

# Consolidated Financial Results for the First Quarter of Fiscal 2015 (April 1, 2015 - June 30, 2015)

Fiscal 2015 (Year ending March 31, 2016)

August 7, 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 First Quarter (April 1, 2015 - June 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	%
<b>Three months ended Jun. 30, 2015</b>	<b>176,205</b>	<b>(6.5)</b>	<b>41,265</b>	<b>(0.3)</b>	<b>36,841</b>	<b>3.0</b>	<b>23,736</b>	<b>5.1</b>
Three months ended Jun. 30, 2014	188,480	(8.4)	41,386	(3.4)	35,777	(2.2)	22,575	1.6
(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, 1st quarter : 36,537 millions of yen (7.8%); Fiscal 2014, 1st quarter : 39,609 millions of yen 20.2%

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended Jun. 30, 2015</b>	<b>50.08</b>	—
Three months ended Jun. 30, 2014	47.63	—
(Reference) Fiscal 2014	169.97	—

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

Fiscal 2015, 1st quarter : 473,997,371 shares; Fiscal 2014, 1st quarter : 474,023,347 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	%
<b>As of Jun. 30, 2015</b>	<b>4,550,783</b>	<b>861,366</b>	<b>18.9</b>
As of Jun. 30, 2014	4,187,357	742,307	17.7
(Reference) Fiscal 2014	4,523,804	832,462	18.4

Note: Number of shares issued and outstanding (consolidated)

As of Jun. 30, 2015 : 473,994,164 shares; As of Jun. 30, 2014 : 474,020,443 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2014</b>	<b>10.00</b>	<b>11.00</b>	<b>21.00</b>
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
<b>Fiscal 2015</b>	<b>850,000</b>	<b>174,000</b>	<b>147,000</b>	<b>88,000</b>

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

	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015	Increase (Decrease)	Forecast for Fiscal 2015	Achieved (%)
	Leasing	69,297	75,110	+5,812	300,000
Sales	66,900	55,098	(11,801)	290,000	19
Construction	38,415	30,379	(8,036)	190,000	16
Brokerage	11,962	13,456	+1,493	63,000	21
Other and Elimination/Corporate	1,904	2,161	+256	7,000	-
<b>Total</b>	<b>188,480</b>	<b>176,205</b>	<b>(12,275)</b>	<b>850,000</b>	<b>21</b>

(Millions of yen)

(2) Operating income

	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015	Increase (Decrease)	Forecast for Fiscal 2015	Achieved (%)
	Leasing	26,105	29,484	+3,379	110,000
Sales	15,114	11,630	(3,483)	44,000	26
Construction	1,447	126	(1,321)	13,500	1
Brokerage	1,625	3,185	+1,560	20,000	16
Other and Elimination/Corporate	(2,906)	(3,162)	(255)	(13,500)	-
<b>Total</b>	<b>41,386</b>	<b>41,265</b>	<b>(121)</b>	<b>174,000</b>	<b>24</b>

(Millions of yen)

## Consolidated Balance Sheets

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

Millions of yen

<b>Assets</b>	<b>June 30, 2015</b>	<b>March 31, 2015</b>
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 134,497	¥ 151,367
Notes and accounts receivable—trade	15,418	27,597
Real estate for sale	162,744	189,770
Real estate for sale in process	644,836	604,455
Costs on uncompleted construction contracts	10,003	5,708
Other inventories	2,447	2,015
Deferred income taxes	9,887	10,824
Other current assets	37,840	34,042
Allowance for doubtful accounts	(66)	(78)
Total current assets	<u>1,017,609</u>	<u>1,025,702</u>
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	576,185	551,510
Land	2,268,962	2,259,845
Construction in progress	86,356	106,737
Other property and equipment, net	5,841	5,262
Total Property and equipment	<u>2,937,345</u>	<u>2,923,355</u>
Intangible assets		
Leasehold rights	50,585	53,075
Other intangible assets	989	939
Total intangible assets	<u>51,574</u>	<u>54,015</u>
Investment and other assets		
Investment securities	389,432	366,530
Guarantee and lease deposits paid to lessors	105,520	107,251
Deferred income taxes	13,619	13,534
Other investments	47,549	45,329
Allowance for doubtful accounts	(11,868)	(11,914)
Total investment and other assets	<u>544,253</u>	<u>520,731</u>
Total fixed assets	<u>3,533,174</u>	<u>3,498,101</u>
Total assets	<u>¥ 4,550,783</u>	<u>¥ 4,523,804</u>

Millions of yen

## Liabilities and Net Assets

	June 30, 2015	March 31, 2015
<b>Current liabilities:</b>		
Notes and accounts payable—trade	¥ 39,962	¥ 66,963
Short-term debt	102,818	87,000
Long-term debt due within one year	322,619	320,862
Long-term non-recourse loans due within one year	103,572	60,927
Corporate bonds due within one year	40,000	60,000
Non-recourse bonds due within one year	15,040	8,264
Accrued income taxes	11,007	26,518
Deposits received	52,166	61,172
Accrued bonuses	901	3,725
Other current liabilities	94,174	102,109
Total current liabilities	782,262	797,543
<b>Long-term liabilities:</b>		
Corporate bonds	410,000	380,000
Non-recourse bonds	29,100	36,060
Long-term debt	1,758,170	1,735,356
Long-term non-recourse loans	293,059	338,558
Allowance for retirement benefits for directors	131	197
Net defined benefit liability	5,353	5,433
Guarantee and lease deposits received	170,814	168,273
Long-term deposits received	163,892	160,119
Other long-term liabilities	49,579	42,724
Total long-term liabilities	2,880,102	2,866,722
Total liabilities	3,662,365	3,664,265
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,749	132,750
Retained earnings	510,892	494,275
Treasury stock	(4,275)	(4,246)
Total shareholders' equity	762,171	745,584
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	101,203	88,798
Net deferred losses on hedges	(1,474)	(1,615)
Foreign currency translation adjustments	(718)	(550)
Remeasurements of defined benefit plans	183	244
Total accumulated other comprehensive income	99,194	86,877
Non-controlling interests	27,051	27,076
Total net assets	888,418	859,538
Total liabilities and net assets	¥ 4,550,783	¥ 4,523,804

## Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenue from operations</b>	¥ 176,205	¥ 188,480
<b>Cost of revenue from operations</b>	121,650	132,996
<b>Gross profit</b>	54,555	55,483
<b>Selling, general and administrative expenses</b>	13,290	14,097
<b>Operating income</b>	41,265	41,386
<b>Non-operating income</b>		
Interest and dividend income	2,819	2,524
Other non-operating income	145	94
Total non-operating income	2,964	2,618
<b>Non-operating expenses</b>		
Interest expense	6,189	6,549
Other non-operating expenses	1,198	1,677
Total non-operating expenses	7,387	8,227
<b>Ordinary profit</b>	36,841	35,777
<b>Extraordinary income</b>		
Gain on sale of property and equipment	90	3
Gain on sale of investment securities	86	-
Reversal of allowance for doubtful accounts	-	10
Other extraordinary income	-	0
Total extraordinary income	176	13
<b>Extraordinary losses</b>		
Loss on disposal of property and equipment	615	41
Other extraordinary losses	-	12
Total extraordinary losses	615	54
<b>Income before income taxes and minority interests</b>	36,403	35,736
<b>Income taxes</b>	12,166	12,978
<b>Profit</b>	24,236	22,758
<b>Profit attributable to non-controlling interests</b>	499	182
<b>Profit attributable to owners of parent</b>	¥ 23,736	¥ 22,575

## Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended June 30,	
	2015	2014
<b>Profit</b>	¥ 24,236	¥ 22,758
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains on securities	12,421	17,789
Net deferred gains (losses) on hedges	163	(290)
Foreign currency translation adjustments	(223)	(603)
Remeasurements of defined benefit plans	(59)	(44)
Total other comprehensive income	12,301	16,850
<b>Comprehensive income</b>	36,537	39,609
Comprehensive income attributable to:		
Owners of the parent	36,053	39,532
Non-controlling interests	483	77