

Consolidated Financial Results for the First Quarter of Fiscal 2020 (April 1, 2020 - June 30, 2020)

Fiscal 2020 (Year ending March 31, 2021)

August 11, 2020

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, 2020 - June 30, 2020)

(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, 2020	315,959	(5.5)	82,762	1.7	84,057	3.1	65,488	17.3
Three months ended Jun 30, 2019	334,356	8.3	81,395	13.4	81,542	14.7	55,831	14.0
(Reference) Fiscal 2019	1,013,512	0.1	234,332	6.8	220,520	8.5	140,997	8.4

Notes 1: Comprehensive Income

Fiscal 2020, 1st quarter : 97,280 millions of yen, 122.4%; Fiscal 2019, 1st quarter : 43,740 millions of yen, (20.2%)

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, 2020	138.18	—
Three months ended Jun 30, 2019	117.80	—
(Reference) Fiscal 2019	297.50	—

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

Fiscal 2020, 1st quarter : 473,939,504 shares; Fiscal 2019, 1st quarter : 473,940,135 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, 2020	5,366,154	1,383,930	25.8
As of Jun 30, 2019	5,110,197	1,238,259	24.2
(Reference) Fiscal 2019	5,317,623	1,294,998	24.4

Note: Number of shares issued and outstanding (consolidated)

As of Jun 30, 2020 : 473,939,499 shares; As of Jun 30, 2019 : 473,940,079 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2019	16.00	19.00	35.00
Forecast for Fiscal 2020	19.00	19.00	38.00

3. Consolidated Business Forecasts for Fiscal 2020 (Year ending March 31, 2021)

	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 2020	880,000	204,000	190,000	130,000

Consolidated business forecasts announced on May 14, 2020 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, 2019	Three months ended Jun 30, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	97,254	97,436	+181	390,000	25
Sales	185,858	171,854	(14,004)	270,000	64
Construction	32,379	31,475	(903)	170,000	19
Brokerage	18,623	15,924	(2,699)	50,000	32
Other and Elimination/Corporate	240	(730)	(971)	—	—
Total	334,356	315,959	(18,396)	880,000	36

(2) Operating income

	Three months ended Jun 30, 2019	Three months ended Jun 30, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	41,765	40,023	(1,741)	163,000	25
Sales	38,657	44,188	+5,530	47,000	94
Construction	(127)	(26)	+101	10,000	—
Brokerage	4,578	3,413	(1,165)	5,000	68
Other and Elimination/Corporate	(3,477)	(4,836)	(1,358)	(21,000)	—
Total	81,395	82,762	+1,366	204,000	41

Note: From the beginning of March 2021 fiscal year, the business segments for revenue and income from Sumitomo Real Estate Sales have been changed, from the allocation to "Sales", "Brokerage" and "Adjustments (not presented in the document)", to be consolidated into "Brokerage". Financial results for the first quarter of March 2020 fiscal year have been adjusted retroactively.

Consolidated Balance Sheets

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

Assets	Millions of yen	
	June 30, 2020	March 31, 2020
Current assets:		
Cash, time and notice deposits	¥ 188,552	¥ 195,360
Notes and accounts receivable—trade	10,715	17,405
Real estate for sale	249,446	351,368
Real estate for sale in process	323,736	286,254
Costs on uncompleted construction contracts	14,480	10,369
Other inventories	956	887
Other current assets	54,967	54,447
Allowance for doubtful accounts	(55)	(60)
Total current assets	842,798	916,034
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,068,811	1,036,339
Land	2,651,159	2,558,356
Construction in progress	126,523	133,716
Other property and equipment, net	12,282	11,842
Total Property and equipment	3,858,776	3,740,255
Intangible assets		
Leasehold rights	60,280	55,823
Other intangible assets	1,711	1,738
Total intangible assets	61,992	57,561
Investment and other assets		
Investment securities	482,752	469,229
Guarantee and lease deposits paid to lessors	69,889	70,171
Deferred income taxes	15,719	30,067
Other investments	36,308	36,385
Allowance for doubtful accounts	(2,082)	(2,082)
Total investment and other assets	602,587	603,772
Total fixed assets	4,523,355	4,401,589
Total assets	¥ 5,366,154	¥ 5,317,623

Liabilities and Net Assets	<i>Millions of yen</i>	
	June 30, 2020	March 31, 2020
<i>Current liabilities:</i>		
Notes and accounts payable—trade	¥ 14,508	¥ 36,392
Short-term debt	30,751	26,726
Long-term debt due within one year	132,008	131,471
Long-term non-recourse loans due within one year	61,208	62,373
Commercial paper	140,000	120,000
Non-recourse bonds due within one year	8,000	8,000
Accrued income taxes	28,566	32,343
Deposits received	23,495	51,195
Accrued bonuses	786	5,441
Other current liabilities	141,892	148,102
Total current liabilities	581,216	622,045
<i>Long-term liabilities:</i>		
Corporate bonds	270,000	270,000
Non-recourse bonds	31,100	31,100
Long-term debt	2,569,669	2,572,156
Long-term non-recourse loans	218,577	219,082
Allowance for retirement benefits for directors	19	47
Net defined benefit liability	6,228	6,269
Guarantee and lease deposits received	251,591	247,609
Long-term deposits received	45,953	45,895
Other long-term liabilities	7,867	8,417
Total long-term liabilities	3,401,007	3,400,578
Total liabilities	3,982,223	4,022,624
<i>Net assets:</i>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,059,773	1,002,633
Treasury stock	(4,473)	(4,473)
Total shareholders' equity	1,282,259	1,225,119
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	107,947	76,335
Net deferred losses on hedges	(3,238)	(3,560)
Foreign currency translation adjustments	(2,905)	(2,718)
Remeasurements of defined benefit plans	(132)	(177)
Total accumulated other comprehensive income	101,671	69,879
Total net assets	1,383,930	1,294,998
Total liabilities and net assets	¥ 5,366,154	¥ 5,317,623

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2020	2019
Revenue from operations	¥ 315,959	¥ 334,356
Cost of revenue from operations	215,519	231,503
Gross profit	100,440	102,853
Selling, general and administrative expenses	17,677	21,457
Operating income	82,762	81,395
Non-operating income		
Interest and dividend income	6,602	6,107
Other non-operating income	264	72
Total non-operating income	6,866	6,179
Non-operating expenses		
Interest expense	4,635	4,955
Other non-operating expenses	936	1,077
Total non-operating expenses	5,572	6,033
Ordinary profit	84,057	81,542
Extraordinary income		
Gain on sale of property and equipment	335	0
Gain on sale of investment securities	11,890	-
Total extraordinary income	12,225	0
Extraordinary loss		
Loss on disposal of property and equipment	239	865
Loss on devaluation of investment securities	268	213
Other extraordinary losses	1	5
Total extraordinary losses	509	1,084
Income before income taxes	95,773	80,458
Income taxes	30,285	24,627
Profit	65,488	55,831
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	¥ 65,488	¥ 55,831

Consolidated Statements of Comprehensive Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2020	2019
<i>Profit</i>	¥ 65,488	¥ 55,831
<i>Other comprehensive income (loss)</i>		
Net unrealized holding gains (losses) on securities	31,612	(11,423)
Net deferred gains (losses) on hedges	321	(673)
Foreign currency translation adjustments	(187)	(4)
Remeasurements of defined benefit plans	44	11
Total other comprehensive income (loss)	31,791	(12,090)
<i>Comprehensive income</i>	97,280	43,740
Comprehensive income attributable to:		
Owners of the parent	97,280	43,740
Non-controlling interests	—	—