

# Consolidated Financial Results for the First Quarter of Fiscal 2019 (April 1, 2019 - June 30, 2019)

Fiscal 2019 (Year ending March 31, 2020)

August 8, 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 for First Quarter (April 1, 2019 - June 30, 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	%
<b>Three months ended Jun 30, 2019</b>	<b>334,356</b>	<b>8.3</b>	<b>81,395</b>	<b>13.4</b>	<b>81,542</b>	<b>14.7</b>	<b>55,831</b>	<b>14.0</b>
Three months ended Jun 30, 2018	308,747	—	71,755	—	71,074	—	48,961	—
(Reference) Fiscal 2018	1,012,198	—	219,389	—	203,227	—	130,102	—

Notes 1: Comprehensive Income

Fiscal 2019, 1st quarter: 43,740 millions of yen, (20.2%); Fiscal 2018, 1st quarter: 54,805 millions of yen, (—%)

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended Jun 30, 2019</b>	<b>117.80</b>	<b>—</b>
Three months ended Jun 30, 2018	103.31	—
(Reference) Fiscal 2018	274.51	—

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

Fiscal 2019, 1st quarter: 473,940,135 shares; Fiscal 2018, 1st quarter: 473,945,264 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 Jun 30, 2019</b>	<b>5,110,197</b>	<b>1,238,259</b>	<b>24.2</b>
As of Jun 30, 2018	5,131,521	1,157,779	22.6
(Reference) Fiscal 2018	5,130,118	1,202,103	23.4

Note: Number of shares issued and outstanding (consolidated)

As of Jun 30, 2019: 473,940,079 shares; As of Jun 30, 2018: 473,944,777 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2018</b>	<b>14.00</b>	<b>16.00</b>	<b>30.00</b>
Forecast for Fiscal 2019	16.00	16.00	32.00

### 3. Consolidated Business Forecasts 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
<b>Fiscal 2019</b>	<b>1,020,000</b>	<b>234,000</b>	<b>220,000</b>	<b>140,000</b>

Consolidated business forecasts announced on May 16, 2019 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, 2018	Three months ended Jun 30, 2019	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Achieved (%)
Leasing	89,635	97,254	+7,619	390,000	25
Sales	168,572	185,858	+17,286	320,000	58
Construction	32,102	32,379	+276	230,000	14
Brokerage	17,224	17,625	+400	73,000	24
Other and Elimination/Corporate	1,211	1,238	+27	7,000	-
<b>Total</b>	<b>308,747</b>	<b>334,356</b>	<b>+25,609</b>	<b>1,020,000</b>	<b>33</b>

(2) Operating income

	Three months ended Jun 30, 2018	Three months ended Jun 30, 2019	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Achieved (%)
Leasing	38,183	41,765	+3,581	163,000	26
Sales	33,641	39,317	+5,675	47,000	84
Construction	(529)	(127)	+402	22,000	-
Brokerage	5,072	5,277	+205	22,000	24
Other and Elimination/Corporate	(4,612)	(4,836)	(224)	(20,000)	-
<b>Total</b>	<b>71,755</b>	<b>81,395</b>	<b>+9,640</b>	<b>234,000</b>	<b>35</b>

Note: Consolidated financial results for the first quarter of fiscal 2018 (April 1, 2018-June 30, 2018) and fiscal 2018 (year ended March 31, 2019) have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of fiscal 2019.

## Consolidated Balance Sheets

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

Millions of yen

Assets	June 30, 2019	March 31, 2019
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 251,054	¥ 172,191
Notes and accounts receivable—trade	18,804	21,566
Real estate for sale	289,058	390,025
Real estate for sale in process	290,138	282,594
Costs on uncompleted construction contracts	12,290	5,826
Other inventories	1,474	1,455
Other current assets	52,734	59,422
Allowance for doubtful accounts	(88)	(72)
Total current assets	915,466	933,011
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	853,661	859,028
Land	2,526,423	2,523,936
Construction in progress	155,139	139,452
Other property and equipment, net	8,401	8,593
Total Property and equipment	3,543,626	3,531,010
Intangible assets		
Leasehold rights	55,275	55,193
Other intangible assets	1,593	1,557
Total intangible assets	56,869	56,751
Investment and other assets		
Investment securities	464,866	478,966
Guarantee and lease deposits paid to lessors	70,396	70,298
Deferred income taxes	16,072	17,463
Other investments	52,043	51,769
Allowance for doubtful accounts	(9,142)	(9,152)
Total investment and other assets	594,235	609,345
Total fixed assets	4,194,731	4,197,107
Total assets	¥ 5,110,197	¥ 5,130,118

*Millions of yen*

## Liabilities and Net Assets

	June 30, 2019	March 31, 2019
<b><i>Current liabilities:</i></b>		
Notes and accounts payable—trade	¥ 48,249	¥ 54,937
Short-term debt	29,643	25,643
Long-term debt due within one year	119,598	129,618
Long-term non-recourse loans due within one year	30,713	100,298
Corporate bonds due within one year	40,000	40,000
Non-recourse bonds due within one year	3,000	2,000
Accrued income taxes	22,332	29,260
Deposits received	42,769	61,581
Accrued bonuses	1,151	5,572
Other current liabilities	140,050	137,127
Total current liabilities	477,508	586,039
<b><i>Long-term liabilities:</i></b>		
Corporate bonds	270,000	270,000
Non-recourse bonds	36,100	37,100
Long-term debt	2,459,425	2,474,327
Long-term non-recourse loans	331,905	263,800
Allowance for retirement benefits for directors	39	40
Net defined benefit liability	6,030	6,018
Guarantee and lease deposits received	231,515	228,958
Long-term deposits received	51,679	49,807
Other long-term liabilities	7,732	11,924
Total long-term liabilities	3,394,429	3,341,975
Total liabilities	3,871,937	3,928,015
<b><i>Net assets:</i></b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	925,050	876,802
Treasury stock	(4,471)	(4,469)
Total shareholders' equity	1,147,538	1,099,291
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	97,785	109,209
Net deferred losses on hedges	(4,644)	(3,971)
Foreign currency translation adjustments	(2,357)	(2,352)
Remeasurements of defined benefit plans	(62)	(73)
Total accumulated other comprehensive income	90,721	102,811
Total net assets	1,238,259	1,202,103
Total liabilities and net assets	¥ 5,110,197	¥ 5,130,118

## Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenue from operations</b>	¥ 334,356	¥ 308,747
<b>Cost of revenue from operations</b>	231,503	215,226
<b>Gross profit</b>	102,853	93,520
<b>Selling, general and administrative expenses</b>	21,457	21,765
<b>Operating income</b>	81,395	71,755
<b>Non-operating income</b>		
Interest and dividend income	6,107	5,302
Other non-operating income	72	344
Total non-operating income	6,179	5,646
<b>Non-operating expenses</b>		
Interest expense	4,955	5,150
Other non-operating expenses	1,077	1,176
Total non-operating expenses	6,033	6,327
<b>Ordinary profit</b>	81,542	71,074
<b>Extraordinary income</b>		
Gain on sale of property and equipment	0	-
Gain on sale of investment securities	-	0
Total extraordinary income	0	0
<b>Extraordinary loss</b>		
Loss on disposal of property and equipment	865	455
Loss on devaluation of investment securities	213	-
Other extraordinary losses	5	27
Total extraordinary losses	1,084	482
<b>Income before income taxes</b>	80,458	70,593
<b>Income taxes</b>	24,627	21,631
<b>Profit</b>	55,831	48,961
<b>Profit attributable to non-controlling interests</b>	-	-
<b>Profit attributable to owners of parent</b>	¥ 55,831	¥ 48,961

## Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	<b>Fiscal year ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Profit</b>	¥ 55,831	¥ 48,961
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains (losses) on securities	(11,423)	7,427
Net deferred gains (losses) on hedges	(673)	(152)
Foreign currency translation adjustments	(4)	(1,392)
Remeasurements of defined benefit plans	11	(39)
Total other comprehensive income (loss)	(12,090)	5,843
<b>Comprehensive income</b>	43,740	54,805
Comprehensive income attributable to:		
Owners of the parent	43,740	54,805
Non-controlling interests	-	-

Note: Consolidated financial results for the first quarter of fiscal 2018 (April 1, 2018-June 30, 2018) and fiscal 2018 (year ended March 31, 2019) have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of fiscal 2019.