

Consolidated Financial Results for the First Quarter of Fiscal 2018 (April 1, 2018 - June 30, 2018)

Fiscal 2018 (Year ending March 31, 2019)

August 9, 2018

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, 2018 - June 30, 2018)

(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, 2018	308,250	13.8	71,258	12.8	70,578	12.6	48,616	13.6
Three months ended Jun 30, 2017	270,930	1.6	63,186	18.3	62,685	25.0	42,804	29.0
(Reference) Fiscal 2017	948,402	2.5	205,637	9.3	186,870	11.4	119,731	15.7

Notes 1: Comprehensive Income

Fiscal 2018, 1st quarter : 54,460 millions of yen, (15.2%); Fiscal 2017, 1st quarter : 64,213 millions of yen, 234.9%

2: Percentages represent changes compared with the 1st quarter of the previous year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun 30, 2018	102.58	—
Three months ended Jun 30, 2017	90.31	—
(Reference) Fiscal 2017	252.62	—

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

Fiscal 2018, 1st quarter : 473,945,264 shares; Fiscal 2017, 1st quarter : 473,963,270 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, 2018	5,129,334	1,162,734	22.7
As of Jun 30, 2017	4,942,998	1,031,250	20.9
(Reference) Fiscal 2017	5,167,198	1,114,975	21.6

Note: Number of shares issued and outstanding (consolidated)

As of Jun 30, 2018 : 473,944,777 shares; As of Jun 30, 2017 : 473,961,086 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2017	13.00	14.00	27.00
Forecast for Fiscal 2018	14.00	15.00	29.00

3. Consolidated Business Forecasts for Fiscal 2018 (Year ending March 31, 2019)

	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 2018	970,000	213,000	195,000	130,000

Consolidated business forecasts announced on May 10, 2018 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, 2017	Three months ended Jun 30, 2018	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2018	Achieved (%)
Leasing	86,821	89,635	+2,814	365,000	25
Sales	133,739	168,572	+34,833	310,000	54
Construction	32,983	32,102	(880)	220,000	15
Brokerage	15,986	16,728	+742	70,000	24
Other and Elimination/Corporate	1,400	1,211	(188)	5,000	-
Total	270,930	308,250	+37,320	970,000	32

(2) Operating income

	Three months ended Jun 30, 2017	Three months ended Jun 30, 2018	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2018	Achieved (%)
Leasing	38,148	38,183	+35	145,000	26
Sales	25,029	33,641	+8,612	47,000	72
Construction	(373)	(529)	(156)	18,000	-
Brokerage	4,619	4,575	(43)	22,000	21
Other and Elimination/Corporate	(4,238)	(4,612)	(374)	(19,000)	-
Total	63,186	71,258	+8,072	213,000	33

Consolidated Balance Sheets

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

Millions of yen

Assets	June 30, 2018	March 31, 2018
Current assets:		
Cash, time and notice deposits	¥ 271,538	¥ 263,209
Notes and accounts receivable—trade	11,687	23,772
Real estate for sale	287,424	380,735
Real estate for sale in process	416,212	395,730
Costs on uncompleted construction contracts	12,467	5,014
Other inventories	1,894	1,826
Other current assets	59,502	55,893
Allowance for doubtful accounts	(71)	(66)
Total current assets	1,060,655	1,126,118
Fixed assets:		
Property and equipment		
Buildings and structures, net	818,472	804,054
Land	2,476,445	2,464,160
Construction in progress	88,225	94,397
Other property and equipment, net	7,819	7,740
Total Property and equipment	3,390,962	3,370,353
Intangible assets		
Leasehold rights	53,343	53,343
Other intangible assets	1,453	1,408
Total intangible assets	54,796	54,752
Investment and other assets		
Investment securities	492,179	487,693
Guarantee and lease deposits paid to lessors	73,994	71,063
Deferred income taxes	13,204	14,294
Other investments	52,092	52,390
Allowance for doubtful accounts	(8,552)	(9,468)
Total investment and other assets	622,918	615,974
Total fixed assets	4,068,678	4,041,080
Total assets	¥ 5,129,334	¥ 5,167,198

Millions of yen

Liabilities and Net Assets

	June 30, 2018	March 31, 2018
Current liabilities:		
Notes and accounts payable—trade	¥ 14,696	¥ 28,750
Short-term debt	66,826	61,416
Long-term debt due within one year	208,540	215,751
金 Long-term non-recourse loans due within one year	119,664	44,510
Corporate bonds due within one year	50,000	60,000
Non-recourse bonds due within one year	4,900	4,900
Accrued income taxes	21,530	34,198
Deposits received	27,271	60,381
Accrued bonuses	1,123	5,283
Other current liabilities	134,912	153,388
Total current liabilities	649,465	668,579
Long-term liabilities:		
Corporate bonds	310,000	310,000
Non-recourse bonds	34,200	34,200
Long-term debt	2,410,424	2,415,645
Long-term non-recourse loans	249,805	327,089
Allowance for retirement benefits for directors	48	64
Net defined benefit liability	5,960	5,965
Guarantee and lease deposits received	213,360	207,823
Long-term deposits received	66,931	59,390
Other long-term liabilities	26,403	23,465
Total long-term liabilities	3,317,135	3,383,644
Total liabilities	3,966,600	4,052,223
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	807,250	765,325
Treasury stock	(4,452)	(4,443)
Total shareholders' equity	1,029,756	987,841
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	138,543	131,115
Net deferred losses on hedges	(2,200)	(2,048)
Foreign currency translation adjustments	(3,485)	(2,092)
Remeasurements of defined benefit plans	120	159
Total accumulated other comprehensive income	132,977	127,133
Total net assets	1,162,734	1,114,975
Total liabilities and net assets	¥ 5,129,334	¥ 5,167,198

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2018	2017
Revenue from operations	¥ 308,250	¥ 270,930
Cost of revenue from operations	215,226	189,739
Gross profit	93,024	81,191
Selling, general and administrative expenses	21,765	18,005
Operating income	71,258	63,186
Non-operating income		
Interest and dividend income	5,302	4,428
Other non-operating income	344	1,465
Total non-operating income	5,646	5,894
Non-operating expenses		
Interest expense	5,150	5,167
Other non-operating expenses	1,176	1,227
Total non-operating expenses	6,327	6,395
Ordinary profit	70,578	62,685
Extraordinary income		
Gain on sale of investment securities	0	-
Total extraordinary income	0	-
Extraordinary loss		
Loss on disposal of property and equipment	455	138
Other extraordinary losses	27	-
Total extraordinary losses	482	138
Income before income taxes	70,097	62,546
Income taxes	21,480	18,948
Profit	48,616	43,598
Profit attributable to non-controlling interests	-	794
Profit attributable to owners of parent	¥ 48,616	¥ 42,804

Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2018	2017
Profit	¥ 48,616	¥ 43,598
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	7,427	21,551
Net deferred gains (losses) on hedges	(152)	316
Foreign currency translation adjustments	(1,392)	(1,262)
Remeasurements of defined benefit plans	(39)	9
Total other comprehensive income (loss)	5,843	20,614
Comprehensive income	54,460	64,213
Comprehensive income attributable to:		
Owners of the parent	54,460	63,617
Non-controlling interests	-	595