

Consolidated Financial Results for Fiscal 2015 (Year ended March 31, 2016)

May 12, 2016

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 2015 (Year ended March 31, 2016)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Operating revenues		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2015	854,964	6.0	174,240	5.0	148,424	6.7	87,797	9.0
Fiscal 2014	806,835	3.4	165,894	3.4	139,055	6.5	80,566	15.6

Notes 1. Comprehensive Income

FY 2015 : 71,009 millions of yen (48.5%); FY 2014 : 137,850 millions of yen 46.2%

2. Percentages for operating revenues, operating income, ordinary profit and net income 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 2015	185.23	10.2	3.2	20.4
Fiscal 2014	169.97	10.5	3.2	20.6

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

FY 2015 : 473,987,772 shares; FY 2014 : 474,013,586 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 2015	4,675,914	888,099	19.0	1,873.71
Fiscal 2014	4,523,804	832,462	18.4	1,756.25

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2016 : 473,979,233 shares; As of March 31, 2015 : 474,000,361 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 2015	11.00	11.00	22.00	10,427	11.9	1.2
Fiscal 2014	10.00	11.00	21.00	9,954	12.4	1.3
Forecast for Fiscal 2016	11.00	12.00	23.00		11.2	

3. Forecast for Fiscal 2016 (Year ending March 31, 2017)

	Operating revenues	Operating income	Ordinary profit	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2016	880,000	178,000	155,000	97,000

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) Operating revenue

	Fiscal 2014	Fiscal 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2016	Increase (Decrease)
Leasing	289,117	313,340	+24,222	330,000	+16,659
Sales	264,207	274,760	+10,553	280,000	+5,239
Construction	188,994	199,115	+10,120	200,000	+884
Brokerage	58,486	61,496	+3,010	63,000	+1,503
Other and Elimination/Corporate	6,030	6,251	+221	7,000	+748
Total	806,835	854,964	+48,129	880,000	+25,035

(2) Operating income

	Fiscal 2014	Fiscal 2015	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2016	Increase (Decrease)
Leasing	104,441	111,327	+6,885	119,000	+7,672
Sales	43,781	44,187	+406	44,500	+312
Construction	12,962	15,300	+2,337	15,500	+199
Brokerage	16,462	17,722	+1,259	18,000	+277
Other and Elimination/Corporate	(11,753)	(14,296)	(2,543)	(19,000)	(4,703)
Total	165,894	174,240	+8,345	178,000	+3,759

Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2016	March 31, 2015
Current assets:		
Cash, time and notice deposits	¥ 187,233	¥ 151,367
Notes and accounts receivable—trade	19,664	27,597
Real estate for sale	311,305	189,770
Real estate for sale in process	535,399	604,455
Costs on uncompleted construction contracts	7,276	5,708
Other inventories	1,833	2,015
Deferred income taxes	13,638	10,824
Other current assets	45,884	34,042
Allowance for doubtful accounts	(47)	(78)
Total current assets	<u>1,122,189</u>	<u>1,025,702</u>
Fixed assets:		
Property and equipment		
Buildings and structures, net	627,787	551,510
Land	2,317,729	2,259,845
Construction in progress	36,447	106,737
Other property and equipment, net	6,618	5,262
Total Property and equipment	<u>2,988,583</u>	<u>2,923,355</u>
Intangible assets		
Leasehold rights	50,705	53,075
Other intangible assets	1,012	939
Total intangible assets	<u>51,718</u>	<u>54,015</u>
Investment and other assets		
Investment securities	355,698	366,530
Guarantee and lease deposits paid to lessors	103,980	107,251
Deferred income taxes	12,684	13,534
Other investments	50,860	45,329
Allowance for doubtful accounts	(9,800)	(11,914)
Total investment and other assets	<u>513,423</u>	<u>520,731</u>
Total fixed assets	<u>3,553,725</u>	<u>3,498,101</u>
Total assets	<u>¥ 4,675,914</u>	<u>¥ 4,523,804</u>

Millions of yen

Liabilities and Net Assets

	March 31, 2016	March 31, 2015
<i>Current liabilities:</i>		
Notes and accounts payable—trade	¥ 54,316	¥ 66,963
Short-term debt	78,718	87,000
Long-term debt due within one year	296,737	320,862
Long-term non-recourse loans due within one year	105,504	60,927
Corporate bonds due within one year	20,000	60,000
Non-recourse bonds due within one year	16,460	8,264
Accrued income taxes	30,046	26,518
Deposits received	71,619	61,172
Accrued bonuses	4,216	3,725
Other current liabilities	154,796	102,109
Total current liabilities	832,414	797,543
<i>Long-term liabilities:</i>		
Corporate bonds	400,000	380,000
Non-recourse bonds	24,600	36,060
Long-term debt	1,944,819	1,735,356
Long-term non-recourse loans	272,063	338,558
Allowance for retirement benefits for directors	141	197
Net defined benefit liability	6,081	5,433
Guarantee and lease deposits received	181,497	168,273
Long-term deposits received	68,302	160,119
Other long-term liabilities	28,718	42,724
Total long-term liabilities	2,926,223	2,866,722
Total liabilities	3,758,637	3,664,265
<i>Net assets:</i>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,750
Retained earnings	569,740	494,275
Treasury stock	(4,335)	(4,246)
Total shareholders' equity	820,958	745,584
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	72,261	88,798
Net deferred losses on hedges	(4,247)	(1,615)
Foreign currency translation adjustments	(509)	(550)
Remeasurements of defined benefit plans	(364)	244
Total accumulated other comprehensive income	67,140	86,877
Non-controlling interests	29,177	27,076
Total net assets	917,277	859,538
Total liabilities and net assets	¥ 4,675,914	¥ 4,523,804

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended March 31,	
	2016	2015
Revenue from operations	¥ 854,964	¥ 806,835
Cost of revenue from operations	614,190	579,964
Gross profit	240,773	226,870
Selling, general and administrative expenses	66,532	60,976
Operating income	174,240	165,894
Non-operating income		
Interest and dividend income	5,574	5,260
Other non-operating income	739	642
Total non-operating income	6,313	5,902
Non-operating expenses		
Interest expense	24,489	26,246
Other non-operating expenses	7,640	6,495
Total non-operating expenses	32,129	32,742
Ordinary profit	148,424	139,055
Extraordinary income		
Gain on sale of property and equipment	114	3
Gain on sale of investment securities	428	-
Other extraordinary income	3	-
Total extraordinary income	546	3
Extraordinary losses		
Loss on impairment of fixed assets	10,806	3,810
Loss on sale of property and equipment	-	3
Loss on disposal of property and equipment	1,145	3,105
Loss on devaluation of investment securities	465	30
Loss on sale of investment securities	76	-
Other extraordinary losses	922	1,443
Total extraordinary losses	13,416	8,392
Income before income taxes and minority interests	135,553	130,666
Income taxes	44,729	47,445
Profit	90,824	83,220
Profit attributable to non-controlling interests	3,026	2,654
Profit attributable to owners of parent	¥ 87,797	¥ 80,566

Consolidated Statement of Comprehensive Income

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

	<i>Millions of yen</i>	
	Fiscal year ended March 31,	
	2016	2015
Profit	¥ 90,824	¥ 83,220
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	(16,513)	51,056
Net deferred gains (losses) on hedges	(2,648)	10
Foreign currency translation adjustments	58	3,497
Remeasurements of defined benefit plans	(710)	65
Total other comprehensive income (loss)	(19,814)	54,629
Comprehensive income	71,009	137,850
Comprehensive income attributable to:		
Owners of the parent	68,061	134,510
Non-controlling interests	2,948	3,339

Fair Value of Investment and Rental Properties

	<i>Millions of yen</i>			
	As of March 31, 2016		As of March 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment and rental Properties	¥ 2,973,971	¥ 4,671,534	¥ 2,914,271	¥ 4,204,415