

# Consolidated Financial Results for the Second Quarter of Fiscal 2020 (April 1, 2020 - September 30, 2020)

Fiscal 2020 (Year ending March 31, 2021)

November 12, 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 Second Quarter (April 1, 2020 - September 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	%
<b>Six months ended Sep 30, 2020</b>	<b>515,122</b>	<b>(11.1)</b>	<b>132,847</b>	<b>(3.4)</b>	<b>129,541</b>	<b>(1.7)</b>	<b>97,131</b>	<b>4.2</b>
Six months ended Sep 30, 2019	579,438	7.1	137,573	9.8	131,848	11.2	93,224	16.5
(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, 2nd quarter : 133,610 millions of yen, 50.4%; Fiscal 2019, 2nd quarter : 88,837 millions of yen, (3.9%)

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, 2020</b>	<b>204.94</b>	—
Six months ended Sep 30, 2019	196.70	—
(Reference) Fiscal 2019	297.50	—

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

Fiscal 2020, 1H : 473,939,478 shares; Fiscal 2019, 1H : 473,940,082 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, 2020</b>	<b>5,390,213</b>	<b>1,420,260</b>	<b>26.3</b>
As of Sep 30, 2019	5,151,095	1,283,355	24.9
(Reference) Fiscal 2019	5,317,623	1,294,998	24.4

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2020 : 473,939,356 shares; As of Sep 30, 2019 : 473,939,955 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2019</b>	<b>16.00</b>	<b>19.00</b>	<b>35.00</b>
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
<b>Fiscal 2020</b>	<b>900,000</b>	<b>213,000</b>	<b>200,000</b>	<b>140,000</b>

Consolidated business forecasts announced on May 14, 2020 have 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, 2019	Six months ended Sep 30, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	193,798	196,914	+3,115	390,000	50
Sales	254,894	213,265	(41,628)	270,000	79
Construction	92,116	73,923	(18,193)	180,000	41
Brokerage	37,627	31,070	(6,557)	60,000	52
Other and Elimination/Corporate	1,001	(51)	(1,053)	—	—
<b>Total</b>	<b>579,438</b>	<b>515,122</b>	<b>(64,316)</b>	<b>900,000</b>	<b>57</b>

(2) Operating income

	Six months ended Sep 30, 2019	Six months ended Sep 30, 2020	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2020	Achieved (%)
Leasing	83,674	81,467	(2,206)	160,000	51
Sales	45,562	52,825	+7,263	53,000	99
Construction	6,635	2,381	(4,253)	12,000	20
Brokerage	9,274	5,439	(3,835)	9,000	60
Other and Elimination/Corporate	(7,572)	(9,267)	(1,694)	(21,000)	—
<b>Total</b>	<b>137,573</b>	<b>132,847</b>	<b>(4,726)</b>	<b>213,000</b>	<b>62</b>

Note: From the beginning of fiscal 2020 (year ending March 31, 2021), 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 second quarter of fiscal 2019 (April 1, 2019-September 30, 2019) have been adjusted retroactively.

## Consolidated Balance Sheets

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

Assets	Millions of yen	
	September 30, 2020	March 31, 2020
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 166,375	¥ 195,360
Notes and accounts receivable—trade	11,248	17,405
Real estate for sale	230,959	351,368
Real estate for sale in process	353,184	286,254
Costs on uncompleted construction contracts	14,602	10,369
Other inventories	972	887
Other current assets	55,006	54,447
Allowance for doubtful accounts	(44)	(60)
Total current assets	832,305	916,034
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	1,098,207	1,036,339
Land	2,668,160	2,558,356
Construction in progress	103,413	133,716
Other property and equipment, net	13,255	11,842
Total Property and equipment	3,883,037	3,740,255
Intangible assets		
Leasehold rights	60,096	55,823
Other intangible assets	2,093	1,738
Total intangible assets	62,190	57,561
Investment and other assets		
Investment securities	497,159	469,229
Guarantee and lease deposits paid to lessors	68,891	70,171
Deferred income taxes	13,517	30,067
Other investments	35,194	36,385
Allowance for doubtful accounts	(2,082)	(2,082)
Total investment and other assets	612,679	603,772
Total fixed assets	4,557,907	4,401,589
Total assets	¥ 5,390,213	¥ 5,317,623

<b>Liabilities and Net Assets</b>	<i>Millions of yen</i>	
	<b>September 30, 2020</b>	<b>March 31, 2020</b>
<b><i>Current liabilities:</i></b>		
Notes and accounts payable—trade	¥ 14,877	¥ 36,392
Short-term debt	26,620	26,726
Long-term debt due within one year	160,946	131,471
Long-term non-recourse loans due within one year	60,715	62,373
Commercial paper	142,000	120,000
Non-recourse bonds due within one year	8,400	8,000
Accrued income taxes	43,995	32,343
Deposits received	31,190	51,195
Accrued bonuses	3,811	5,441
Other current liabilities	130,371	148,102
Total current liabilities	622,927	622,045
<b><i>Long-term liabilities:</i></b>		
Corporate bonds	270,000	270,000
Non-recourse bonds	30,700	31,100
Long-term debt	2,525,683	2,572,156
Long-term non-recourse loans	217,486	219,082
Allowance for retirement benefits for directors	23	47
Net defined benefit liability	6,239	6,269
Guarantee and lease deposits received	253,502	247,609
Long-term deposits received	33,886	45,895
Other long-term liabilities	9,505	8,417
Total long-term liabilities	3,347,024	3,400,578
Total liabilities	3,969,952	4,022,624
<b><i>Net assets:</i></b>		
<b>Shareholders' equity</b>		
Capital	122,805	122,805
Capital surplus	104,153	104,153
Retained earnings	1,091,416	1,002,633
Treasury stock	(4,474)	(4,473)
Total shareholders' equity	1,313,901	1,225,119
<b>Accumulated other comprehensive income (loss)</b>		
Net unrealized holding gains on securities	114,018	76,335
Net deferred losses on hedges	(4,384)	(3,560)
Foreign currency translation adjustments	(3,187)	(2,718)
Remeasurements of defined benefit plans	(87)	(177)
Total accumulated other comprehensive income	106,358	69,879
Total net assets	1,420,260	1,294,998
Total liabilities and net assets	¥ 5,390,213	¥ 5,317,623

## 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>2020</b>	<b>2019</b>
<b>Revenue from operations</b>	¥ 515,122	¥ 579,438
<b>Cost of revenue from operations</b>	347,443	397,476
<b>Gross profit</b>	167,678	181,962
<b>Selling, general and administrative expenses</b>	34,831	44,388
<b>Operating income</b>	132,847	137,573
<b>Non-operating income</b>		
Interest and dividend income	7,197	6,566
Other non-operating income	1,123	124
Total non-operating income	8,320	6,691
<b>Non-operating expenses</b>		
Interest expense	9,276	9,692
Other non-operating expenses	2,349	2,723
Total non-operating expenses	11,626	12,416
<b>Ordinary profit</b>	129,541	131,848
<b>Extraordinary income</b>		
Gain on sale of property and equipment	535	0
Gain on sale of investment securities	11,934	—
Reversal of allowance for doubtful accounts	—	4,824
Total extraordinary income	12,469	4,824
<b>Extraordinary loss</b>		
Loss on sale of property and equipment	—	0
Loss on disposal of property and equipment	632	923
Loss on devaluation of investment securities	—	801
Loss on sale of investment securities	45	—
Loss related to COVID-19	629	—
Other extraordinary losses	2	6
Total extraordinary losses	1,308	1,732
<b>Income before income taxes</b>	140,702	134,941
<b>Income taxes</b>	43,570	41,717
<b>Profit</b>	97,131	93,224
<b>Profit attributable to non-controlling interests</b>	—	—
<b>Profit attributable to owners of parent</b>	¥ 97,131	¥ 93,224

## Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended September 30,	
	2020	2019
<b>Profit</b>	¥ 97,131	¥ 93,224
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains (losses) on securities	37,683	(2,826)
Net deferred gains (losses) on hedges	(824)	(774)
Foreign currency translation adjustments	(468)	(808)
Remeasurements of defined benefit plans	89	23
Total other comprehensive income (loss)	36,479	(4,386)
<b>Comprehensive income</b>	133,610	88,837
Comprehensive income attributable to:		
Owners of the parent	133,610	88,837
Non-controlling interests	—	—