

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

Fiscal 2019 (Year ending March 31, 2020)

November 12, 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 Second Quarter (April 1, 2019 - September 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>Six months ended Sep 30, 2019</b>	<b>579,438</b>	<b>7.1</b>	<b>137,573</b>	<b>9.8</b>	<b>131,848</b>	<b>11.2</b>	<b>93,224</b>	<b>16.5</b>
Six months ended Sep 30, 2018	541,043	—	125,248	—	118,563	—	80,025	—
(Reference) Fiscal 2018	1,012,198	—	219,389	—	203,227	—	130,102	—

Notes 1: Comprehensive Income

Fiscal 2019, 2nd quarter : 88,837 millions of yen, (3.9%); Fiscal 2018, 2nd quarter : 92,443 millions of yen, (—%)

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, 2019</b>	<b>196.70</b>	<b>—</b>
Six months ended Sep 30, 2018	168.85	—
(Reference) Fiscal 2018	274.51	—

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

Fiscal 2019, 1H : 473,940,082 shares; Fiscal 2018, 1H : 473,944,104 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, 2019</b>	<b>5,151,095</b>	<b>1,283,355</b>	<b>24.9</b>
As of Sep 30, 2018	5,120,661	1,195,400	23.3
(Reference) Fiscal 2018	5,130,118	1,202,103	23.4

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2019 : 473,939,955 shares; As of Sep 30, 2018 : 473,940,463 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

	Six months ended Sep 30, 2018	Six months ended Sep 30, 2019	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Achieved (%)
Leasing	186,398	193,798	+7,399	390,000	50
Sales	237,208	254,894	+17,686	320,000	80
Construction	80,042	92,116	+12,074	230,000	40
Brokerage	34,827	36,209	+1,382	73,000	50
Other and Elimination/Corporate	2,566	2,418	(148)	7,000	-
<b>Total</b>	<b>541,043</b>	<b>579,438</b>	<b>+38,395</b>	<b>1,020,000</b>	<b>57</b>

(2) Operating income

	Six months ended Sep 30, 2018	Six months ended Sep 30, 2019	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2019	Achieved (%)
Leasing	77,186	83,674	+6,488	163,000	51
Sales	44,682	46,410	+1,728	47,000	99
Construction	2,898	6,635	+3,736	22,000	30
Brokerage	10,248	11,122	+874	22,000	51
Other and Elimination/Corporate	(9,766)	(10,268)	(502)	(20,000)	-
<b>Total</b>	<b>125,248</b>	<b>137,573</b>	<b>+12,324</b>	<b>234,000</b>	<b>59</b>

Note: Consolidated financial results for the second quarter of fiscal 2018 (April 1, 2018-September 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	September 30, 2019		March 31, 2019	
<b>Current assets:</b>				
Cash, time and notice deposits	¥	180,259	¥	172,191
Notes and accounts receivable—trade		16,508		21,566
Real estate for sale		282,612		390,025
Real estate for sale in process		290,389		282,594
Costs on uncompleted construction contracts		12,902		5,826
Other inventories		1,302		1,455
Other current assets		49,395		59,422
Allowance for doubtful accounts		(78)		(72)
Total current assets		833,291		933,011
<b>Fixed assets:</b>				
Property and equipment				
Buildings and structures, net		895,533		859,028
Land		2,553,107		2,523,936
Construction in progress		178,838		139,452
Other property and equipment, net		8,556		8,593
Total Property and equipment		3,636,035		3,531,010
Intangible assets				
Leasehold rights		55,335		55,193
Other intangible assets		1,664		1,557
Total intangible assets		57,000		56,751
Investment and other assets				
Investment securities		502,525		478,966
Guarantee and lease deposits paid to lessors		70,430		70,298
Deferred income taxes		14,651		17,463
Other investments		39,245		51,769
Allowance for doubtful accounts		(2,084)		(9,152)
Total investment and other assets		624,768		609,345
Total fixed assets		4,317,804		4,197,107
Total assets	¥	5,151,095	¥	5,130,118

<b>Liabilities and Net Assets</b>	<i>Millions of yen</i>			
		<b>September 30, 2019</b>		<b>March 31, 2019</b>
<b><i>Current liabilities:</i></b>				
Notes and accounts payable—trade	¥	23,865	¥	54,937
Short-term debt		25,178		25,643
Long-term debt due within one year		119,241		129,618
Long-term non-recourse loans due within one year		30,423		100,298
Corporate bonds due within one year		30,000		40,000
Non-recourse bonds due within one year		3,000		2,000
Accrued income taxes		39,631		29,260
Deposits received		45,962		61,581
Accrued bonuses		4,427		5,572
Other current liabilities		144,892		137,127
		<b>466,621</b>		<b>586,039</b>
<b><i>Long-term liabilities:</i></b>				
Corporate bonds		270,000		270,000
Non-recourse bonds		36,100		37,100
Long-term debt		2,464,924		2,474,327
Long-term non-recourse loans		330,471		263,800
Allowance for retirement benefits for directors		42		40
Net defined benefit liability		6,007		6,018
Guarantee and lease deposits received		236,238		228,958
Long-term deposits received		46,012		49,807
Other long-term liabilities		11,322		11,924
		<b>3,401,118</b>		<b>3,341,975</b>
		<b>3,867,739</b>		<b>3,928,015</b>
<b><i>Net assets:</i></b>				
<b>Shareholders' equity</b>				
Capital		122,805		122,805
Capital surplus		104,153		104,153
Retained earnings		962,443		876,802
Treasury stock		(4,471)		(4,469)
		<b>1,184,930</b>		<b>1,099,291</b>
<b>Accumulated other comprehensive income (loss)</b>				
Net unrealized holding gains on securities		106,383		109,209
Net deferred losses on hedges		(4,746)		(3,971)
Foreign currency translation adjustments		(3,161)		(2,352)
Remeasurements of defined benefit plans		(50)		(73)
		<b>98,425</b>		<b>102,811</b>
		<b>1,283,355</b>		<b>1,202,103</b>
<b>Total liabilities and net assets</b>	¥	<b>5,151,095</b>	¥	<b>5,130,118</b>

## 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>2019</b>	<b>2018</b>
<b>Revenue from operations</b>	¥ 579,438	¥ 541,043
<b>Cost of revenue from operations</b>	397,476	374,759
<b>Gross profit</b>	181,962	166,283
<b>Selling, general and administrative expenses</b>	44,388	41,034
<b>Operating income</b>	137,573	125,248
<b>Non-operating income</b>		
Interest and dividend income	6,566	5,634
Other non-operating income	124	407
Total non-operating income	6,691	6,042
<b>Non-operating expenses</b>		
Interest expense	9,692	10,300
Other non-operating expenses	2,723	2,427
Total non-operating expenses	12,416	12,728
<b>Ordinary profit</b>	131,848	118,563
<b>Extraordinary income</b>		
Gain on sale of property and equipment	0	1
Gain on sale of investment securities	-	0
Reversal of allowance for doubtful accounts	4,824	-
Total extraordinary income	4,824	1
<b>Extraordinary loss</b>		
Loss on disposal of property and equipment	923	938
Loss on sale of property and equipment	0	0
Loss on devaluation of investment securities	801	-
Other extraordinary losses	6	35
Total extraordinary losses	1,732	974
<b>Income before income taxes</b>	134,941	117,590
<b>Income taxes</b>	41,717	37,564
<b>Profit</b>	93,224	80,025
<b>Profit attributable to non-controlling interests</b>	-	-
<b>Profit attributable to owners of parent</b>	¥ 93,224	¥ 80,025

## 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>2019</b>	<b>2018</b>
<b>Profit</b>	¥ 93,224	¥ 80,025
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains (losses) on securities	(2,826)	12,187
Net deferred gains (losses) on hedges	(774)	704
Foreign currency translation adjustments	(808)	(395)
Remeasurements of defined benefit plans	23	(79)
Total other comprehensive income (loss)	(4,386)	12,418
<b>Comprehensive income</b>	88,837	92,443
Comprehensive income attributable to:		
Owners of the parent	88,837	92,443
Non-controlling interests	-	-

Note: Consolidated financial results for the second quarter of fiscal 2018 (April 1, 2018-September 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.