

# Consolidated Financial Results for the Second Quarter of Fiscal 2010 (April 1, 2010 - September 30, 2010)

Fiscal 2010 (Year ending March 31, 2011)

November 5, 2010

## SUMITOMO REALTY & DEVELOPMENT CO., LTD.

Stock Exchange Listings TSE1, OSE1  
 Securities Code 8830  
 Location of Head Office Tokyo, Japan  
 URL <http://www.sumitomo-rd.co.jp/english/>

### 1. Results for Second Quarter (April 1, 2010 - September 30, 2010)

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

	Operating revenues		Operating income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Six months ended Sep. 30, 2010</b>	<b>375,723</b>	<b>13.9</b>	<b>70,730</b>	<b>(5.1)</b>	<b>54,638</b>	<b>(5.8)</b>	<b>27,752</b>	<b>(15.6)</b>
Six months ended Sep. 30, 2009	329,849	5.3	74,561	5.0	58,012	3.9	32,873	42.9
(Reference) Fiscal 2009	719,635	3.5	133,979	(8.5)	100,464	(11.5)	52,662	14.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Six months ended Sep. 30, 2010</b>	<b>58.52</b>	<b>51.57</b>
Six months ended Sep. 30, 2009	69.32	57.28
(Reference) Fiscal 2009	111.04	92.11

Notes 1. Average number of shares issued and outstanding (consolidated)

Fiscal 2010, 1H : 474,221,312 shares; Fiscal 2009, 1H : 474,253,157 shares

2. Percentages represent changes compared with the second quarter of the previous year.

(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
<b>As of Sep. 30, 2010</b>	<b>3,147,349</b>	<b>504,818</b>	<b>16.0</b>	<b>1,064.54</b>
As of Sep. 30, 2009	3,019,432	474,344	15.7	1,000.21
(Reference) Fiscal 2009	3,168,097	488,896	15.4	1,030.93

Note: Number of shares issued and outstanding (consolidated)

As of Sep. 30, 2010 : 474,213,465 shares; As of Sep. 30, 2009 : 474,245,330 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2009</b>	<b>10.00</b>	<b>10.00</b>	<b>20.00</b>
Forecast for Fiscal 2010	10.00	10.00	20.00

### 3. Consolidated Business Forecasts for Fiscal 2010 (Year ending March 31, 2011)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2010</b>	<b>730,000</b>	<b>135,000</b>	<b>101,000</b>	<b>53,000</b>

Consolidated business forecasts announced on May 12, 2010 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) Operating revenue

	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2010	Achieved (%)
Leasing	150,909	145,013	(5,896)	290,000	50
Sales	87,695	136,393	+48,697	225,000	61
Construction	67,625	69,385	+1,760	165,000	42
Brokerage	21,217	22,606	+1,388	47,000	48
Other and Elimination/Corporate	2,400	2,325	(74)	3,000	-
<b>Total</b>	<b>329,849</b>	<b>375,723</b>	<b>+45,874</b>	<b>730,000</b>	<b>51</b>

(2) Operating income

	Six months ended Sep. 30, 2009	Six months ended Sep. 30, 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2010	Achieved (%)
Leasing	56,718	45,048	(11,670)	85,000	53
Sales	12,557	19,658	+7,101	30,000	66
Construction	5,885	5,705	(179)	18,000	32
Brokerage	4,442	5,588	+1,146	13,000	43
Other and Elimination/Corporate	(5,041)	(5,270)	(229)	(11,000)	-
<b>Total</b>	<b>74,561</b>	<b>70,730</b>	<b>(3,831)</b>	<b>135,000</b>	<b>52</b>

## Consolidated Balance Sheets

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

Millions of yen

<b>Assets</b>	<b>September 30, 2010</b>	<b>March 31, 2010</b>
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 129,782	¥ 149,312
Notes and accounts receivable-trade	11,811	17,232
Marketable securities	2	2,704
Investments in SPCs holding properties for sale	62,935	62,885
Real estate for sale	239,643	240,517
Real estate for sale in process	229,057	276,416
Costs on uncompleted construction contracts	7,248	3,673
Other inventories	1,278	1,264
Deferred income taxes	13,708	13,743
Other current assets	33,800	35,625
Allowance for doubtful accounts	(555)	(681)
Total current assets	728,711	802,692
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	385,856	340,878
Land	1,507,035	1,490,605
Leased assets, net	802	809
Construction in progress	66,188	60,050
Other property and equipment, net	4,841	4,067
Net Property and equipment	1,964,724	1,896,411
Intangible assets		
Leasehold rights	50,785	50,243
Other intangible assets	1,112	1,119
Total intangible assets	51,898	51,362
Investment and other assets		
Investment securities	212,630	222,666
Long-term loan	3,483	3,390
Guarantee and lease deposits paid to lessors	154,830	166,570
Deferred income taxes	13,345	8,801
Other investments	32,673	31,161
Allowance for doubtful accounts	(14,948)	(14,960)
Total investment and other assets	402,015	417,630
Total fixed assets	2,418,637	2,365,405
Total assets	¥ 3,147,349	¥ 3,168,097

Millions of yen

## Liabilities and Net Assets

	September 30, 2010	March 31, 2010
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 15,332	¥ 54,170
Short-term debt	215,650	230,250
Long-term debt due within one year	239,930	193,621
Commercial paper	55,989	97,975
Corporate bonds due within one year	90,000	80,000
Accrued income taxes	18,070	20,902
Accrued bonuses	2,973	2,759
Deposits received	109,226	187,537
Other current liabilities	73,921	78,009
Total current liabilities	821,094	945,225
<b>Long-term liabilities:</b>		
Corporate bonds	320,000	340,000
Long-term debt	1,040,990	993,320
Allowance for employees' severance and retirement benefits	4,931	4,969
Allowance for retirement benefits for directors	200	186
Guarantee and lease deposits received	165,821	171,308
Long-term deposits received	239,097	199,017
Other long-term liabilities	31,615	6,670
Total long-term liabilities	1,802,656	1,715,472
Total liabilities	2,623,751	2,660,697
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,748
Retained earnings	271,845	248,835
Treasury stock	(3,565)	(3,543)
Total shareholders' equity	523,833	500,846
Valuation and translation adjustments		
Net unrealized holding losses on securities	(10,143)	(3,393)
Net deferred losses on hedges	(2,791)	(2,590)
Foreign currency translation adjustments	(6,080)	(5,965)
Total valuation and translation adjustments	(19,015)	(11,949)
Minority interests	18,780	18,503
Total net assets	523,598	507,400
Total liabilities and net assets	¥ 3,147,349	¥ 3,168,097

## Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	<b>Six months ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenue from operations</b>	¥ 375,723	¥ 329,849
<b>Cost of revenue from operations</b>	278,444	231,598
<b>Gross profit</b>	97,279	98,250
<b>Selling, general and administrative expenses</b>	26,549	23,688
<b>Operating income</b>	70,730	74,561
<b>Non-operating income</b>		
Interest and dividend income	1,936	1,409
Other non-operating income	271	265
Total non-operating income	2,208	1,674
<b>Non-operating expenses</b>		
Interest expense	15,065	15,007
Other non-operating expenses	3,234	3,216
Total non-operating expenses	18,299	18,224
<b>Ordinary profit</b>	54,638	58,012
<b>Extraordinary income</b>		
Gain on sale of property and equipment	109	-
Gain on sale of investment securities	0	1
Compensation income	-	104
Other extraordinary income	44	3
Total extraordinary income	154	108
<b>Extraordinary losses</b>		
Loss on sale of property and equipment	18	-
Loss on disposal of property and equipment	276	74
Loss on devaluation of investment securities	6,481	1,615
Loss on sale of investment securities	0	-
Other extraordinary losses	636	3
Total extraordinary losses	7,413	1,693
<b>Income before income taxes and minority interests</b>	47,379	56,428
<b>Income taxes</b>	18,758	22,901
<b>Income before minority interests</b>	28,621	-
<b>Minority interests</b>	868	652
<b>Net income</b>	¥ 27,752	¥ 32,873