

Introduction to Construction and Real Estate Businesses

March 21st, 2017

◆ Sumitomo Corporation

Key messages

BE THE BEST. BE THE ONE

- **Importance of Real Estate Businesses**
- **Business development that is not inferior to competitors**
Commitment to real estate development
- **Stable and highly profitable business contents**



**A steady profit of more than 20 billion yen &
Management assets (total assets + assets under management)
1,200 billion yen**

⇒ Aim for achievement in FY2019

1. Summary of Our Real Estate Businesses

2. Characteristic of Our Real Estate Businesses

3. Performance

1. Summary of Real Estate Businesses① - Organizations



※Mar, 2017

1. Summary of Real Estate Businesses② - History

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1919

Established Osaka North Harbour Company (origin of Sumitomo Corporation)

1950

Management of property of Osaka North Harbour Company Ltd and Sumitomo family

1960

Full-fledged participation in office building and condominium business
(Sumitomo building, Maison Nishinomiya)

1970

Participation in commercial facility business (Ichihara shopping square)

1980

Expansion of overseas real estate business (600 Third Avenue, SUMMITMAS I)

1990

Development of large mixed-use facilities
(Decks Tokyo Beach, Queens Square Yokohama)

2000

Enter into fund business and build-to-suit business, and fund-fledged initiatives
of real estate securitization
(Fund composition for Commercial and Residence, Harumi Triton Square, The Tokyo Towers)

2010

Participation in private-placement REIT arrangement and logistics real estate development
business (Organization of SC Realty Private REIT Inc, SOSiLA series, Terrace Mall Shonan)



※Projects between brackets are representative.

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1. Summary of Our Real Estate Businesses

2. Characteristic of Our Real Estate Businesses

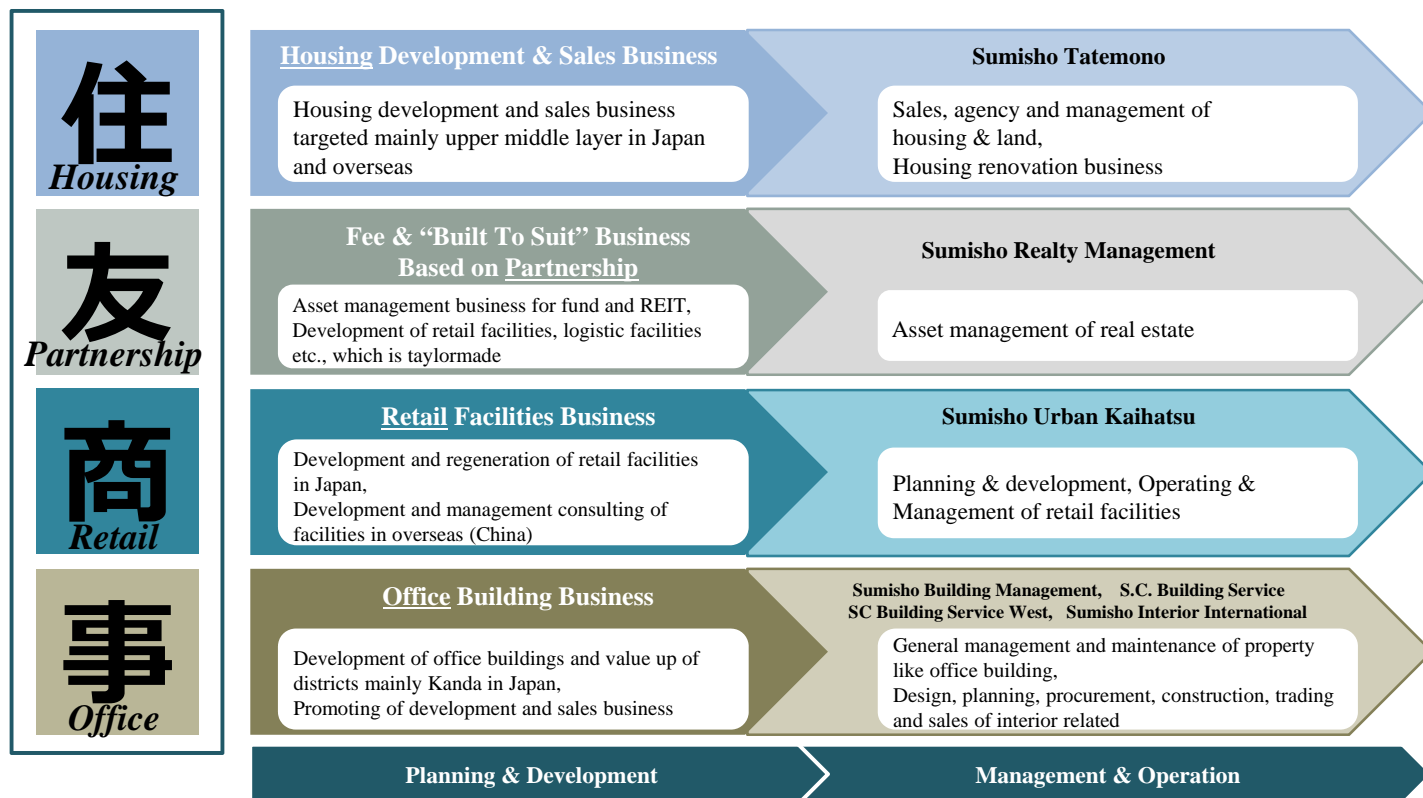
3. Performance

2. Characteristic of Our Real Estate Businesses①

- Full Line UP

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We provide one-stop services from planning to operation of various products as an integrated real estate developer.



2. Characteristic of Our Real Estate Businesses② - Hands-on

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Development of comprehensive real estate business - Hands-On

Culture of Manufacturing based on real estate business for about 100 years



Strength as Integrated Trading Company

Know-how accumulated in various real estate developments, office, residence, retail and so on

Proposal and development utilizing a large number of merchandise and network as a integrated trading company power



Office Building



Condominium



Retail Facilities



BTS · Logistic Real Estate

2.Characteristic of Our Real Estate Businesses③

- Initiatives for Large-Scale Composite Development Projects

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■ Queens Square Yokohama (Yokohama, Kanagawa)

- founded : Jun, 1997
- size : 36th floor above ground, underground 5 floor
- floor area : 496,386 m2
- use : office, retail facility, hotel



■ Decks Tokyo Beach (Minato-ku, Tokyo)

- founded : 2000年 (II phase)
- size : 8th floor above ground
- floor area : 69,000 m2
- use : retail facility



■ Harumi Triton Square (Chuo-ku, Tokyo)

- founded : Oct, 2001
- size : 44th floor above ground, underground 4 floor
- floor area : 435,601 m2
- use : office, retail facility



■ Mikage Classe ・ Mikage Tower Residence (Hyogo)

- founded : Feb, 2008
- size : (commercial)5th floor above ground, underground 1 floor
- floor area : 107,900 m2
- use : retail facility, condominium



■ GINZA SIX (Chuo-ku, Tokyo)

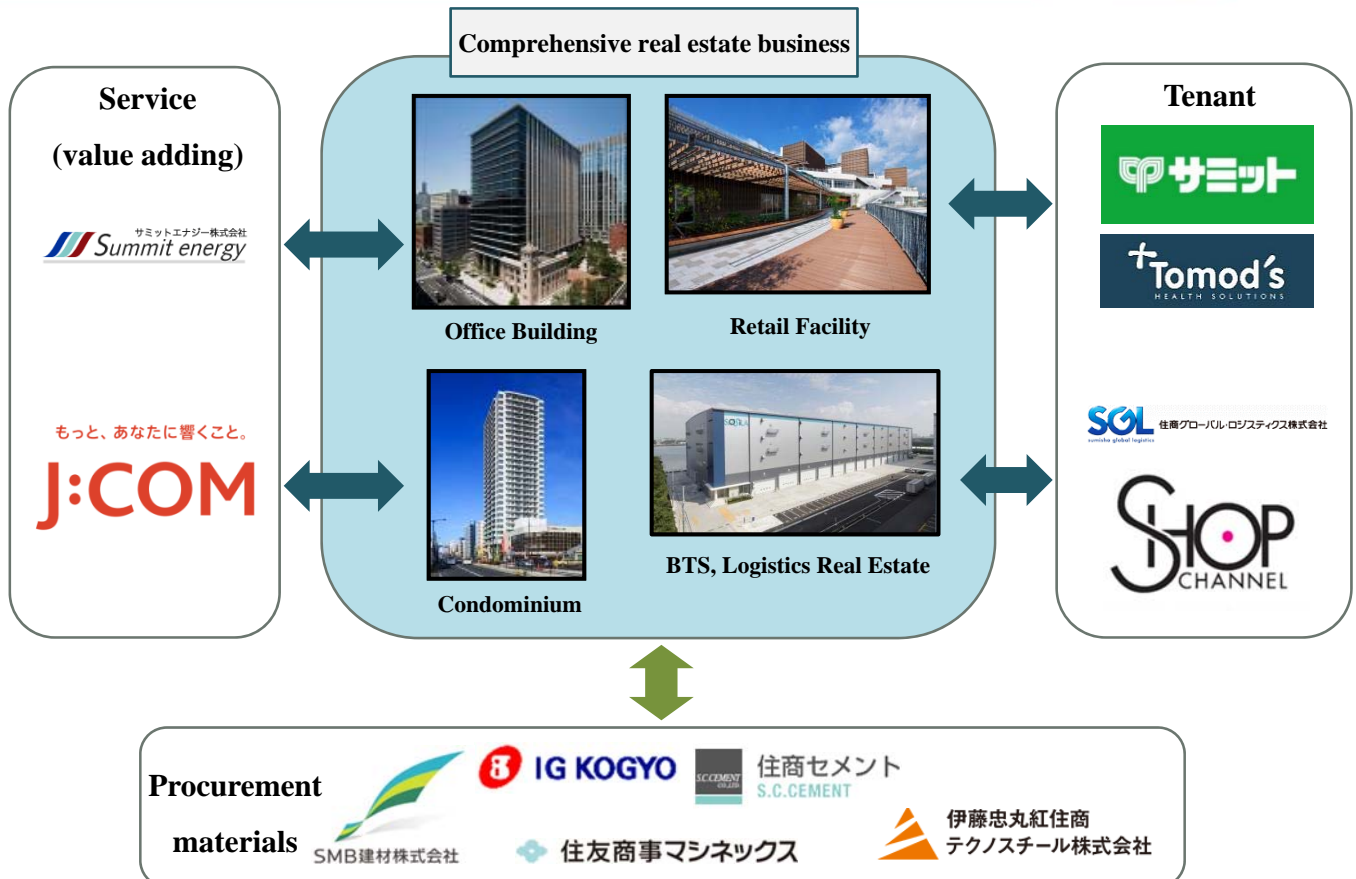
- founded : Jan, 2017
- floor area : 147,900m²
- One of the largest floor area in Tokyo rental area
- Creating a commercial space with a sales floor area of approximately 46,000 m2
- Functions as a sightseeing base, such as preparing the first tourist bus stop for Ginza

- Feb,2003 Organization of town development councils / Discussion started
- Dec,2011 Urban planning decision
- Dec,2012 Establishment of redevelopment association, business approval
- Apr,2014 Construction start
- Jan,2017 Completion
- Apr,2017 Commercial facility / Noh-gakudo open

2. Characteristic of Our Real Estate Businesses④

- Exercise comprehensive power as a integrated trading company

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2. Characteristic of Our Real Estate Businesses⑤

- Businesses in overseas

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※As of Mar. 2017



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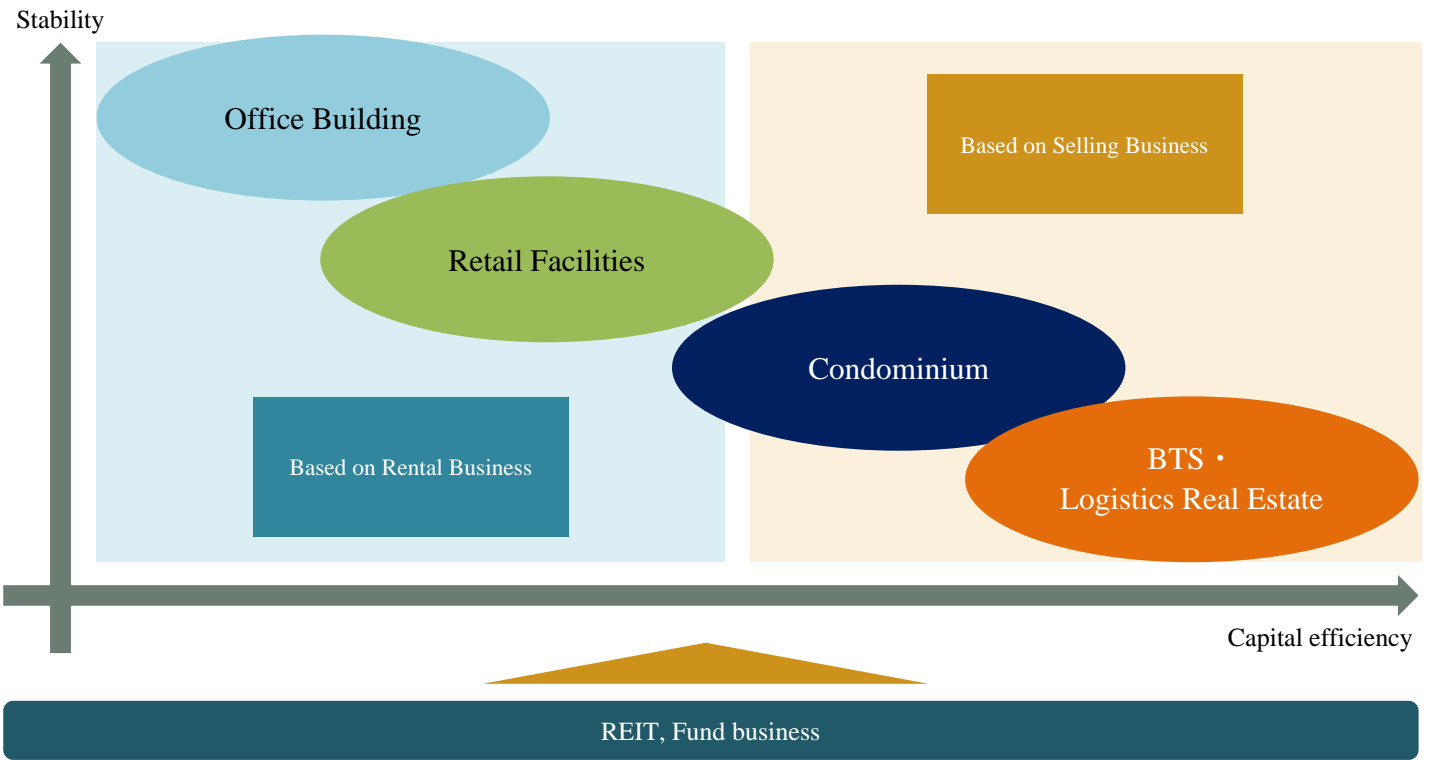
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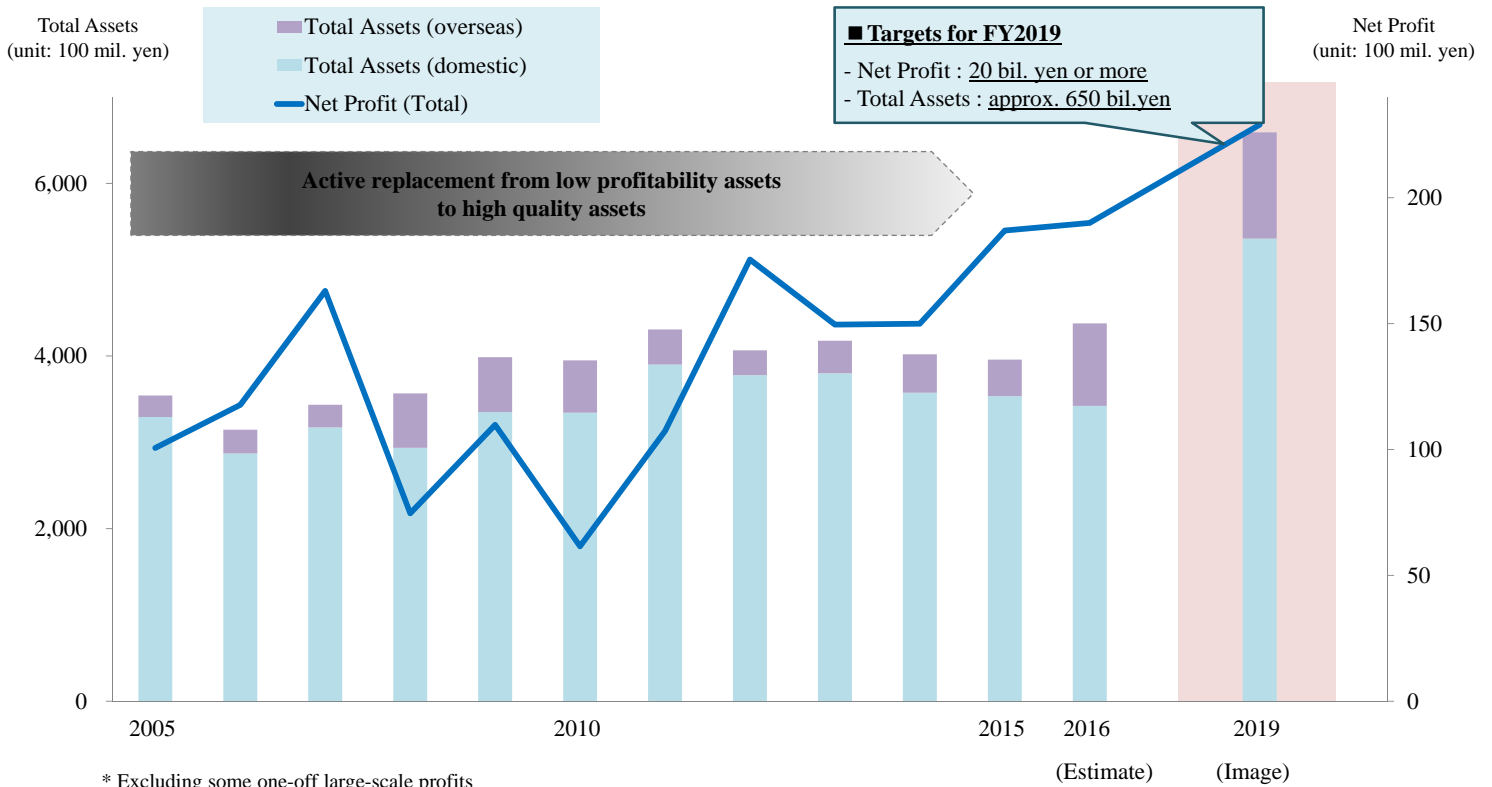
3. Performance - Portfolio Assumption

Portfolio of various types of business lines



3. Performance - Total Assets, Net Profit

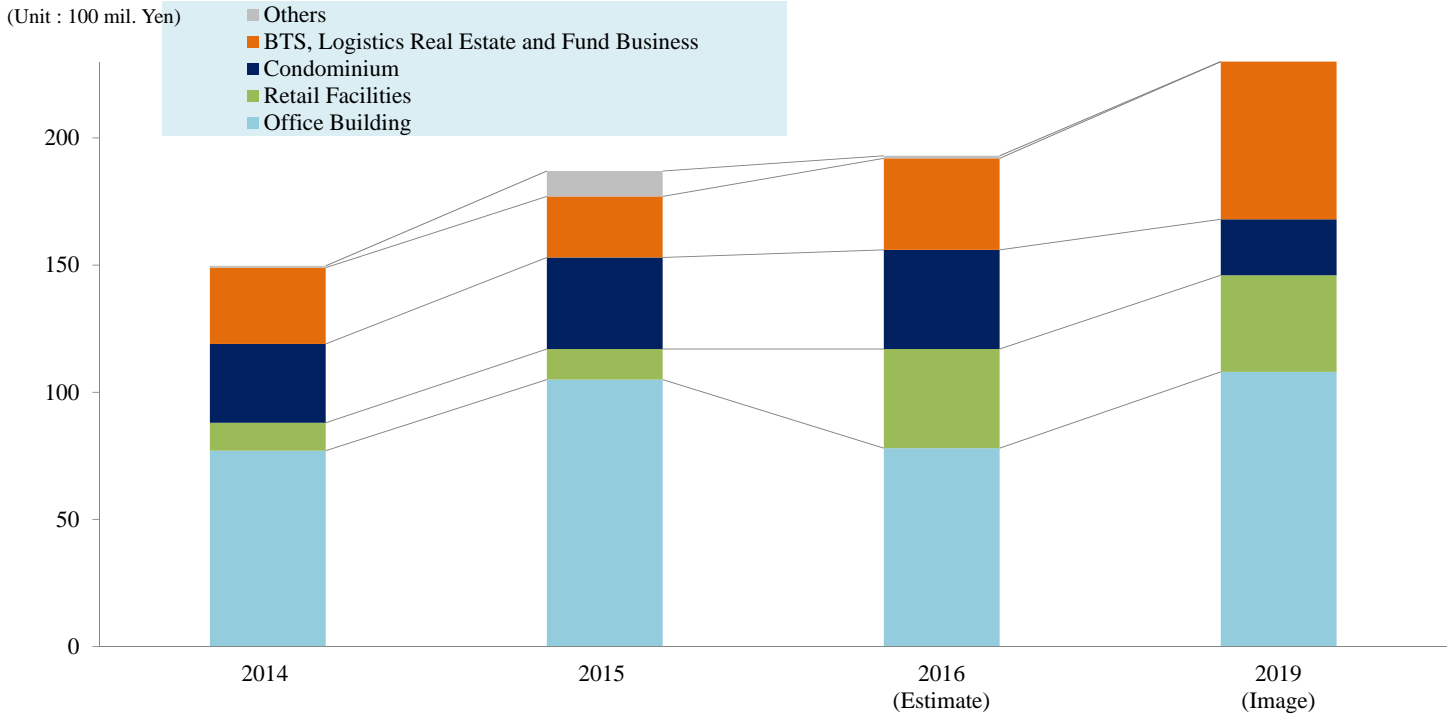
Theme : Profit growth with increased high quality assets and higher overseas ratio (20% as a target)



* Excluding some one-off large-scale profits

3. Performance - Net Profit by Business Line

Aiming for diversified expansion of portfolio with stable income base

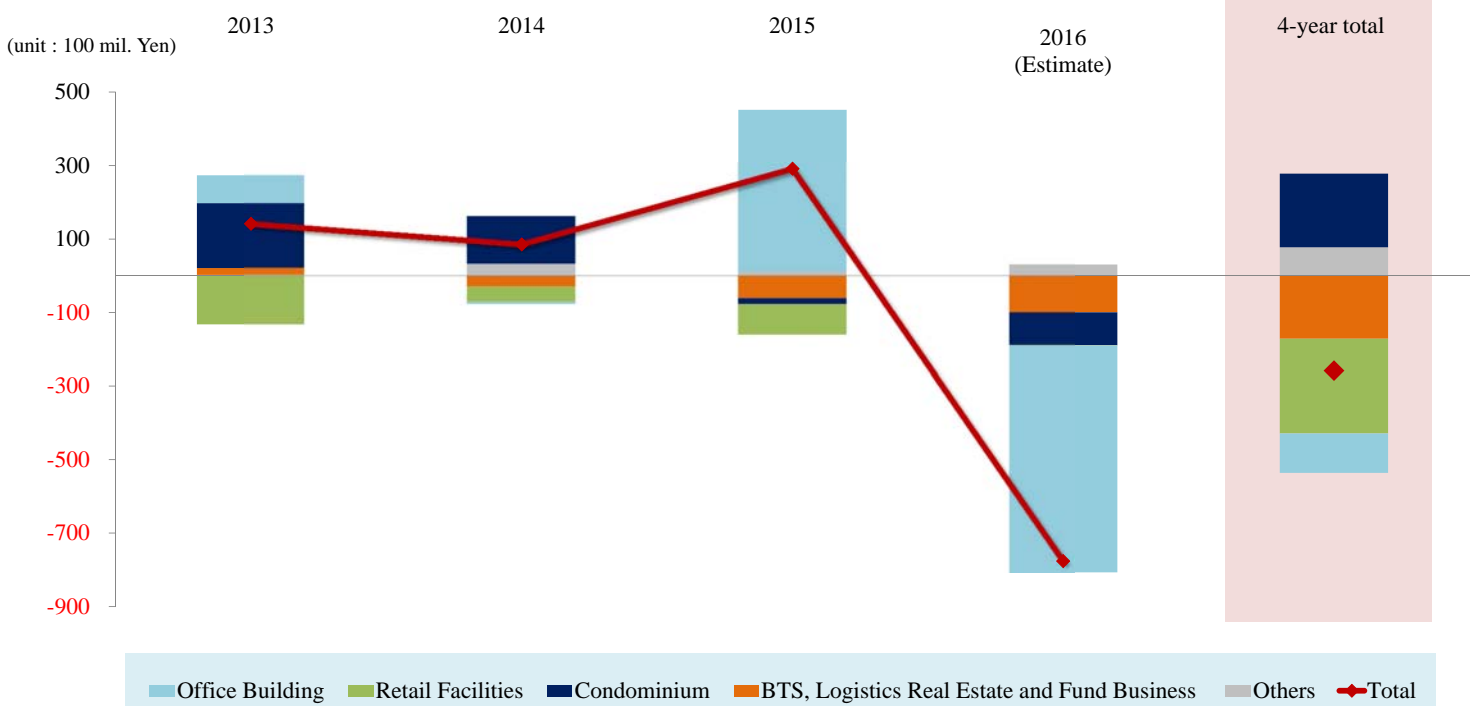


* Excluding some one-off large-scale profits

* Office Building includes condominium business and residential land development business in the U.S.

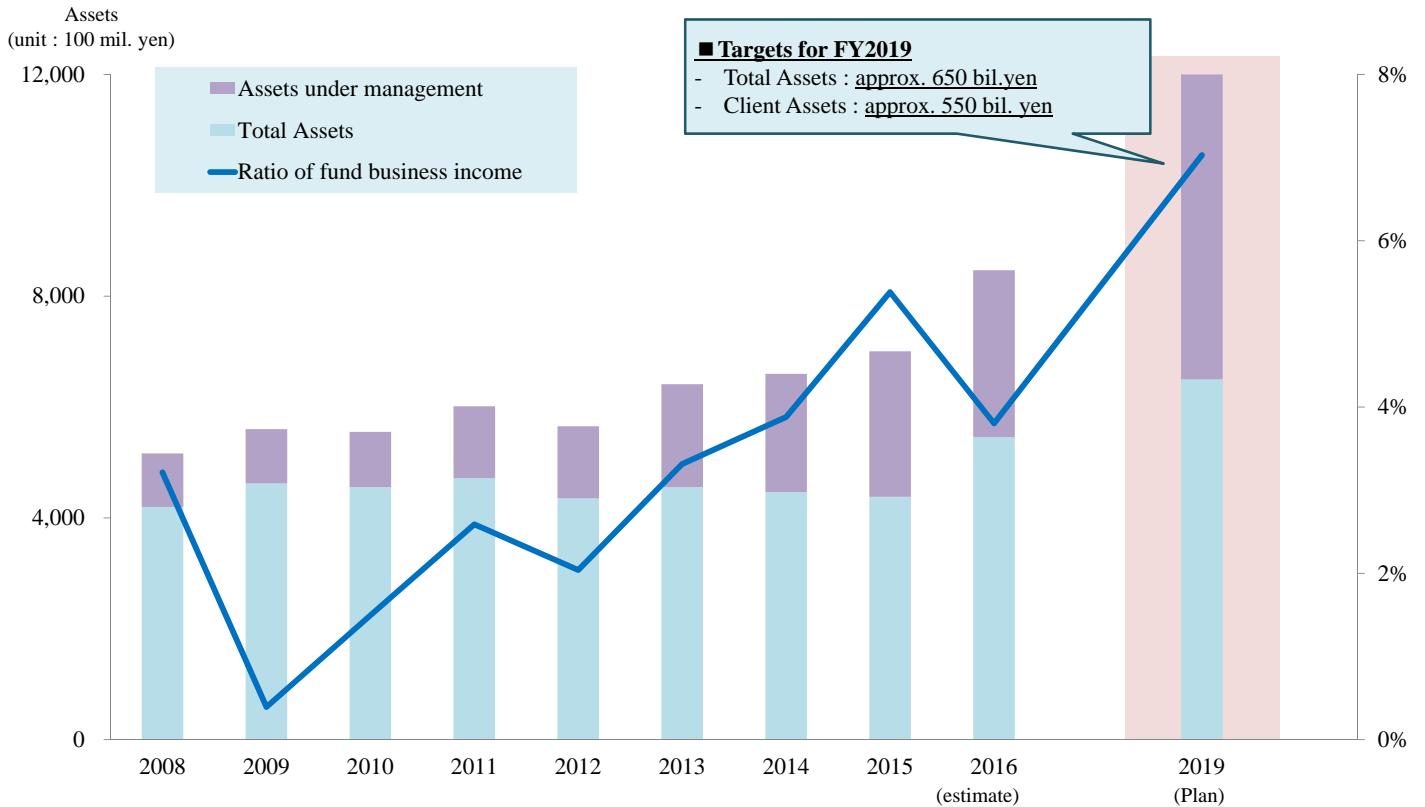
3. Performance - Free Cash Flow

Investments have made along with the company policy "Investment should be financed with cash generated".



3. Performance – Assets Under Management in Fund/REIT Business

Aiming for 1,200 billion yen of total management assets (total assets + assets under management) at the end of FY2019



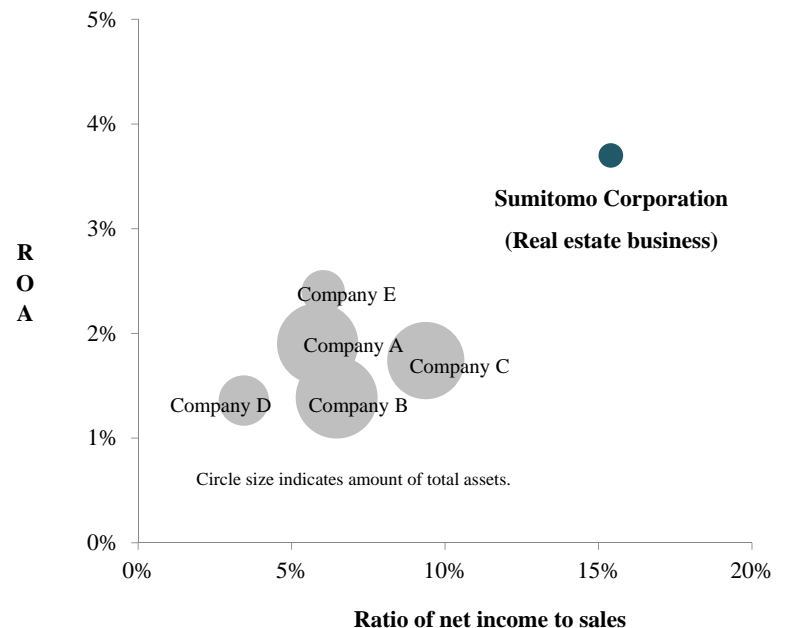
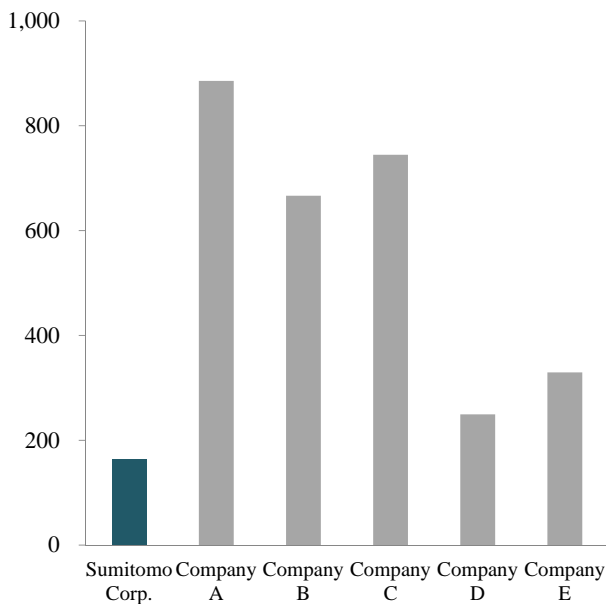
3. Performance - Comparison with Competitors

Higher profitability and efficiency than major real estate developers, though disadvantage in size

■ Net Profit (FY2012-15, Average)

■ Ratio of net income to sales, ROA (FY2012-15, average)

(unit : 100 bil. yen)



* Excluding some one-off large-scale profits

* Financial results are based on the financial statements of the companies.

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