

# Consolidated Financial Results for the First Quarter of Fiscal 2016 (April 1, 2016 - June 30, 2016)

Fiscal 2016 (Year ending March 31, 2017)

August 5, 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 First Quarter (April 1, 2016 - June 30, 2016)

(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, 2016</b>	<b>266,577</b>	<b>51.3</b>	<b>53,401</b>	<b>29.4</b>	<b>50,140</b>	<b>36.1</b>	<b>33,169</b>	<b>39.7</b>
Three months ended Jun. 30, 2015	176,205	(6.5)	41,265	(0.3)	36,841	3.0	23,736	5.1
(Reference) Fiscal 2015	854,964	6.0	174,240	5.0	148,424	6.7	87,797	9.0

Notes 1: Comprehensive Income

Fiscal 2016, 1st quarter : 19,171 millions of yen (47.5%); Fiscal 2015, 1st quarter : 36,537 millions of yen (7.8%)

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, 2016</b>	<b>69.98</b>	—
Three months ended Jun. 30, 2015	50.08	—
(Reference) Fiscal 2015	185.23	—

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

Fiscal 2016, 1st quarter : 473,978,054 shares; Fiscal 2015, 1st quarter : 473,997,371 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, 2016</b>	<b>4,631,893</b>	<b>901,802</b>	<b>19.5</b>
As of Jun. 30, 2015	4,550,783	861,366	18.9
(Reference) Fiscal 2015	4,675,914	888,099	19.0

Note: Number of shares issued and outstanding (consolidated)

As of Jun. 30, 2016 : 473,976,551 shares; As of Jun. 30, 2015 : 473,994,164 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2015</b>	<b>11.00</b>	<b>11.00</b>	<b>22.00</b>
Forecast for Fiscal 2016	11.00	12.00	23.00

### 3. Consolidated Business Forecasts for Fiscal 2016 (Year ending March 31, 2017)

	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 2016</b>	<b>880,000</b>	<b>178,000</b>	<b>155,000</b>	<b>97,000</b>

Consolidated business forecasts announced on May 12, 2016 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, 2015	Three months ended Jun. 30, 2016	Increase (Decrease)	Forecast for Fiscal 2016	Achieved (%)
	Leasing	75,110	82,145	+7,034	330,000
Sales	55,098	133,758	+78,660	280,000	48
Construction	30,379	35,101	+4,722	200,000	18
Brokerage	13,456	14,517	+1,060	63,000	23
Other and Elimination/Corporate	2,161	1,055	(1,105)	7,000	-
<b>Total</b>	<b>176,205</b>	<b>266,577</b>	<b>+90,372</b>	<b>880,000</b>	<b>30</b>

(Millions of yen)

(2) Operating income

	Three months ended Jun. 30, 2015	Three months ended Jun. 30, 2016	Increase (Decrease)	Forecast for Fiscal 2016	Achieved (%)
	Leasing	29,484	32,636	+3,151	119,000
Sales	11,630	21,401	+9,770	44,500	48
Construction	126	162	+35	15,500	1
Brokerage	3,185	3,371	+186	18,000	19
Other and Elimination/Corporate	(3,162)	(4,170)	(1,007)	(19,000)	-
<b>Total</b>	<b>41,265</b>	<b>53,401</b>	<b>+12,136</b>	<b>178,000</b>	<b>30</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, 2016</b>	<b>March 31, 2016</b>
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 206,195	¥ 187,233
Notes and accounts receivable—trade	13,511	19,664
Real estate for sale	268,987	311,305
Real estate for sale in process	520,402	535,399
Costs on uncompleted construction contracts	12,032	7,276
Other inventories	2,136	1,833
Deferred income taxes	12,516	13,638
Other current assets	41,357	45,884
Allowance for doubtful accounts	(46)	(47)
Total current assets	<u>1,077,094</u>	<u>1,122,189</u>
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	627,224	627,787
Land	2,323,102	2,317,729
Construction in progress	48,804	36,447
Other property and equipment, net	6,496	6,618
Total Property and equipment	<u>3,005,628</u>	<u>2,988,583</u>
Intangible assets		
Leasehold rights	50,737	50,705
Other intangible assets	1,058	1,012
Total intangible assets	<u>51,796</u>	<u>51,718</u>
Investment and other assets		
Investment securities	339,971	355,698
Guarantee and lease deposits paid to lessors	103,422	103,980
Deferred income taxes	12,533	12,684
Other investments	51,200	50,860
Allowance for doubtful accounts	(9,752)	(9,800)
Total investment and other assets	<u>497,374</u>	<u>513,423</u>
Total fixed assets	<u>3,554,799</u>	<u>3,553,725</u>
Total assets	<u>¥ 4,631,893</u>	<u>¥ 4,675,914</u>

Millions of yen

## Liabilities and Net Assets

	June 30, 2016	March 31, 2016
<b>Current liabilities:</b>		
Notes and accounts payable—trade	¥ 32,031	¥ 54,316
Short-term debt	86,718	78,718
Long-term debt due within one year	316,629	296,737
Long-term non-recourse loans due within one year	35,638	105,504
Corporate bonds due within one year	20,000	20,000
Non-recourse bonds due within one year	6,000	16,460
Accrued income taxes	14,605	30,046
Deposits received	53,708	71,619
Accrued bonuses	950	4,216
Other current liabilities	111,898	154,796
Total current liabilities	678,179	832,414
<b>Long-term liabilities:</b>		
Corporate bonds	400,000	400,000
Non-recourse bonds	33,100	24,600
Long-term debt	1,962,741	1,944,819
Long-term non-recourse loans	340,575	272,063
Allowance for retirement benefits for directors	144	141
Net defined benefit liability	6,054	6,081
Guarantee and lease deposits received	185,474	181,497
Long-term deposits received	68,255	68,302
Other long-term liabilities	26,650	28,718
Total long-term liabilities	3,022,995	2,926,223
Total liabilities	3,701,174	3,758,637
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,748
Retained earnings	597,695	569,740
Treasury stock	(4,343)	(4,335)
Total shareholders' equity	848,906	820,958
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	61,479	72,261
Net deferred losses on hedges	(6,297)	(4,247)
Foreign currency translation adjustments	(2,012)	(509)
Remeasurements of defined benefit plans	(273)	(364)
Total accumulated other comprehensive income	52,896	67,140
Non-controlling interests	28,915	29,177
Total net assets	930,718	917,277
Total liabilities and net assets	¥ 4,631,893	¥ 4,675,914

## 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>2016</b>	<b>2015</b>
<b>Revenue from operations</b>	¥ 266,577	¥ 176,205
<b>Cost of revenue from operations</b>	196,496	121,650
<b>Gross profit</b>	70,081	54,555
<b>Selling, general and administrative expenses</b>	16,679	13,290
<b>Operating income</b>	53,401	41,265
<b>Non-operating income</b>		
Interest and dividend income	3,491	2,819
Other non-operating income	175	145
<b>Total non-operating income</b>	3,666	2,964
<b>Non-operating expenses</b>		
Interest expense	5,632	6,189
Other non-operating expenses	1,296	1,198
<b>Total non-operating expenses</b>	6,928	7,387
<b>Ordinary profit</b>	50,140	36,841
<b>Extraordinary income</b>		
Gain on sale of property and equipment	-	90
Gain on sale of investment securities	36	86
<b>Total extraordinary income</b>	36	176
<b>Extraordinary loss</b>		
Loss on disposal of property and equipment	164	615
Loss on sale of property and equipment	3	-
Loss on devaluation of investment securities	873	-
Other extraordinary losses	5	-
<b>Total extraordinary losses</b>	1,046	615
<b>Income before income taxes</b>	49,130	36,403
<b>Income taxes</b>	15,391	12,166
<b>Profit</b>	33,738	24,236
<b>Profit attributable to non-controlling interests</b>	569	499
<b>Profit attributable to owners of parent</b>	¥ 33,169	¥ 23,736

## Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended June 30,	
	2016	2015
<b>Profit</b>	¥ 33,738	¥ 24,236
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains (losses) on securities	(10,783)	12,421
Net deferred gains (losses) on hedges	(2,053)	163
Foreign currency translation adjustments	(1,848)	(223)
Remeasurements of defined benefit plans	117	(59)
<b>Total other comprehensive income (loss)</b>	<b>(14,567)</b>	<b>12,301</b>
<b>Comprehensive income</b>	<b>19,171</b>	<b>36,537</b>
Comprehensive income attributable to:		
Owners of the parent	18,924	36,053
Non-controlling interests	246	483