

## Consolidated Financial Results for Fiscal 2018 (Year ended March 31, 2019)

May 16, 2019

### 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 of Fiscal 2018 (Year ended March 31, 2019)

(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	%
Fiscal 2018	1,013,229	6.8	220,419	7.2	204,257	9.3	130,817	9.3
Fiscal 2017	948,402	2.5	205,637	9.3	186,870	11.4	119,731	15.7

Notes 1: Comprehensive Income

FY 2018 : 106,495 millions of yen (30.9%); FY 2017 : 154,088 millions of yen 15.7%

2: Percentages represent changes compared with the previous year.

	Earnings per share	Return on average equity	Ratio of ordinary profit to average assets	Operating income margin
	Yen	%	%	%
Fiscal 2018	276.02	11.3	4.0	21.8
Fiscal 2017	252.62	11.3	3.7	21.7

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

FY 2018 : 473,942,220 shares; FY 2017 : 473,956,155 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	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2018	5,127,464	1,208,116	23.6	2,549.09
Fiscal 2017	5,167,198	1,114,975	21.6	2,352.53

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2019 : 473,940,149 shares; As of March 31, 2018 : 473,947,131 shares

#### 2. Dividend Position

	Dividends per share			Amount of dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	Interim	Year end	Annual			
	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2018	14.00	16.00	30.00	14,218	10.9	1.2
Fiscal 2017	13.00	14.00	27.00	12,796	10.7	1.2
Forecast for Fiscal 2019	16.00	16.00	32.00		10.8	

#### 3. Forecast for Fiscal 2019 (Year ending March 31, 2020)

	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 2019	1,020,000	234,000	220,000	140,000

Note: The foregoing estimates are 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

	Fiscal 2017	Fiscal 2018	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Increase (Decrease)
Leasing	353,880	381,763	+27,882	390,000	+8,236
Sales	311,192	331,751	+20,559	320,000	(11,751)
Construction	209,355	221,693	+12,337	230,000	+8,306
Brokerage	69,168	72,898	+3,729	73,000	+101
Other and Elimination/Corporate	4,803	5,122	+319	7,000	+1,877
Total	948,402	1,013,229	+64,827	1,020,000	+6,770

(2) Operating income

	Fiscal 2017	Fiscal 2018	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Increase (Decrease)
Leasing	139,368	149,932	+10,564	163,000	+13,067
Sales	46,838	47,115	+276	47,000	(115)
Construction	16,108	20,407	+4,298	22,000	+1,592
Brokerage	21,457	22,007	+550	22,000	(7)
Other and Elimination/Corporate	(18,135)	(19,044)	(908)	(20,000)	(955)
Total	205,637	220,419	+14,781	234,000	+13,580

## Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2019	March 31, 2018
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 172,191	¥ 263,209
Notes and accounts receivable—trade	21,566	23,772
Real estate for sale	390,025	380,735
Real estate for sale in process	282,594	395,730
Costs on uncompleted construction contracts	5,826	5,014
Other inventories	1,455	1,826
Other current assets	59,422	55,893
Allowance for doubtful accounts	(72)	(66)
Total current assets	933,011	1,126,118
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	859,028	804,054
Land	2,523,936	2,464,160
Construction in progress	139,452	94,397
Other property and equipment, net	8,593	7,740
Total Property and equipment	3,531,010	3,370,353
Intangible assets		
Leasehold rights	55,193	53,343
Other intangible assets	1,557	1,408
Total intangible assets	56,751	54,752
Investment and other assets		
Investment securities	478,966	487,693
Guarantee and lease deposits paid to lessors	70,298	71,063
Deferred income taxes	14,809	14,294
Other investments	51,769	52,390
Allowance for doubtful accounts	(9,152)	(9,468)
Total investment and other assets	606,691	615,974
Total fixed assets	4,194,453	4,041,080
Total assets	¥ 5,127,464	¥ 5,167,198

Millions of yen

## Liabilities and Net Assets

	March 31, 2019	March 31, 2018
<b>Current liabilities:</b>		
Notes and accounts payable—trade	¥ 54,939	¥ 28,750
Short-term debt	25,643	61,416
Long-term debt due within one year	129,618	215,751
Long-term non-recourse loans due within one year	100,298	44,510
Corporate bonds due within one year	40,000	60,000
Non-recourse bonds due within one year	2,000	4,900
Accrued income taxes	29,260	34,198
Deposits received	61,581	60,381
Accrued bonuses	5,572	5,283
Other current liabilities	128,458	153,388
Total current liabilities	577,372	668,579
<b>Long-term liabilities:</b>		
Corporate bonds	270,000	310,000
Non-recourse bonds	37,100	34,200
Long-term debt	2,474,327	2,415,645
Long-term non-recourse loans	263,800	327,089
Allowance for retirement benefits for directors	40	64
Net defined benefit liability	6,018	5,965
Guarantee and lease deposits received	228,958	207,823
Long-term deposits received	49,807	59,390
Other long-term liabilities	11,924	23,465
Total long-term liabilities	3,341,975	3,383,644
Total liabilities	3,919,348	4,052,223
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	882,815	765,325
Treasury stock	(4,469)	(4,443)
Total shareholders' equity	1,105,304	987,841
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	109,209	131,115
Net deferred losses on hedges	(3,971)	(2,048)
Foreign currency translation adjustments	(2,352)	(2,092)
Remeasurements of defined benefit plans	(73)	159
Total accumulated other comprehensive income	102,811	127,133
Total net assets	1,208,116	1,114,975
Total liabilities and net assets	¥ 5,127,464	¥ 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 March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenue from operations</b>	¥ 1,013,229	¥ 948,402
<b>Cost of revenue from operations</b>	711,052	664,015
<b>Gross profit</b>	302,177	284,386
<b>Selling, general and administrative expenses</b>	81,758	78,749
<b>Operating income</b>	220,419	205,637
<b>Non-operating income</b>		
Interest and dividend income	10,066	8,484
Other non-operating income	630	1,073
Total non-operating income	10,697	9,557
<b>Non-operating expenses</b>		
Interest expense	20,184	20,351
Other non-operating expenses	6,675	7,972
Total non-operating expenses	26,859	28,323
<b>Ordinary profit</b>	204,257	186,870
<b>Extraordinary income</b>		
Gain on sale of property and equipment	75	37
Gain on sale of investment securities	11	1,009
Other extraordinary income	-	66
Total extraordinary income	86	1,113
<b>Extraordinary loss</b>		
Loss on impairment of fixed assets	8,575	10,634
Loss on sale of property and equipment	3,723	217
Loss on disposal of property and equipment	1,280	600
Loss on devaluation of investment securities	1,104	-
Loss on sale of investment securities	-	47
Other extraordinary losses	70	40
Total extraordinary losses	14,755	11,540
<b>Income before income taxes</b>	189,588	176,444
<b>Income taxes</b>	58,771	55,918
<b>Profit</b>	130,817	120,525
<b>Profit attributable to non-controlling interests</b>	-	794
<b>Profit attributable to owners of parent</b>	¥ 130,817	¥ 119,731

## Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>			
	<b>Fiscal year ended March 31,</b>			
	<b>2019</b>		<b>2018</b>	
<b>Profit</b>	¥	130,817	¥	120,525
<b>Other comprehensive income (loss)</b>				
Net unrealized holding gains (losses) on securities		(21,905)		33,934
Net deferred gains (losses) on hedges		(1,922)		538
Foreign currency translation adjustments		(259)		(1,098)
Remeasurements of defined benefit plans		(233)		188
Total other comprehensive income (loss)		(24,321)		33,563
<b>Comprehensive income</b>		106,495		154,088
Comprehensive income attributable to:				
Owners of the parent		106,495		153,493
Non-controlling interests		-		595

## Fair Value of Investment and Rental Properties

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

	<i>Millions of yen</i>			
	<b>As of March 31, 2019</b>		<b>As of March 31, 2018</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Investment and rental Properties	¥ 3,515,337	¥ 6,218,600	¥ 3,350,275	¥ 5,678,415