

# Consolidated Financial Results for the Second Quarter of Fiscal 2011 (April 1, 2011 - September 30, 2011)

Fiscal 2011 (Year ending March 31, 2012)

November 7, 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 Second Quarter (April 1, 2011 - September 30, 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	%
<b>Six months ended Sep. 30, 2011</b>	<b>307,604</b>	<b>(18.1)</b>	<b>64,532</b>	<b>(8.8)</b>	<b>44,563</b>	<b>(18.4)</b>	<b>23,310</b>	<b>(16.0)</b>
Six months ended Sep. 30, 2010	375,723	13.9	70,730	(5.1)	54,638	(5.8)	27,752	(15.6)
(Reference) Fiscal 2010	744,756	3.5	138,462	3.3	106,295	5.8	50,908	(3.3)

Note: Comprehensive Income

Fiscal 2011, 2nd quarter : 24,096 millions of yen +12.2%; Fiscal 2010, 2nd quarter : 21,472 millions of yen -%

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Six months ended Sep. 30, 2011</b>	<b>49.16</b>	<b>43.83</b>
Six months ended Sep. 30, 2010	58.52	51.57
(Reference) Fiscal 2010	107.35	94.73

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

Fiscal 2011, 1H : 474,167,053 shares; Fiscal 2010, 1H : 474,221,312 shares

2. Percentages represent changes compared with the first 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
	Millions of yen	Millions of yen	%
<b>As of Sep. 30, 2011</b>	<b>3,666,111</b>	<b>523,756</b>	<b>14.3%</b>
As of Sep. 30, 2010	3,147,349	504,818	16.0
(Reference) Fiscal 2010	3,234,202	526,227	16.3

Note: Number of shares issued and outstanding (consolidated)

As of Sep. 30, 2011 : 474,160,696 shares; As of Sep. 30, 2010 : 474,213,465 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2010</b>	<b>10.00</b>	<b>10.00</b>	<b>20.00</b>
Forecast for Fiscal 2011	10.00	10.00	20.00

### 3. Consolidated Business Forecasts 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
<b>Fiscal 2011</b>	<b>710,000</b>	<b>140,000</b>	<b>100,000</b>	<b>52,000</b>

Consolidated business forecasts announced on May 12, 2011 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

(Millions of yen)

	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011	Increase (Decrease)	Forecast for Fiscal 2011	Achieved (%)
	Leasing	145,013	132,862	(12,150)	275,000
Sales	136,393	81,712	(54,680)	220,000	37
Construction	69,385	68,043	(1,341)	165,000	41
Brokerage	22,606	22,897	+291	48,000	48
Other and Elimination/Corporate	2,325	2,087	(237)	2,000	-
<b>Total</b>	<b>375,723</b>	<b>307,604</b>	<b>(68,118)</b>	<b>710,000</b>	<b>43</b>

(2) Operating income

(Millions of yen)

	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011	Increase (Decrease)	Forecast for Fiscal 2011	Achieved (%)
	Leasing	45,048	46,762	+1,714	89,000
Sales	19,658	12,290	(7,368)	33,000	37
Construction	5,705	4,964	(740)	17,000	29
Brokerage	5,588	6,156	+567	13,000	47
Other and Elimination/Corporate	(5,270)	(5,641)	(370)	(12,000)	-
<b>Total</b>	<b>70,730</b>	<b>64,532</b>	<b>(6,197)</b>	<b>140,000</b>	<b>46</b>

## Consolidated Balance Sheets

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

Millions of yen

<b>Assets</b>	<b>September 30, 2011</b>	<b>March 31, 2011</b>
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 118,730	¥ 119,748
Notes and accounts receivable-trade	11,415	14,283
Real estate for sale	193,792	206,339
Real estate for sale in process	352,498	345,164
Costs on uncompleted construction contracts	8,115	5,569
Other inventories	1,595	1,017
Deferred income taxes	12,508	12,822
Other current assets	37,920	101,957
Allowance for doubtful accounts	(723)	(947)
Total current assets	735,853	805,957
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	555,254	385,708
Land	1,903,980	1,523,346
Leased assets, net	1,085	1,025
Construction in progress	67,170	64,250
Other property and equipment, net	5,619	4,331
Total Property and equipment	2,533,111	1,978,663
Intangible assets		
Leasehold rights	50,790	50,785
Other intangible assets	1,066	1,029
Total intangible assets	51,857	51,815
Investment and other assets		
Investment securities	157,091	217,730
Long-term loans	493	3,438
Guarantee and lease deposits paid to lessors	139,482	145,706
Deferred income taxes	24,968	11,604
Other investments	38,819	34,757
Allowance for doubtful accounts	(15,565)	(15,471)
Total investment and other assets	345,290	397,766
Total fixed assets	2,930,258	2,428,245
Total assets	¥ 3,666,111	¥ 3,234,202

Millions of yen

## Liabilities and Net Assets

	September 30, 2011	March 31, 2011
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 25,792	¥ 31,756
Short-term debt	154,750	185,750
Long-term debt due within one year	261,426	284,792
Long-term non-recourse loans due within one year	55,480	-
Commercial paper	5,997	29,988
Corporate bonds due within one year	120,000	90,000
Non-recourse bonds due within one year	40,696	-
Accrued income taxes	16,400	17,109
Deposits received	186,457	169,719
Accrued bonuses	3,138	3,184
Provision for loss on disaster	1,094	1,930
Other current liabilities	80,023	76,110
Total current liabilities	951,257	890,340
<b>Long-term liabilities:</b>		
Corporate bonds	250,000	310,000
Non-recourse bonds	45,744	-
Long-term debt	1,199,464	1,121,068
Long-term non-recourse loans	330,885	-
Allowance for employees' severance and retirement benefits	4,990	4,882
Allowance for retirement benefits for directors	175	213
Guarantee and lease deposits received	163,614	164,317
Long-term deposits received	149,148	167,985
Other long-term liabilities	27,647	30,065
Total long-term liabilities	2,171,671	1,798,533
Total liabilities	3,122,928	2,688,873
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,748	132,748
Retained earnings	287,857	290,259
Treasury stock	(3,664)	(3,644)
Total shareholders' equity	539,746	542,168
Accumulated other comprehensive income (loss)		
Net unrealized holding losses on securities	(7,006)	(6,700)
Net deferred losses on hedges	(1,302)	(1,924)
Foreign currency translation adjustments	(7,680)	(7,315)
Total accumulated other comprehensive income (loss)	(15,989)	(15,940)
Minority interests	19,426	19,101
Total net assets	543,183	545,328
Total liabilities and net assets	¥ 3,666,111	¥ 3,234,202

## 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>2011</b>	<b>2010</b>
<b>Revenue from operations</b>	¥ 307,604	¥ 375,723
<b>Cost of revenue from operations</b>	219,081	278,444
<b>Gross profit</b>	88,523	97,279
<b>Selling, general and administrative expenses</b>	23,990	26,549
<b>Operating income</b>	64,532	70,730
<b>Non-operating income</b>		
Interest and dividend income	2,023	1,936
Other non-operating income	283	271
Total non-operating income	2,307	2,208
<b>Non-operating expenses</b>		
Interest expense	18,381	15,065
Other non-operating expenses	3,894	3,234
Total non-operating expenses	22,276	18,299
<b>Ordinary profit</b>	44,563	54,638
<b>Extraordinary income</b>		
Gain on sale of property and equipment	417	109
Gain on sale of investment securities	-	0
Other extraordinary income	4	44
Total extraordinary income	422	154
<b>Extraordinary losses</b>		
Loss on sale of property and equipment	0	18
Loss on disposal of property and equipment	322	276
Loss on devaluation of investment securities	4,314	6,481
Loss on sale of investment securities	0	0
Other extraordinary losses	11	636
Total extraordinary losses	4,648	7,413
<b>Income before income taxes and minority interests</b>	40,338	47,379
<b>Income taxes</b>	16,125	18,758
<b>Income before minority interests</b>	24,212	28,621
<b>Minority interests</b>	901	868
<b>Net income</b>	¥ 23,310	¥ 27,752

## Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended September 30,	
	2011	2010
<b><i>Income before minority interests</i></b>	¥ 24,212	¥ 28,621
<b><i>Other comprehensive income (loss)</i></b>		
Net unrealized holding gains (losses) on securities	(304)	(6,751)
Net deferred gains (losses) on hedges	684	(338)
Foreign currency translation adjustments	(495)	(58)
Total other comprehensive income (loss)	(115)	(7,148)
<b><i>Comprehensive income</i></b>	24,096	21,472
Comprehensive income attributable to:		
Owners of the parent	23,261	20,686
Minority interests	834	785