

Consolidated Financial Results for the First Quarter of Fiscal 2017 (April 1, 2017 - June 30, 2017)

Fiscal 2017 (Year ending March 31, 2018)

August 9, 2017

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, 2017 - June 30, 2017)

(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	%
Three months ended Jun 30, 2017	270,930	1.6	63,186	18.3	62,685	25.0	42,804	29.0
Three months ended Jun 30, 2016	266,577	51.3	53,401	29.4	50,140	36.1	33,169	39.7
(Reference) Fiscal 2016	925,151	8.2	188,171	8.0	167,697	13.0	103,488	17.9

Notes 1: Comprehensive Income

Fiscal 2017, 1st quarter : 64,213 millions of yen, 234.9%; Fiscal 2016, 1st quarter : 19,171 millions of yen, (47.5%)

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun 30, 2017	90.31	—
Three months ended Jun 30, 2016	69.98	—
(Reference) Fiscal 2016	218.34	—

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

Fiscal 2017, 1st quarter : 473,963,270 shares; Fiscal 2016, 1st quarter : 473,978,054 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 Jun 30, 2017	4,959,204	1,031,250	20.8
As of Jun 30, 2016	4,631,893	901,802	19.5
(Reference) Fiscal 2016	4,980,039	1,007,347	20.2

Note: Number of shares issued and outstanding (consolidated)

As of Jun 30, 2017 : 473,961,086 shares; As of Jun 30, 2016 : 473,976,551 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2016	11.00	13.00	24.00
Forecast for Fiscal 2017	13.00	13.00	26.00

3. Consolidated Business Forecasts for Fiscal 2017 (Year ending March 31, 2018)

	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
Fiscal 2017	950,000	200,000	180,000	115,000

Consolidated business forecasts announced on May 11, 2017 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, 2016	Three months ended Jun 30, 2017	Increase (Decrease)	Forecast for Fiscal 2017	Achieved (%)
	Leasing	82,145	86,821	+4,676	350,000
Sales	133,758	133,739	(19)	315,000	42
Construction	35,101	32,983	(2,117)	210,000	16
Brokerage	14,517	15,986	+1,469	70,000	23
Other and Elimination/Corporate	1,055	1,400	+344	5,000	-
Total	266,577	270,930	+4,353	950,000	29

(Millions of yen)

(2) Operating income

	Three months ended Jun 30, 2016	Three months ended Jun 30, 2017	Increase (Decrease)	Forecast for Fiscal 2017	Achieved (%)
	Leasing	32,636	38,148	+5,511	138,000
Sales	21,401	25,029	+3,627	47,000	53
Construction	162	(373)	(535)	15,000	-
Brokerage	3,371	4,619	+1,247	20,000	23
Other and Elimination/Corporate	(4,170)	(4,238)	(67)	(20,000)	-
Total	53,401	63,186	+9,784	200,000	32

(Millions of yen)

Consolidated Balance Sheets

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

Assets	Millions of yen	
	June 30, 2017	March 31, 2017
Current assets:		
Cash, time and notice deposits	¥ 233,252	¥ 269,312
Notes and accounts receivable—trade	10,625	18,475
Real estate for sale	258,395	345,184
Real estate for sale in process	542,624	492,340
Costs on uncompleted construction contracts	11,332	6,022
Other inventories	1,739	1,666
Deferred income taxes	17,497	18,538
Other current assets	51,628	46,022
Allowance for doubtful accounts	(52)	(55)
Total current assets	1,127,042	1,197,507
Fixed assets:		
Property and equipment		
Buildings and structures, net	728,958	730,824
Land	2,398,726	2,390,150
Construction in progress	45,167	34,486
Other property and equipment, net	6,947	7,013
Total Property and equipment	3,179,799	3,162,476
Intangible assets		
Leasehold rights	53,025	52,689
Other intangible assets	1,162	1,113
Total intangible assets	54,188	53,802
Investment and other assets		
Investment securities	445,053	411,203
Guarantee and lease deposits paid to lessors	97,322	97,323
Deferred income taxes	11,905	12,023
Other investments	53,852	55,895
Allowance for doubtful accounts	(9,959)	(10,192)
Total investment and other assets	598,174	566,253
Total fixed assets	3,832,162	3,782,532
Total assets	¥ 4,959,204	¥ 4,980,039

Millions of yen

Liabilities and Net Assets

	June 30, 2017	March 31, 2017
Current liabilities:		
Notes and accounts payable—trade	¥ 33,750	¥ 41,373
Short-term debt	76,608	66,108
Long-term debt due within one year	186,177	209,622
Long-term non-recourse loans due within one year	21,128	21,258
Corporate bonds due within one year	80,000	80,000
Non-recourse bonds due within one year	1,700	1,700
Accrued income taxes	17,639	29,329
Deposits received	45,132	68,860
Accrued bonuses	1,079	5,048
Other current liabilities	119,330	134,745
Total current liabilities	582,544	658,046
Long-term liabilities:		
Corporate bonds	360,000	340,000
Non-recourse bonds	37,400	37,400
Long-term debt	2,282,264	2,255,397
Long-term non-recourse loans	356,859	358,989
Allowance for retirement benefits for directors	160	156
Net defined benefit liability	6,145	6,143
Guarantee and lease deposits received	197,623	193,110
Long-term deposits received	62,290	56,991
Other long-term liabilities	42,664	34,700
Total long-term liabilities	3,345,409	3,282,889
Total liabilities	3,927,954	3,940,936
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,117	132,747
Retained earnings	694,533	662,801
Treasury stock	(4,391)	(4,379)
Total shareholders' equity	917,065	913,975
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	118,732	97,192
Net deferred losses on hedges	(2,270)	(2,528)
Foreign currency translation adjustments	(2,256)	(1,265)
Remeasurements of defined benefit plans	(19)	(26)
Total accumulated other comprehensive income	114,185	93,371
Non-controlling interests	-	31,756
Total net assets	1,031,250	1,039,103
Total liabilities and net assets	¥ 4,959,204	¥ 4,980,039

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2017	2016
Revenue from operations	¥ 270,930	¥ 266,577
Cost of revenue from operations	189,739	196,496
Gross profit	81,191	70,081
Selling, general and administrative expenses	18,005	16,679
Operating income	63,186	53,401
Non-operating income		
Interest and dividend income	4,428	3,491
Other non-operating income	1,465	175
Total non-operating income	5,894	3,666
Non-operating expenses		
Interest expense	5,167	5,632
Other non-operating expenses	1,227	1,296
Total non-operating expenses	6,395	6,928
Ordinary profit	62,685	50,140
Extraordinary income		
Gain on sale of investment securities	-	36
Total extraordinary income	-	36
Extraordinary loss		
Loss on disposal of property and equipment	138	164
Loss on sale of property and equipment	-	3
Loss on devaluation of investment securities	-	873
Other extraordinary losses	-	5
Total extraordinary losses	138	1,046
Income before income taxes	62,546	49,130
Income taxes	18,948	15,391
Profit	43,598	33,738
Profit attributable to non-controlling interests	794	569
Profit attributable to owners of parent	¥ 42,804	¥ 33,169

Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2017	2016
<i>Profit</i>	¥ 43,598	¥ 33,738
<i>Other comprehensive income (loss)</i>		
Net unrealized holding gains (losses) on securities	21,551	(10,783)
Net deferred gains (losses) on hedges	316	(2,053)
Foreign currency translation adjustments	(1,262)	(1,848)
Remeasurements of defined benefit plans	9	117
Total other comprehensive income (loss)	20,614	(14,567)
<i>Comprehensive income</i>	64,213	19,171
Comprehensive income attributable to:		
Owners of the parent	63,617	18,924
Non-controlling interests	595	246