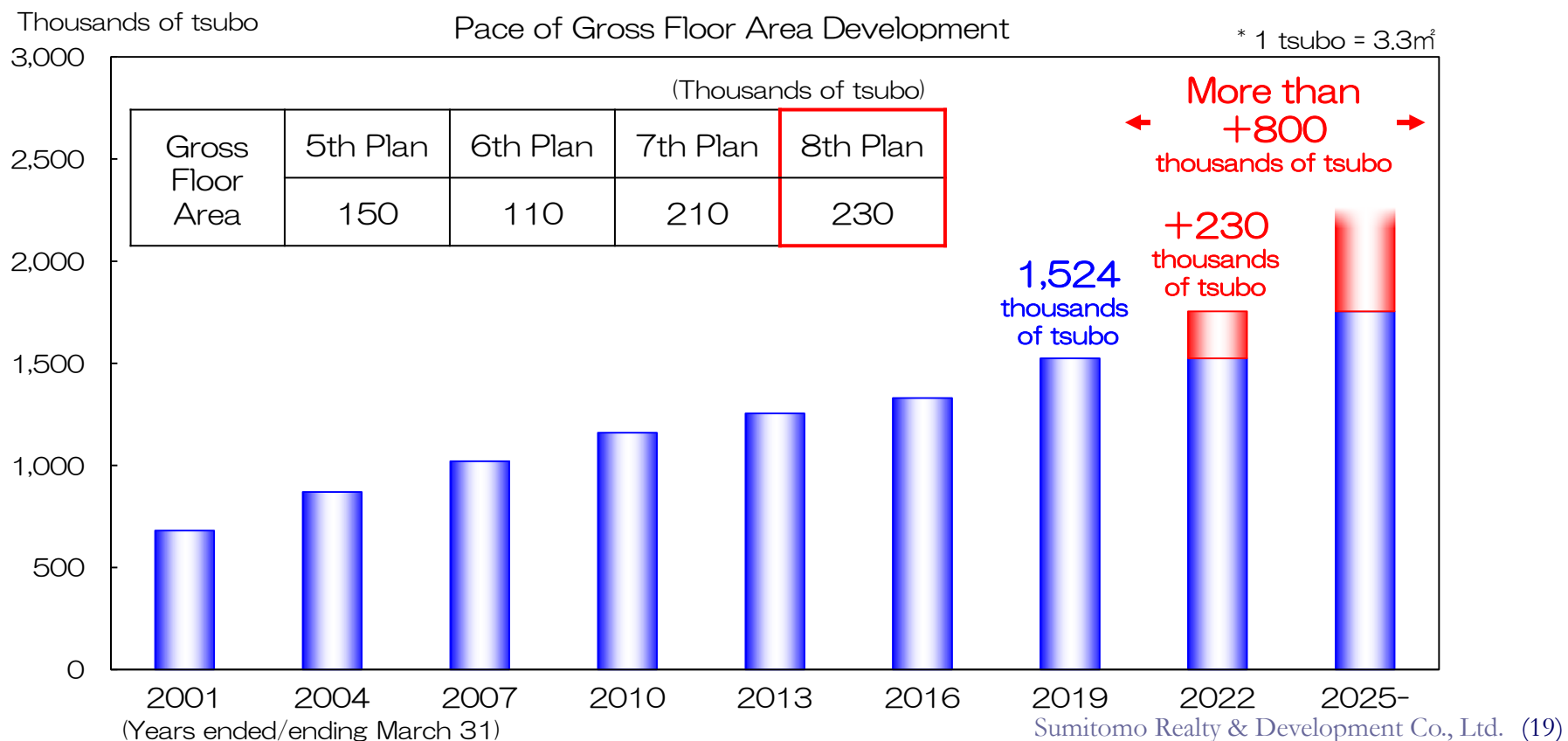
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Leasing asset investment plan

(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.



Leasing asset investment plan

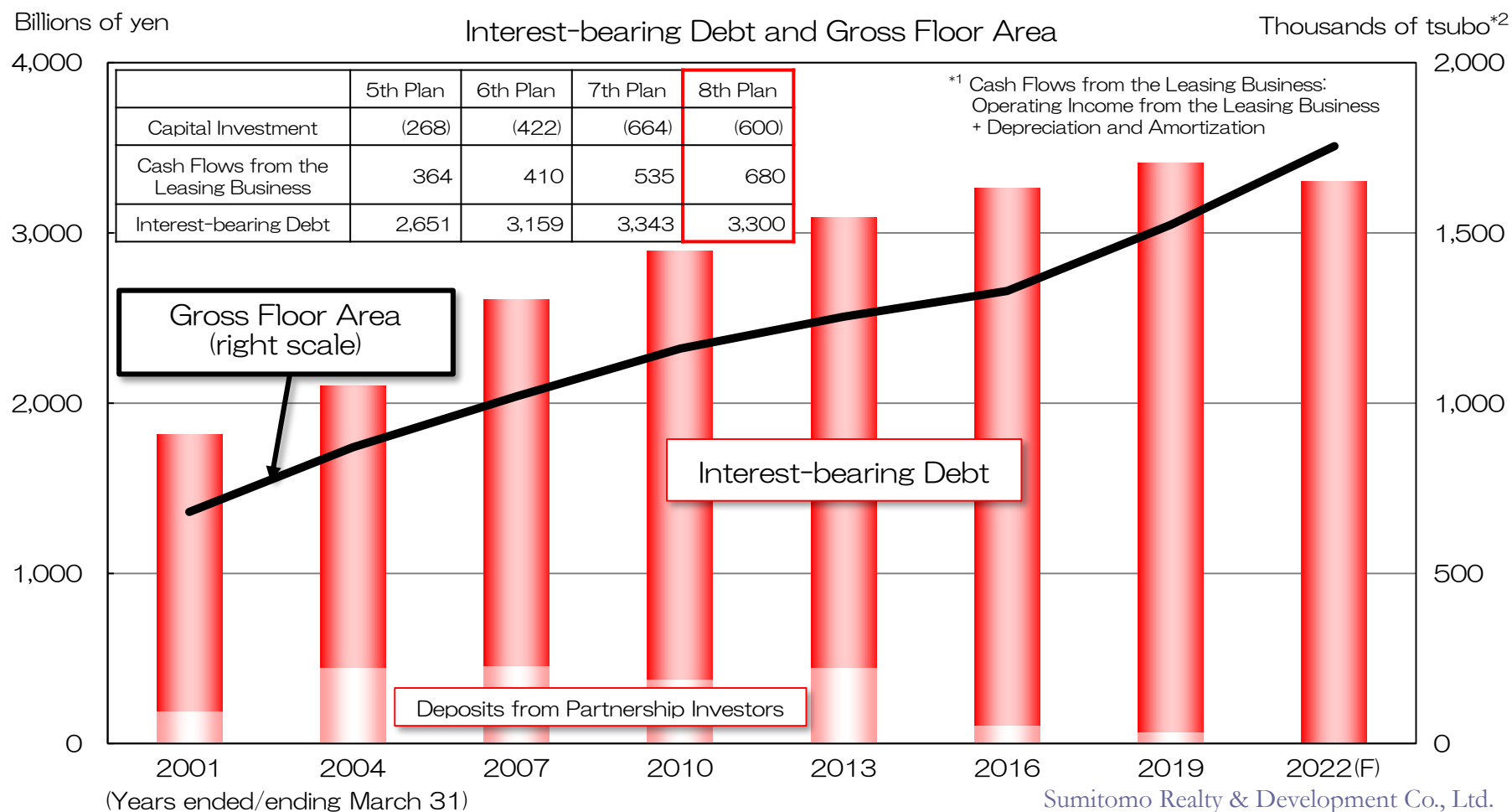
(Non-current asset investment excluding sales assets, such as condominiums for sale)

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*¹. (No increase in interest-bearing debt expected.)

*² 1 tsubo = 3,3m²



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	208	220
Revenue from Operations		2,170	2,442	2,886	3,100
	Leasing	272	314	416	530
	Sales	110	127	140	140
	Construction	49	47	50	70
	Brokerage	41	52	62	65
Operating Income		437	501	613	740
Ordinary Profit		329	418	558	700

(Years ended/ending March 31)

* Announced on May 16, 2019

Financial results for March 2019 fiscal year and the 7th plan have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Performance targets and strategies by segment

* 1 tsubo = 3.3m²

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.