

Supplementary Material

Second Quarter of Fiscal 2019
(April 1, 2019 – September 30, 2019)



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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

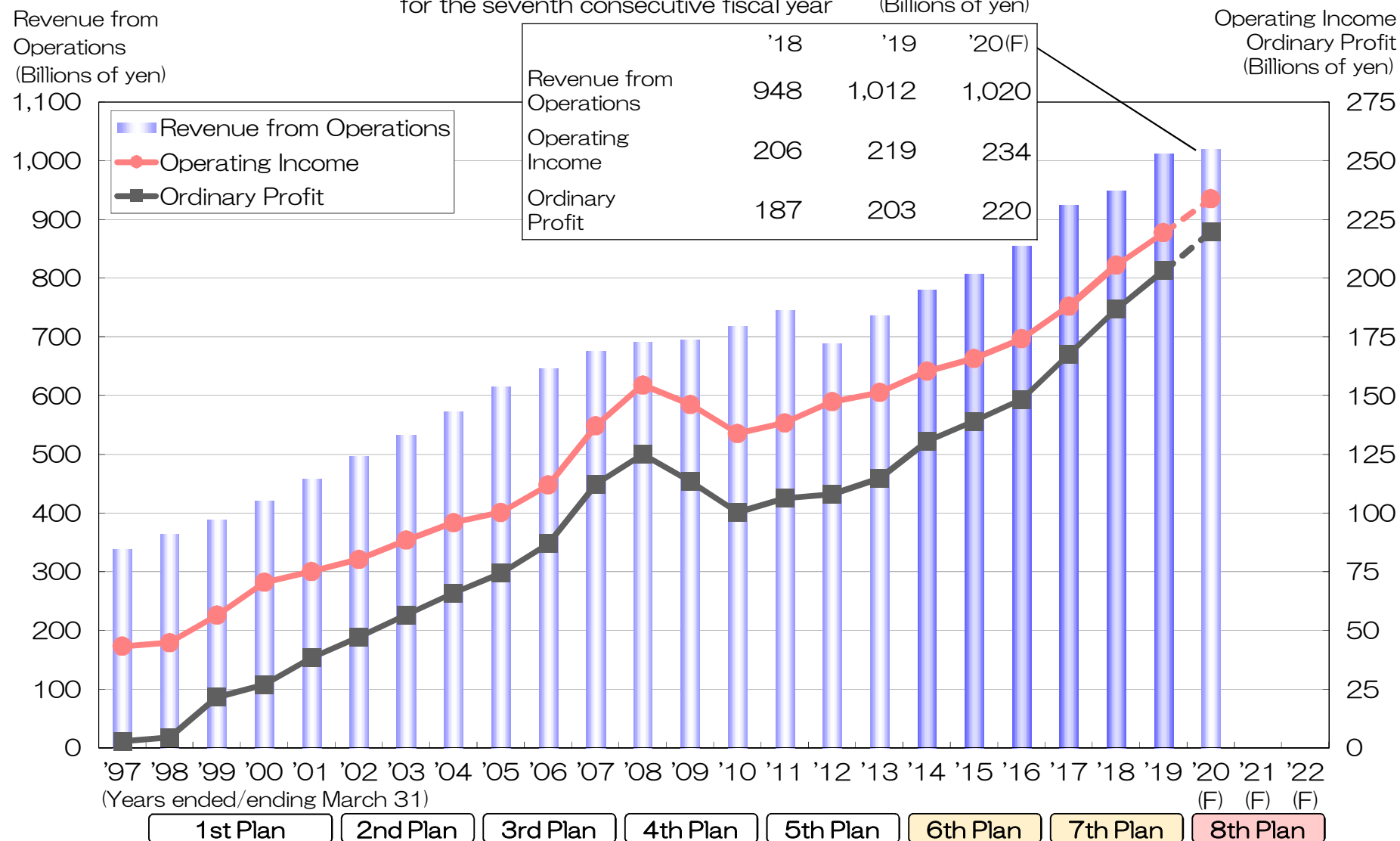
«Reference» Comparison of Management Plan results (Years ended/ending March 31) (Billions of yen)

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

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

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



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 the Second Quarter of Fiscal 2019 (Apr 1 – Sep 30, 2019)

(Billions of yen)

		Sep '18 Results	Sep '19 Results	Increase/ Decrease	FY '19 Previously Announced Forecasts*	
						Achieved
	Leasing	186	194	+7	390	50%
	Sales	237	255	+18	320	80%
	Construction	80	92	+12	230	40%
	Brokerage	35	36	+1	73	50%
Revenue from Operations		541	579	+38	1,020	57%
	Leasing	77	84	+6	163	51%
	Sales	45	46	+2	47	99%
	Construction	3	7	+4	22	30%
	Brokerage	10	11	+1	22	51%
Operating Income		125	138	+12	234	59%
Other income (expenses)		(7)	(6)	+1	(14)	-
Ordinary Profit		119	132	+13	220	60%
Profit attributable to owners of parent		80	93	+13	140	67%

* Announced on May 16, 2019

Financial results for the second quarter of 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.

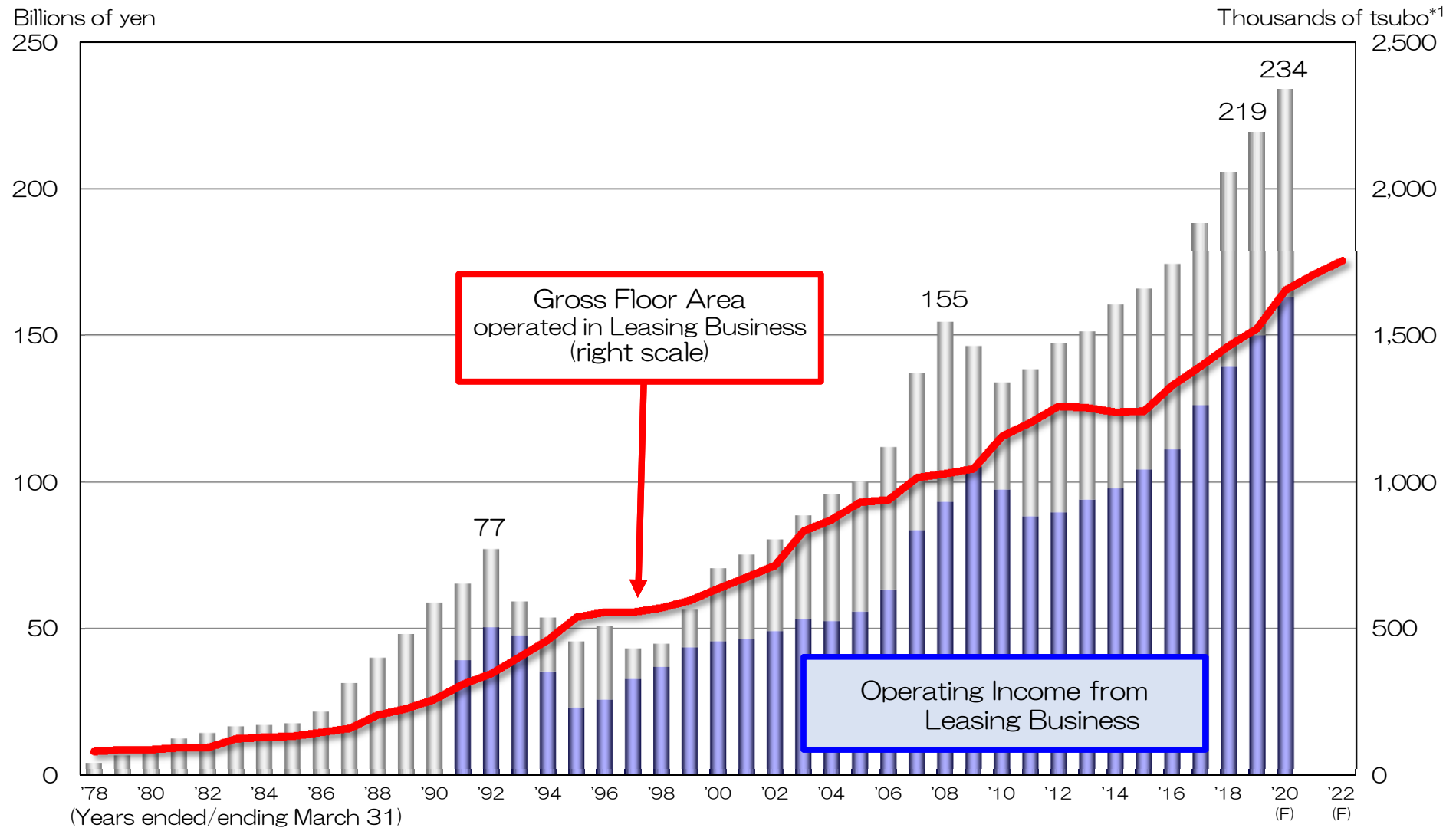
Forecasts for Fiscal 2019 (Apr 1, 2019 – Mar 31, 2020)

(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	72	73	+1
Revenue from Operations		948	1,012	1,020	+8
	Leasing	139	150	163	+13
	Sales	47	47	47	0
	Construction	16	20	22	+2
	Brokerage	21	21	22	+1
Operating Income		206	219	234	+15
	Other income (expenses)	(19)	(16)	(14)	+2
Ordinary Profit		187	203	220	+17
Profit attributable to owners of parent		120	130	140	+10

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.

Consolidated Operating Income and Gross Floor Area



*1 1 tsubo = 3.3m²

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

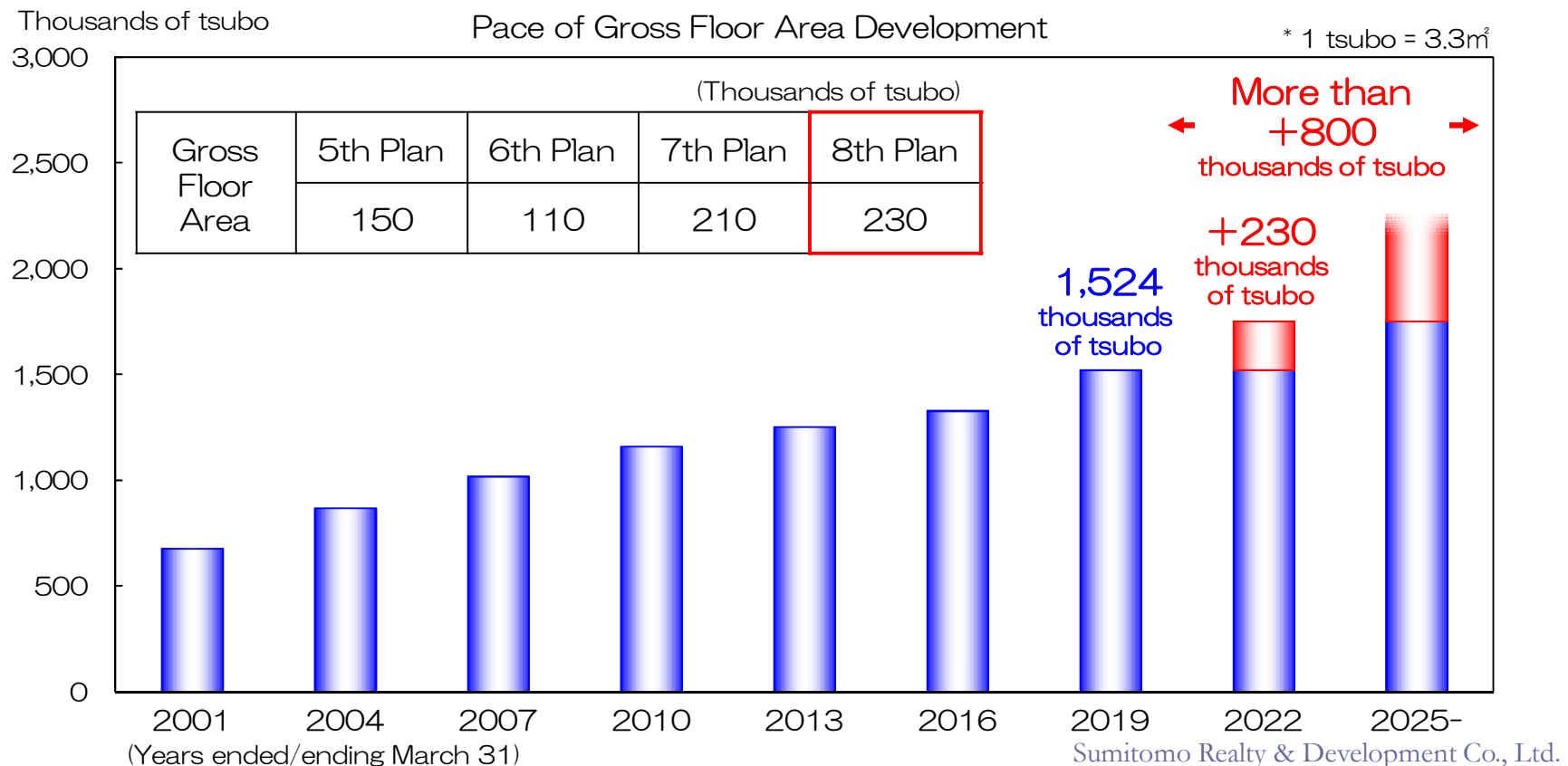
Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

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

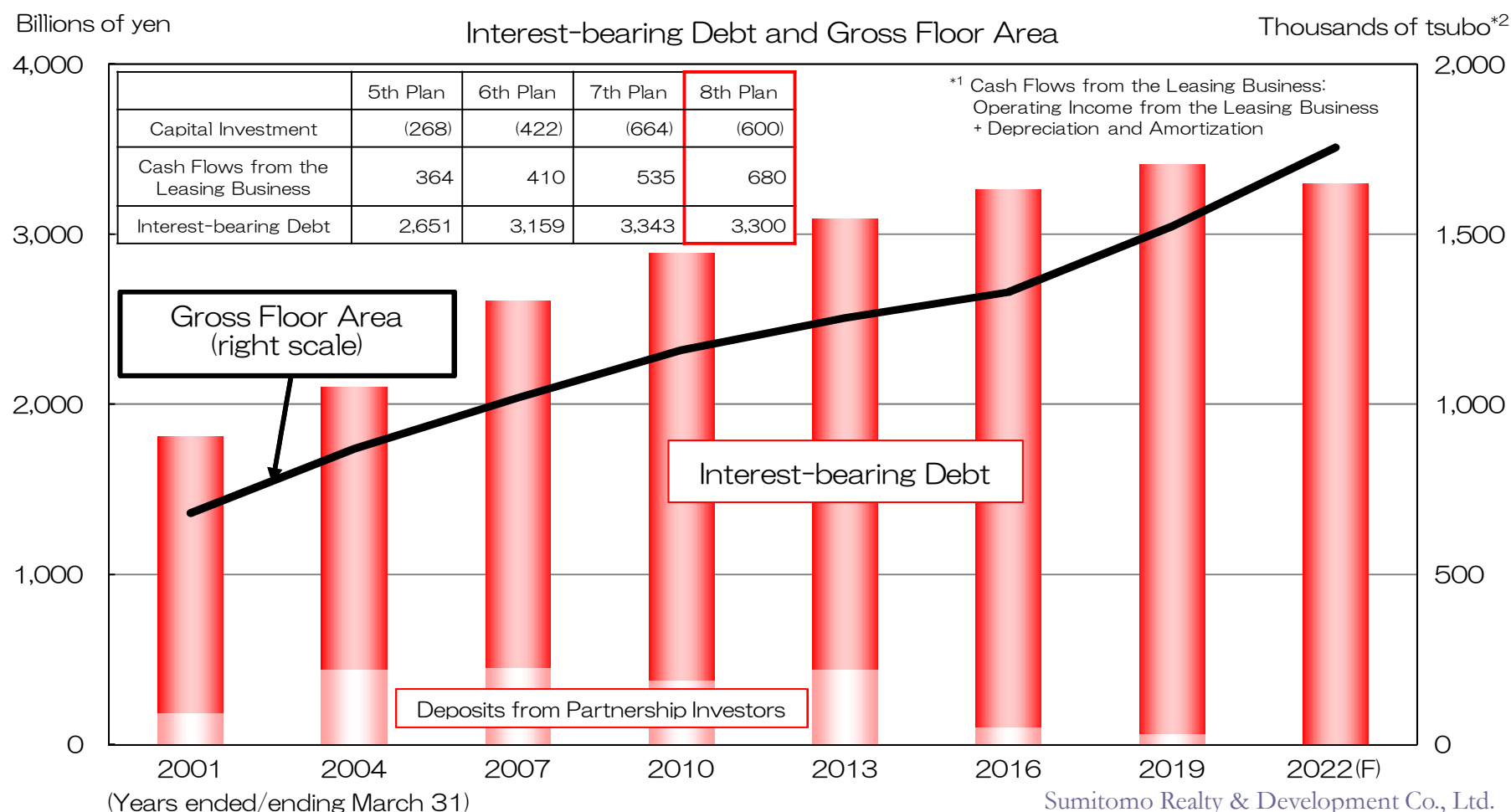
(Non-current asset investment excluding sales assets, such as condominiums for sale)

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)

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

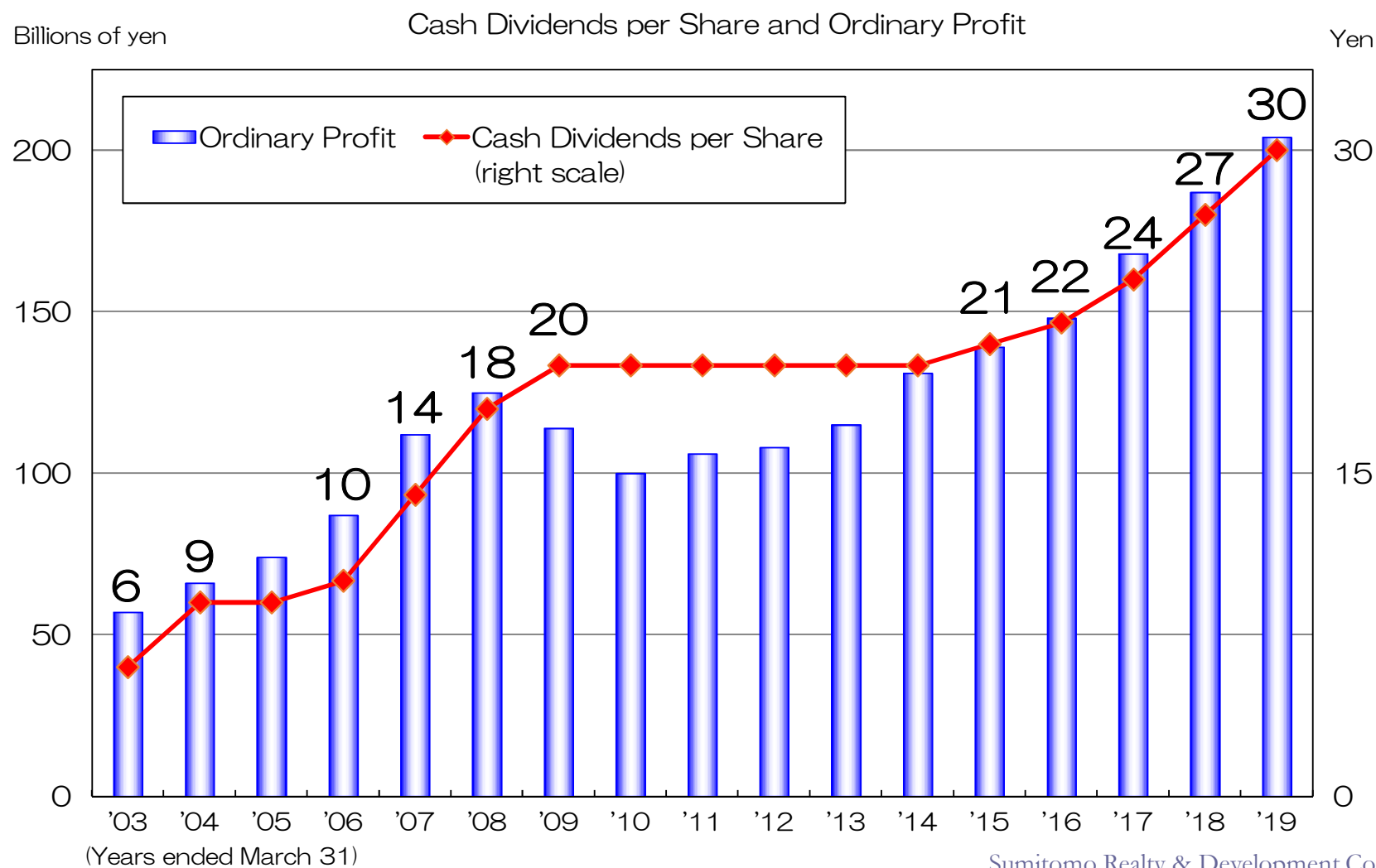
Group collaboration to be strengthened, establishing the base for growth in the Ninth Management Plan onward.

- 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.

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 = 3.3m²

Project Name	Location	Gross Floor Area (Tsubo*)	Expected Completion
Sumitomo Fudosan Shinjuku Central Park Tower	Shinjuku Ward	18,100	Aug 2019
Sumitomo Fudosan Akihabara Ekimae Building	Chiyoda Ward	7,800	Aug 2019
Sumitomo Fudosan Ikebukuro Higashi Building	Toshima Ward	4,900	Sep 2019
Sumitomo Fudosan Akihabara First Building	Chiyoda Ward	8,200	Oct 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
Sumitomo Fudosan Tamachi Building East	Minato Ward	3,800	Mar 2021
Sumitomo Fudosan Ochanomizu Building	Bunkyo Ward	3,800	Mar 2021
Sumitomo Fudosan Kanda Izumicho Building	Chiyoda Ward	3,800	Apr 2021
Higashi-gotanda 2-chome Project	Shinagawa Ward	6,300	May 2021
Others		56,000	
8th Plan Total		229,200	
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 = 3.3m²

**Sumitomo Fudosan
Shinjuku Central Park Tower**

Location	Shinjuku Ward, Tokyo
Expected Completion	Aug 2019
Gross Floor Area	18,100 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	7,800 tsubo
No. of Floor	21 above ground / 2 below ground



**Sumitomo Fudosan
Ikebukuro Higashi Building**

Location	Toshima Ward, Tokyo
Expected Completion	Sep 2019
Gross Floor Area	4,900 tsubo
No. of Floor	14 above ground

Principal New Office Building Projects

* 1 tsubo = 3.3m²

**Sumitomo Fudosan
Akihabara First Building**

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



**Sumitomo Fudosan
Tamachi Building East**

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 = 3.3m²

Mita 3- and 4-chome Project (Fudanotsuji)

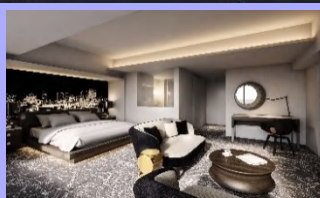
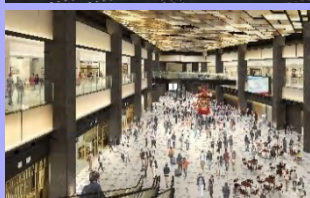
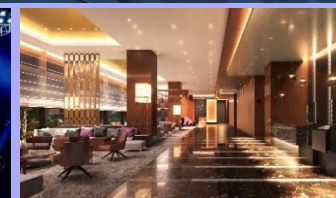
Location	Minato Ward, Tokyo	Gross Floor Area	69,000 tsubo
Expected Completion	Jul 2022	No. of Floor	42 above ground/ 3 below ground



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 = 3.3m²expected
completion
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Haneda Airport Project

Ariake Project

Location	Haneda Airport 2-chome, Ota Ward, Tokyo (direct connection to international terminal)		Ariake 2-chome, Koto Ward, Tokyo (Ariake Kita 3-1 area redevelopment project)	
Expected Completion	Mar 2020		Mar 2020	
Gross Floor Area	27,700 tsubo		60,000 tsubo	
Main use	Hotel	1,717 rooms	Commercial	12,000 tsubo (approx. 200 stores)
	Commercial	1,800 tsubo (approx. 80 stores)	Hotel	749 rooms
	Event hall	Capacity : approx. 1,000 people	Event hall	Capacity : approx. 8,000 people
	Others	Bus Terminal / SPA	Others	SPA / Theater

Principal Condominium Projects (Scheduled Delivery in FY 2019)



City Tower Ginza Higashi

Chuo Ward, Tokyo

483 units

22 above ground / 1 below ground

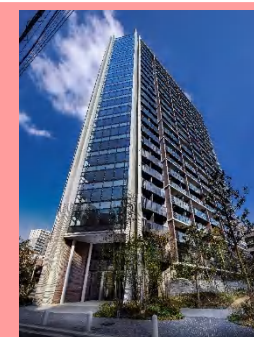


Shinagawa East City Tower

Shinagawa Ward, Tokyo

363 units

26 above ground / 1 below 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

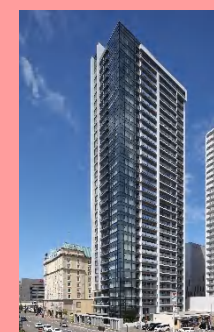
32 above ground / 1 below ground (West)
33 above ground (Central / East)

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 & Development Co., Ltd. (18)

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

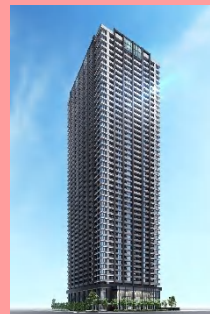


City Tower Musashi-koyama

Shinagawa Ward, Tokyo

318 units

41 above ground / 2 below ground

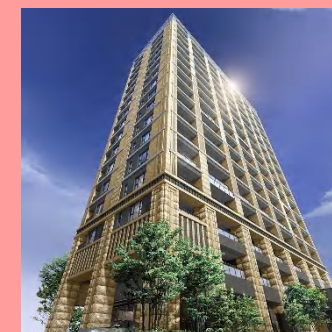


City Tower Osaka Honmachi

Osaka

855 units

48 above ground / 1 below ground



Grand Hills Minami Aoyama

Minato Ward, Tokyo

115 units

18 above ground / 2 below ground

* units = number of units for sale