

Consolidated Financial Results for Fiscal 2010 (Year ended March 31, 2011)

May 12, 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 of Fiscal 2010 (Year ended March 31, 2011)

(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	%
Fiscal 2010	744,756	3.5	138,462	3.3	106,295	5.8	50,908	(3.3)
Fiscal 2009	719,635	3.5	133,979	(8.5)	100,464	(11.5)	52,662	14.0

Note: Comprehensive Income

FY 2010 : 48,363 millions of yen (26.9%); FY 2009 : 66,159 millions of yen (-%)

	Earnings per share	Diluted earnings per share	Return on average equity	Ratio of ordinary profit to average assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal 2010	107.35	94.73	10.0	3.3	18.6
Fiscal 2009	111.04	92.11	11.4	3.3	18.6

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

FY 2010 : 474,205,887 shares; FY 2009 : 474,245,111 shares

2. Percentages for operating revenues, operating income, ordinary profit and net income represent changes compared with 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
Fiscal 2010	3,234,202	526,227	16.3	1,109.78
Fiscal 2009	3,168,097	488,896	15.4	1,030.93

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2011 : 474,172,389 shares; As of March 31, 2010 : 474,227,136 shares

2. Dividend Position

	Dividends per share			Amount of dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	Interim	Year end	Annual			
	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2010	10.00	10.00	20.00	9,483	18.6	1.9
Fiscal 2009	10.00	10.00	20.00	9,484	18.0	2.0
Forecast for Fiscal 2011	10.00	10.00	20.00		18.2	

3. Forecast for Fiscal 2011 (Year ending March 31, 2012)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2011	710,000	140,000	100,000	52,000

4. Results of main segments

(1) Operating revenue

	Fiscal 2009	Fiscal 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2011	Increase (Decrease)
Leasing	293,533	292,874	(658)	275,000	(17,874)
Sales	219,661	239,709	+20,047	220,000	(19,709)
Construction	158,213	162,924	+4,710	165,000	+2,076
Brokerage	44,620	46,429	+1,809	48,000	+1,571
Other and Elimination/Corporate	3,606	2,818	(788)	2,000	(818)
Total	719,635	744,756	+25,120	710,000	(34,756)

(2) Operating income

	Fiscal 2009	Fiscal 2010	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2011	Increase (Decrease)
Leasing	97,618	88,240	(9,377)	89,000	+760
Sales	19,592	33,418	+13,825	33,000	(418)
Construction	17,081	16,698	(383)	17,000	+302
Brokerage	10,754	12,202	+1,448	13,000	+798
Other and Elimination/Corporate	(11,067)	(12,096)	(1,029)	(12,000)	+96
Total	133,979	138,462	+4,483	140,000	+1,538

Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2011	March 31, 2010
Current assets:		
Cash, time and notice deposits	¥ 119,748	¥ 149,312
Notes and accounts receivable-trade	14,283	17,232
Marketable securities	-	2,704
Investments in SPCs holding properties for sale	69,849	62,885
Real estate for sale	206,339	240,517
Real estate for sale in process	345,164	276,416
Costs on uncompleted construction contracts	5,569	3,673
Other inventories	1,017	1,264
Deferred income taxes	12,822	13,743
Other current assets	32,108	35,625
Allowance for doubtful accounts	(947)	(681)
Total current assets	805,957	802,692
Fixed assets:		
Property and equipment		
Buildings and structures, net	385,708	340,878
Land	1,523,346	1,490,605
Leased assets, net	1,025	809
Construction in progress	64,250	60,050
Other property and equipment, net	4,331	4,067
Total Property and equipment	1,978,663	1,896,411
Intangible assets		
Leasehold rights	50,785	50,243
Other intangible assets	1,029	1,119
Total intangible assets	51,815	51,362
Investment and other assets		
Investment securities	217,730	222,666
Long-term loans	3,438	3,390
Guarantee and lease deposits paid to lessors	145,706	166,570
Deferred income taxes	11,604	8,801
Other investments	34,757	31,161
Allowance for doubtful accounts	(15,471)	(14,960)
Total investment and other assets	397,766	417,630
Total fixed assets	2,428,245	2,365,405
Total assets	¥ 3,234,202	¥ 3,168,097

Millions of yen

Liabilities and Net Assets

	March 31, 2011	March 31, 2010
Current liabilities:		
Notes and accounts payable-trade	¥ 31,756	¥ 54,170
Short-term debt	185,750	230,250
Long-term debt due within one year	284,792	193,621
Commercial paper	29,988	97,975
Corporate bonds due within one year	90,000	80,000
Accrued income taxes	17,109	20,902
Deposits received	169,719	187,537
Accrued bonuses	3,184	2,759
Provision for loss on disaster	1,930	-
Other current liabilities	76,110	78,009
Total current liabilities	890,340	945,225
Long-term liabilities:		
Corporate bonds	310,000	340,000
Long-term debt	1,121,068	993,320
Allowance for employees' severance and retirement benefits	4,882	4,969
Allowance for retirement benefits for directors	213	186
Guarantee and lease deposits received	164,317	171,308
Long-term deposits received	167,985	199,017
Other long-term liabilities	30,065	6,670
Total long-term liabilities	1,798,533	1,715,472
Total liabilities	2,688,873	2,660,697
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,748
Retained earnings	290,259	248,835
Treasury stock	(3,644)	(3,543)
Total shareholders' equity	542,168	500,846
Accumulated Other Comprehensive Income		
Net unrealized holding losses on securities	(6,700)	(3,393)
Net deferred losses on hedges	(1,924)	(2,590)
Foreign currency translation adjustments	(7,315)	(5,965)
Total accumulated other comprehensive income	(15,940)	(11,949)
Minority interests	19,101	18,503
Total net assets	545,328	507,400
Total liabilities and net assets	¥ 3,234,202	¥ 3,168,097

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended March 31,	
	2011	2010
Revenue from operations	¥ 744,756	¥ 719,635
Cost of revenue from operations	551,364	534,269
Gross profit	193,392	185,366
Selling, general and administrative expenses	54,929	51,386
Operating income	138,462	133,979
Non-operating income		
Interest and dividend income	3,524	2,559
Other non-operating income	816	630
Total non-operating income	4,341	3,190
Non-operating expenses		
Interest expense	29,969	29,812
Other non-operating expenses	6,539	6,892
Total non-operating expenses	36,508	36,705
Ordinary profit	106,295	100,464
Extraordinary income		
Gain on sale of property and equipment	120	52
Gain on adjustment of accrued rent payable	-	644
Gain on sale of investment securities	3	1
Compensation income	78	147
Gain on prior periods adjustment	412	-
Other extraordinary income	112	160
Total extraordinary income	727	1,006
Extraordinary losses		
Loss on impairment of fixed assets	7,601	7,826
Loss on sale of property and equipment	19	-
Loss on disposal of property and equipment	2,188	93
Loss on devaluation of investment securities	6,709	1,837
Loss on sale of investment securities	33	56
Loss on devaluation of common stocks of affiliates	-	10
Provision of allowance for loss on disaster	1,930	-
Other extraordinary losses	781	439
Total extraordinary losses	19,264	10,262
Income before income taxes and minority interests	87,757	91,207
Income taxes	35,010	36,942
Income before minority interests	52,747	-
Minority interests	1,839	1,603
Net income	¥ 50,908	¥ 52,662

Consolidated Statement of Comprehensive Income (Loss)

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

	Millions of yen	
	Fiscal year ended March 31,	
	2011	2010
Income before minority interests	¥ 52,747	¥ -
Other comprehensive income (loss)		
Net unrealized holding losses on securities	(3,307)	-
Net deferred losses on hedges	533	-
Foreign currency translation adjustments	(1,610)	-
Total other comprehensive income (loss)	(4,383)	-
Comprehensive income	48,363	-
Comprehensive income attributable to:		
Owners of the parent	46,916	-
Minority interests	1,446	-