

# Consolidated Financial Results for the Second Quarter of Fiscal 2018 (April 1, 2018 - September 30, 2018)

Fiscal 2018 (Year ending March 31, 2019)

November 13, 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 Second Quarter (April 1, 2018 - September 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	%
<b>Six months ended Sep 30, 2018</b>	<b>540,774</b>	<b>9.7</b>	<b>124,979</b>	<b>9.3</b>	<b>118,294</b>	<b>9.8</b>	<b>79,837</b>	<b>7.9</b>
Six months ended Sep 30, 2017	493,120	5.0	114,299	17.2	107,752	22.7	74,010	25.1
(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, 2nd quarter : 92,255 millions of yen, (17.4%); Fiscal 2017, 2nd quarter : 111,731 millions of yen, 104.3%

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, 2018</b>	<b>168.45</b>	<b>—</b>
Six months ended Sep 30, 2017	156.15	—
(Reference) Fiscal 2017	252.62	—

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

Fiscal 2018, 1H : 473,944,104 shares; Fiscal 2017, 1H : 473,960,845 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, 2018</b>	<b>5,118,404</b>	<b>1,200,512</b>	<b>23.5</b>
As of Sep 30, 2017	5,042,048	1,078,789	21.4
(Reference) Fiscal 2017	5,167,198	1,114,975	21.6

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2018 : 473,940,463 shares; As of Sep 30, 2017 : 473,956,665 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2017</b>	<b>13.00</b>	<b>14.00</b>	<b>27.00</b>
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
<b>Fiscal 2018</b>	<b>970,000</b>	<b>213,000</b>	<b>195,000</b>	<b>130,000</b>

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

	Six months ended Sep 30, 2017	Six months ended Sep 30, 2018	Increase (Decrease)	Forecast for Fiscal 2018	Achieved (%)
	Leasing	173,952	186,398	+12,446	365,000
Sales	204,747	237,208	+32,460	310,000	77
Construction	78,716	80,042	+1,325	220,000	36
Brokerage	33,172	34,558	+1,385	70,000	49
Other and Elimination/Corporate	2,530	2,566	+36	5,000	-
<b>Total</b>	<b>493,120</b>	<b>540,774</b>	<b>+47,653</b>	<b>970,000</b>	<b>56</b>

(2) Operating income

	Six months ended Sep 30, 2017	Six months ended Sep 30, 2018	Increase (Decrease)	Forecast for Fiscal 2018	Achieved (%)
	Leasing	74,883	77,186	+2,302	145,000
Sales	36,026	44,682	+8,656	47,000	95
Construction	2,212	2,898	+686	18,000	16
Brokerage	10,013	9,979	(34)	22,000	45
Other and Elimination/Corporate	(8,836)	(9,766)	(930)	(19,000)	-
<b>Total</b>	<b>114,299</b>	<b>124,979</b>	<b>+10,680</b>	<b>213,000</b>	<b>59</b>

## Consolidated Balance Sheets

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

Millions of yen

Assets	September 30, 2018		March 31, 2018	
<b>Current assets:</b>				
Cash, time and notice deposits	¥	241,291	¥	263,209
Notes and accounts receivable—trade		14,992		23,772
Real estate for sale		260,370		380,735
Real estate for sale in process		420,669		395,730
Costs on uncompleted construction contracts		14,240		5,014
Other inventories		1,947		1,826
Other current assets		58,518		55,893
Allowance for doubtful accounts		(53)		(66)
Total current assets		1,011,977		1,126,118
<b>Fixed assets:</b>				
Property and equipment				
Buildings and structures, net		821,269		804,054
Land		2,482,369		2,464,160
Construction in progress		106,438		94,397
Other property and equipment, net		7,729		7,740
Total Property and equipment		3,417,807		3,370,353
Intangible assets				
Leasehold rights		55,694		53,343
Other intangible assets		1,434		1,408
Total intangible assets		57,129		54,752
Investment and other assets				
Investment securities		502,732		487,693
Guarantee and lease deposits paid to lessors		71,065		71,063
Deferred income taxes		13,937		14,294
Other investments		52,298		52,390
Allowance for doubtful accounts		(8,543)		(9,468)
Total investment and other assets		631,490		615,974
Total fixed assets		4,106,426		4,041,080
Total assets	¥	5,118,404	¥	5,167,198

*Millions of yen*

## Liabilities and Net Assets

	September 30, 2018	March 31, 2018
<b><i>Current liabilities:</i></b>		
Notes and accounts payable—trade	¥ 16,382	¥ 28,750
Short-term debt	27,263	61,416
Long-term debt due within one year	182,698	215,751
金 Long-term non-recourse loans due within one year	119,004	44,510
Corporate bonds due within one year	30,000	60,000
Non-recourse bonds due within one year	4,900	4,900
Accrued income taxes	36,474	34,198
Deposits received	46,301	60,381
Accrued bonuses	4,257	5,283
Other current liabilities	137,355	153,388
Total current liabilities	604,637	668,579
<b><i>Long-term liabilities:</i></b>		
Corporate bonds	300,000	310,000
Non-recourse bonds	34,200	34,200
Long-term debt	2,429,865	2,415,645
Long-term non-recourse loans	248,277	327,089
Allowance for retirement benefits for directors	51	64
Net defined benefit liability	5,970	5,965
Guarantee and lease deposits received	219,864	207,823
Long-term deposits received	47,378	59,390
Other long-term liabilities	27,647	23,465
Total long-term liabilities	3,313,254	3,383,644
Total liabilities	3,917,891	4,052,223
<b><i>Net assets:</i></b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	838,471	765,325
Treasury stock	(4,469)	(4,443)
Total shareholders' equity	1,060,960	987,841
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	143,303	131,115
Net deferred losses on hedges	(1,344)	(2,048)
Foreign currency translation adjustments	(2,487)	(2,092)
Remeasurements of defined benefit plans	80	159
Total accumulated other comprehensive income	139,551	127,133
Total net assets	1,200,512	1,114,975
Total liabilities and net assets	¥ 5,118,404	¥ 5,167,198

## 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>2018</b>	<b>2017</b>
<b>Revenue from operations</b>	¥ 540,774	¥ 493,120
<b>Cost of revenue from operations</b>	374,759	342,531
<b>Gross profit</b>	166,014	150,589
<b>Selling, general and administrative expenses</b>	41,034	36,290
<b>Operating income</b>	124,979	114,299
<b>Non-operating income</b>		
Interest and dividend income	5,634	4,644
Other non-operating income	407	1,405
Total non-operating income	6,042	6,050
<b>Non-operating expenses</b>		
Interest expense	10,300	10,255
Other non-operating expenses	2,427	2,341
Total non-operating expenses	12,728	12,596
<b>Ordinary profit</b>	118,294	107,752
<b>Extraordinary income</b>		
Gain on sale of property and equipment	1	37
Gain on sale of investment securities	0	-
Total extraordinary income	1	37
<b>Extraordinary loss</b>		
Loss on disposal of property and equipment	938	377
Loss on sale of property and equipment	0	-
Loss on sale of investment securities	-	47
Other extraordinary losses	35	6
Total extraordinary losses	974	430
<b>Income before income taxes</b>	117,321	107,358
<b>Income taxes</b>	37,483	32,553
<b>Profit</b>	79,837	74,805
<b>Profit attributable to non-controlling interests</b>	-	794
<b>Profit attributable to owners of parent</b>	¥ 79,837	¥ 74,010

## 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>2018</b>	<b>2017</b>
<b><i>Profit</i></b>	¥ 79,837	¥ 74,805
<b><i>Other comprehensive income (loss)</i></b>		
Net unrealized holding gains (losses) on securities	12,187	37,771
Net deferred gains (losses) on hedges	704	297
Foreign currency translation adjustments	(395)	(1,159)
Remeasurements of defined benefit plans	(79)	16
Total other comprehensive income (loss)	12,418	36,926
<b><i>Comprehensive income</i></b>	92,255	111,731
Comprehensive income attributable to:		
Owners of the parent	92,255	111,135
Non-controlling interests	-	596