

Consolidated Financial Results for the Third Quarter of Fiscal 2010 (April 1, 2010 - December 31, 2010)

Fiscal 2010 (Year ending March 31, 2011)

February 8, 2011

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 Third Quarter (April 1, 2010 - December 31, 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	%
Nine months ended Dec. 31, 2010	571,471	10.6	104,551	(3.3)	80,753	(3.3)	44,380	(6.0)
Nine months ended Dec. 31, 2009	516,761	6.3	108,125	2.2	83,516	1.0	47,196	41.4
(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
Nine months ended Dec. 31, 2010	93.59	82.37
Nine months ended Dec. 31, 2009	99.52	82.28
(Reference) Fiscal 2009	111.04	92.11

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

Fiscal 2010, 3rd quarter : 474,215,125 shares; Fiscal 2009, 3rd quarter : 474,249,521 shares

2. Percentages represent changes compared with the third 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
As of Dec. 31, 2010	3,103,706	519,918	16.8	1,096.45
As of Dec. 31, 2009	3,039,436	478,056	15.7	1,008.05
(Reference) Fiscal 2009	3,168,097	488,896	15.4	1,030.93

Note: Number of shares issued and outstanding (consolidated)

As of Dec. 31, 2010 : 474,185,111 shares; As of Dec. 31, 2009 : 474,236,844 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2009	10.00	10.00	20.00
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
Fiscal 2010	730,000	135,000	101,000	53,000

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

	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2010	Achieved (%)
Leasing	221,119	212,993	(8,125)	290,000	73
Sales	148,539	203,795	+55,255	225,000	91
Construction	112,365	118,771	+6,405	165,000	72
Brokerage	31,547	33,335	+1,788	47,000	71
Other and Elimination/Corporate	3,190	2,576	(613)	3,000	-
Total	516,761	571,471	+54,710	730,000	78

(2) Operating income

	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2010	Achieved (%)
Leasing	77,700	61,929	(15,771)	85,000	73
Sales	19,692	29,834	+10,142	30,000	99
Construction	11,770	12,596	+825	18,000	70
Brokerage	6,431	7,991	+1,560	13,000	61
Other and Elimination/Corporate	(7,469)	(7,800)	(331)	(11,000)	-
Total	108,125	104,551	(3,574)	135,000	77

Consolidated Balance Sheets

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

Millions of yen

Assets	December 31,		March 31,	
	2010		2010	
Current assets:				
Cash, time and notice deposits	¥	88,177	¥	149,312
Notes and accounts receivable-trade		12,270		17,232
Marketable securities		-		2,704
Investments in SPCs holding properties for sale		62,935		62,885
Real estate for sale		215,811		240,517
Real estate for sale in process		226,928		276,416
Costs on uncompleted construction contracts		7,167		3,673
Other inventories		1,500		1,264
Deferred income taxes		12,760		13,743
Other current assets		33,113		35,625
Allowance for doubtful accounts		(548)		(681)
Total current assets		660,116		802,692
Fixed assets:				
Property and equipment				
Buildings and structures, net		386,160		340,878
Land		1,529,705		1,490,605
Leased assets, net		930		809
Construction in progress		66,459		60,050
Other property and equipment, net		4,523		4,067
Total Property and equipment		1,987,777		1,896,411
Intangible assets				
Leasehold rights		50,785		50,243
Other intangible assets		1,049		1,119
Total intangible assets		51,834		51,362
Investment and other assets				
Investment securities		218,326		222,666
Long-term loans		3,513		3,390
Guarantee and lease deposits paid to lessors		154,173		166,570
Deferred income taxes		10,639		8,801
Other investments		32,267		31,161
Allowance for doubtful accounts		(14,942)		(14,960)
Total investment and other assets		403,977		417,630
Total fixed assets		2,443,590		2,365,405
Total assets	¥	3,103,706	¥	3,168,097

Millions of yen

Liabilities and Net Assets

	December 31, 2010	March 31, 2010
Current liabilities:		
Notes and accounts payable-trade	¥ 17,101	¥ 54,170
Short-term debt	190,650	230,250
Long-term debt due within one year	307,734	193,621
Commercial paper	26,996	97,975
Corporate bonds due within one year	70,000	80,000
Accrued income taxes	13,187	20,902
Accrued bonuses	730	2,759
Deposits received	75,889	187,537
Other current liabilities	68,052	78,009
Total current liabilities	770,342	945,225
Long-term liabilities:		
Corporate bonds	330,000	340,000
Long-term debt	1,015,127	993,320
Allowance for employees' severance and retirement benefits	4,907	4,969
Allowance for retirement benefits for directors	207	186
Guarantee and lease deposits received	167,816	171,308
Long-term deposits received	245,747	199,017
Other long-term liabilities	31,079	6,670
Total long-term liabilities	1,794,886	1,715,472
Total liabilities	2,565,228	2,660,697
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,748
Retained earnings	283,731	248,835
Treasury stock	(3,618)	(3,543)
Total shareholders' equity	535,666	500,846
Valuation and translation adjustments		
Net unrealized holding losses on securities	(6,472)	(3,393)
Net deferred losses on hedges	(2,169)	(2,590)
Foreign currency translation adjustments	(7,106)	(5,965)
Total valuation and translation adjustments	(15,747)	(11,949)
Minority interests	18,559	18,503
Total net assets	538,478	507,400
Total liabilities and net assets	¥ 3,103,706	¥ 3,168,097

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Nine months ended Dec. 31	
	2010	2009
Revenue from operations	¥ 571,471	¥ 516,761
Cost of revenue from operations	427,349	371,784
Gross profit	144,122	144,976
Selling, general and administrative expenses	39,570	36,851
Operating income	104,551	108,125
Non-operating income		
Interest and dividend income	3,388	2,422
Other non-operating income	402	490
Total non-operating income	3,791	2,913
Non-operating expenses		
Interest expense	22,604	22,470
Other non-operating expenses	4,985	5,052
Total non-operating expenses	27,589	27,523
Ordinary profit	80,753	83,516
Extraordinary income		
Gain on sale of property and equipment	109	-
Gain on sale of investment securities	0	1
Compensation income	1	104
Gain on adjustment of accrued rent payable	-	631
Other extraordinary income	49	3
Total extraordinary income	161	740
Extraordinary losses		
Loss on sale of property and equipment	18	-
Loss on disposal of property and equipment	709	83
Loss on devaluation of investment securities	4,000	3,489
Loss on sale of investment securities	0	-
Other extraordinary losses	659	67
Total extraordinary losses	5,387	3,641
Income before income taxes and minority interests	75,526	80,615
Income taxes	29,921	32,503
Income before minority interests	45,605	-
Minority interests	1,224	914
Net income	¥ 44,380	¥ 47,196