

# Consolidated Financial Results for the Second Quarter of Fiscal 2017 (April 1, 2017 - September 30, 2017)

Fiscal 2017 (Year ending March 31, 2018)

November 14, 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 Second Quarter (April 1, 2017 - September 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	%
<b>Six months ended Sep 30, 2017</b>	<b>493,120</b>	<b>5.0</b>	<b>114,299</b>	<b>17.2</b>	<b>107,752</b>	<b>22.7</b>	<b>74,010</b>	<b>25.1</b>
Six months ended Sep 30, 2016	469,676	30.0	97,554	15.1	87,840	19.8	59,184	25.5
(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, 2nd quarter : 111,731 millions of yen, 104.3%; Fiscal 2016, 2nd quarter : 54,681 millions of yen 65.3%

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Six months ended Sep 30, 2017</b>	<b>156.15</b>	—
Six months ended Sep 30, 2016	124.87	—
(Reference) Fiscal 2016	218.34	—

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

Fiscal 2017, 1H : 473,960,845 shares; Fiscal 2016, 1H : 473,976,835 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 Sep 30, 2017</b>	<b>5,058,241</b>	<b>1,078,789</b>	<b>21.3</b>
As of Sep 30, 2016	4,751,535	936,870	19.7
(Reference) Fiscal 2016	4,980,039	1,007,347	20.2

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2017 : 473,956,665 shares; As of Sep 30, 2016 : 473,974,298 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2016</b>	<b>11.00</b>	<b>13.00</b>	<b>24.00</b>
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
<b>Fiscal 2017</b>	<b>950,000</b>	<b>203,000</b>	<b>185,000</b>	<b>118,000</b>

Consolidated business forecasts announced on May 11, 2017 have 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

	Six months ended Sep 30, 2016	Six months ended Sep 30, 2017	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2017	Achieved (%)
Leasing	167,419	173,952	+6,532	350,000	50
Sales	189,190	204,747	+15,557	315,000	65
Construction	80,777	78,716	(2,060)	210,000	37
Brokerage	30,729	33,172	+2,443	70,000	47
Other and Elimination/Corporate	1,560	2,530	+970	5,000	-
<b>Total</b>	<b>469,676</b>	<b>493,120</b>	<b>+23,444</b>	<b>950,000</b>	<b>52</b>

(2) Operating income

	Six months ended Sep 30, 2016	Six months ended Sep 30, 2017	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2017	Achieved (%)
Leasing	65,390	74,883	+9,492	140,000	53
Sales	30,108	36,026	+5,917	47,000	77
Construction	2,447	2,212	(234)	15,000	15
Brokerage	8,186	10,013	+1,826	20,000	50
Other and Elimination/Corporate	(8,578)	(8,836)	(257)	(19,000)	-
<b>Total</b>	<b>97,554</b>	<b>114,299</b>	<b>+16,744</b>	<b>203,000</b>	<b>56</b>

## Consolidated Balance Sheets

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

Assets	Millions of yen	
	September 30, 2017	March 31, 2017
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 263,471	¥ 269,312
Notes and accounts receivable—trade	11,529	18,475
Real estate for sale	264,357	345,184
Real estate for sale in process	547,876	492,340
Costs on uncompleted construction contracts	13,311	6,022
Other inventories	2,009	1,666
Deferred income taxes	18,395	18,538
Other current assets	57,472	46,022
Allowance for doubtful accounts	(50)	(55)
Total current assets	1,178,374	1,197,507
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	722,923	730,824
Land	2,427,663	2,390,150
Construction in progress	50,761	34,486
Other property and equipment, net	6,481	7,013
Total Property and equipment	3,207,830	3,162,476
Intangible assets		
Leasehold rights	53,270	52,689
Other intangible assets	1,399	1,113
Total intangible assets	54,669	53,802
Investment and other assets		
Investment securities	468,951	411,203
Guarantee and lease deposits paid to lessors	94,448	97,323
Deferred income taxes	11,728	12,023
Other investments	52,388	55,895
Allowance for doubtful accounts	(10,149)	(10,192)
Total investment and other assets	617,366	566,253
Total fixed assets	3,879,867	3,782,532
Total assets	¥ 5,058,241	¥ 4,980,039

Millions of yen

**Liabilities and Net Assets**

	September 30, 2017	March 31, 2017
<b>Current liabilities:</b>		
Notes and accounts payable—trade	¥ 17,179	¥ 41,373
Short-term debt	68,604	66,108
Long-term debt due within one year	187,109	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	32,886	29,329
Deposits received	48,130	68,860
Accrued bonuses	4,226	5,048
Other current liabilities	137,705	134,745
Total current liabilities	598,671	658,046
<b>Long-term liabilities:</b>		
Corporate bonds	330,000	340,000
Non-recourse bonds	37,400	37,400
Long-term debt	2,349,063	2,255,397
Long-term non-recourse loans	354,730	358,989
Allowance for retirement benefits for directors	60	156
Net defined benefit liability	6,167	6,143
Guarantee and lease deposits received	199,373	193,110
Long-term deposits received	55,602	56,991
Other long-term liabilities	48,382	34,700
Total long-term liabilities	3,380,780	3,282,889
Total liabilities	3,979,451	3,940,936
<b>Net assets:</b>		
<b>Shareholders' equity</b>		
Capital	122,805	122,805
Capital surplus	104,154	132,747
Retained earnings	725,739	662,801
Treasury stock	(4,405)	(4,379)
Total shareholders' equity	948,293	913,975
<b>Accumulated other comprehensive income (loss)</b>		
Net unrealized holding gains on securities	134,952	97,192
Net deferred losses on hedges	(2,289)	(2,528)
Foreign currency translation adjustments	(2,153)	(1,265)
Remeasurements of defined benefit plans	(13)	(26)
Total accumulated other comprehensive income	130,496	93,371
Non-controlling interests	-	31,756
Total net assets	1,078,789	1,039,103
Total liabilities and net assets	¥ 5,058,241	¥ 4,980,039

## Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenue from operations</b>	¥ 493,120	¥ 469,676
<b>Cost of revenue from operations</b>	342,531	337,992
<b>Gross profit</b>	150,589	131,684
<b>Selling, general and administrative expenses</b>	36,290	34,130
<b>Operating income</b>	114,299	97,554
<b>Non-operating income</b>		
Interest and dividend income	4,644	3,732
Other non-operating income	1,405	320
Total non-operating income	6,050	4,052
<b>Non-operating expenses</b>		
Interest expense	10,255	11,119
Other non-operating expenses	2,341	2,647
Total non-operating expenses	12,596	13,766
<b>Ordinary profit</b>	107,752	87,840
<b>Extraordinary income</b>		
Gain on sale of property and equipment	37	-
Gain on sale of investment securities	-	36
Total extraordinary income	37	36
<b>Extraordinary loss</b>		
Loss on disposal of property and equipment	377	211
Loss on sale of property and equipment	-	3
Loss on sale of investment securities	47	-
Other extraordinary losses	6	5
Total extraordinary losses	430	220
<b>Income before income taxes</b>	107,358	87,656
<b>Income taxes</b>	32,553	27,037
<b>Profit</b>	74,805	60,619
<b>Profit attributable to non-controlling interests</b>	794	1,435
<b>Profit attributable to owners of parent</b>	¥ 74,010	¥ 59,184

## Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b><i>Profit</i></b>	¥ 74,805	¥ 60,619
<b><i>Other comprehensive income (loss)</i></b>		
Net unrealized holding gains (losses) on securities	37,771	(1,317)
Net deferred gains (losses) on hedges	297	(480)
Foreign currency translation adjustments	(1,159)	(4,374)
Remeasurements of defined benefit plans	16	235
Total other comprehensive income (loss)	36,926	(5,937)
<b><i>Comprehensive income</i></b>	111,731	54,681
Comprehensive income attributable to:		
Owners of the parent	111,135	53,998
Non-controlling interests	596	682