

Consolidated Financial Results for the Third Quarter of Fiscal 2015 (April 1, 2015 - December 31, 2015)

Fiscal 2015 (Year ending March 31, 2016)

February 9, 2016

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 Third Quarter (April 1, 2015 - December 31, 2015)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Operating revenues		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2015	557,445	6.4	129,045	11.5	112,520	17.1	72,794	23.4
Nine months ended Dec. 31, 2014	523,737	(9.7)	115,735	(5.9)	96,074	(5.2)	58,977	(6.1)
(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, 3rd quarter : 77,924 millions of yen (20.5%); Fiscal 2014, 3rd quarter : 98,073 millions of yen +2.2%

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2015	153.58	—
Nine months ended Dec. 31, 2014	124.42	—
(Reference) Fiscal 2014	169.97	—

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

Fiscal 2015, 3rd quarter : 473,990,371 shares; Fiscal 2014, 3rd quarter : 474,016,665 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 Dec. 31, 2015	4,577,136	896,066	19.6
As of Dec. 31, 2014	4,389,035	794,151	18.1
(Reference) Fiscal 2014	4,523,804	832,462	18.4

Note: Number of shares issued and outstanding (consolidated)

As of Dec. 31, 2015 : 473,981,245 shares; As of Dec. 31, 2014 : 474,006,245 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)

	Operating revenues	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) Operating revenue

	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2015	Achieved (%)
Leasing	213,047	231,094	+18,047	300,000	77
Sales	132,759	145,382	+12,623	290,000	50
Construction	131,720	132,683	+963	190,000	70
Brokerage	41,649	43,211	+1,561	63,000	69
Other and Elimination/Corporate	4,560	5,072	+512	7,000	-
Total	523,737	557,445	+33,708	850,000	66

(2) Operating income

	Nine months ended Dec. 31, 2014	Nine months ended Dec. 31, 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2015	Achieved (%)
Leasing	79,814	89,292	+9,478	110,000	81
Sales	25,298	29,156	+3,858	44,000	66
Construction	7,761	9,070	+1,309	13,500	67
Brokerage	10,734	11,442	+708	20,000	57
Other and Elimination/Corporate	(7,872)	(9,917)	(2,044)	(13,500)	-
Total	115,735	129,045	+13,310	174,000	74

Consolidated Balance Sheets

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

Assets	Millions of yen	
	December 31, 2015	March 31, 2015
Current assets:		
Cash, time and notice deposits	¥ 100,687	¥ 151,367
Notes and accounts receivable—trade	13,102	27,597
Real estate for sale	167,747	189,770
Real estate for sale in process	698,021	604,455
Costs on uncompleted construction contracts	13,771	5,708
Other inventories	2,617	2,015
Deferred income taxes	9,857	10,824
Other current assets	40,206	34,042
Allowance for doubtful accounts	(62)	(78)
Total current assets	1,045,951	1,025,702
Fixed assets:		
Property and equipment		
Buildings and structures, net	572,848	551,510
Land	2,277,086	2,259,845
Construction in progress	89,020	106,737
Other property and equipment, net	5,525	5,262
Total Property and equipment	2,944,480	2,923,355
Intangible assets		
Leasehold rights	49,932	53,075
Other intangible assets	988	939
Total intangible assets	50,921	54,015
Investment and other assets		
Investment securities	380,291	366,530
Guarantee and lease deposits paid to lessors	104,038	107,251
Deferred income taxes	13,359	13,534
Other investments	49,833	45,329
Allowance for doubtful accounts	(11,738)	(11,914)
Total investment and other assets	535,783	520,731
Total fixed assets	3,531,185	3,498,101
Total assets	¥ 4,577,136	¥ 4,523,804

Millions of yen

Liabilities and Net Assets

	December 31, 2015	March 31, 2015
Current liabilities:		
Notes and accounts payable—trade	¥ 24,656	¥ 66,963
Short-term debt	85,718	87,000
Long-term debt due within one year	317,232	320,862
Long-term non-recourse loans due within one year	118,280	60,927
Corporate bonds due within one year	20,000	60,000
Non-recourse bonds due within one year	17,960	8,264
Accrued income taxes	17,783	26,518
Deposits received	70,568	61,172
Accrued bonuses	948	3,725
Other current liabilities	106,818	102,109
Total current liabilities	779,966	797,543
Long-term liabilities:		
Corporate bonds	400,000	380,000
Non-recourse bonds	23,100	36,060
Long-term debt	1,888,447	1,735,356
Long-term non-recourse loans	261,074	338,558
Allowance for retirement benefits for directors	137	197
Net defined benefit liability	5,366	5,433
Guarantee and lease deposits received	172,641	168,273
Long-term deposits received	78,696	160,119
Other long-term liabilities	43,509	42,724
Total long-term liabilities	2,872,971	2,866,722
Total liabilities	3,652,937	3,664,265
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,750
Retained earnings	554,737	494,275
Treasury stock	(4,328)	(4,246)
Total shareholders' equity	805,962	745,584
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	92,039	88,798
Net deferred losses on hedges	(1,361)	(1,615)
Foreign currency translation adjustments	(635)	(550)
Remeasurements of defined benefit plans	61	244
Total accumulated other comprehensive income	90,104	86,877
Non-controlling interests	28,131	27,076
Total net assets	924,198	859,538
Total liabilities and net assets	¥ 4,577,136	¥ 4,523,804

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2015	2014
Revenue from operations	¥ 557,445	¥ 523,737
Cost of revenue from operations	384,724	367,500
Gross profit	172,720	156,237
Selling, general and administrative expenses	43,675	40,502
Operating income	129,045	115,735
Non-operating income		
Interest and dividend income	5,365	5,004
Other non-operating income	645	492
Total non-operating income	6,011	5,496
Non-operating expenses		
Interest expense	18,598	19,955
Other non-operating expenses	3,937	5,201
Total non-operating expenses	22,536	25,157
Ordinary profit	112,520	96,074
Extraordinary income		
Gain on sale of property and equipment	92	3
Gain on sale of investment securities	86	-
Other extraordinary income	3	-
Total extraordinary income	181	3
Extraordinary losses		
Loss on disposal of property and equipment	977	1,934
Loss on devaluation of investment securities	16	26
Other extraordinary losses	6	13
Total extraordinary losses	1,000	1,974
Income before income taxes and minority interests	111,701	94,103
Income taxes	37,006	33,409
Profit	74,695	60,693
Profit attributable to non-controlling interests	1,900	1,716
Profit attributable to owners of parent	¥ 72,794	¥ 58,977

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2015	2014
Profit	¥ 74,695	¥ 60,693
Other comprehensive income (loss)		
Net unrealized holding gains on securities	3,264	36,827
Net deferred gains (losses) on hedges	242	(210)
Foreign currency translation adjustments	(98)	894
Remeasurements of defined benefit plans	(179)	(131)
Total other comprehensive income	3,229	37,379
Comprehensive income	77,924	98,073
Comprehensive income attributable to:		
Owners of the parent	76,021	96,175
Non-controlling interests	1,903	1,897