

## Consolidated Financial Results for Fiscal 2011 (Year ended March 31, 2012)

May 14, 2012

### 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 2011 (Year ended March 31, 2012)

(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>Fiscal 2011</b>	<b>688,662</b>	<b>(7.5)</b>	<b>147,465</b>	<b>6.5</b>	<b>107,912</b>	<b>1.5</b>	<b>53,236</b>	<b>4.6</b>
Fiscal 2010	744,756	3.5	138,462	3.3	106,295	5.8	50,908	(3.3)

Note: Comprehensive Income

FY 2011 : 60,251 millions of yen 24.6%; FY 2010 : 48,363 millions of yen (26.9%)

	Earnings per share	Diluted earnings per share	Return on average equity	Ratio of ordinary profit to average assets	Operating income margin
	Yen	Yen	%	%	%
<b>Fiscal 2011</b>	<b>112.28</b>	<b>99.83</b>	<b>9.9</b>	<b>3.0</b>	<b>21.4</b>
Fiscal 2010	107.35	94.73	10.0	3.3	18.6

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

FY 2011 : 474,157,494 shares; FY 2010 : 474,205,887 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
<b>Fiscal 2011</b>	<b>3,859,698</b>	<b>553,843</b>	<b>14.3</b>	<b>1,168.11</b>
Fiscal 2010	3,234,202	526,227	16.3	1,109.78

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2012 : 474,134,863 shares; As of March 31, 2011 : 474,172,389 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	%	%
<b>Fiscal 2011</b>	<b>10.00</b>	<b>10.00</b>	<b>20.00</b>	<b>9,482</b>	<b>17.8</b>	<b>1.8</b>
Fiscal 2010	10.00	10.00	20.00	9,483	18.6	1.9
Forecast for Fiscal 2012	10.00	10.00	20.00		16.4	

#### 3. Forecast for Fiscal 2012 (Year ending March 31, 2013)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2012</b>	<b>720,000</b>	<b>150,000</b>	<b>109,000</b>	<b>58,000</b>

Note: The foregoing estimates are 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

	Fiscal 2010	Fiscal 2011	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2012	Increase (Decrease)
Leasing	292,874	271,811	(21,063)	275,000	+3,189
Sales	239,709	198,153	(41,555)	220,000	+21,847
Construction	162,924	165,995	+3,070	167,000	+1,005
Brokerage	46,429	49,396	+2,966	54,000	+4,604
Other and Elimination/Corporate	2,818	3,305	+486	4,000	+695
<b>Total</b>	<b>744,756</b>	<b>688,662</b>	<b>(56,094)</b>	<b>720,000</b>	<b>+31,338</b>

(2) Operating income

	Fiscal 2010	Fiscal 2011	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2012	Increase (Decrease)
Leasing	88,240	89,636	+1,395	92,000	+2,364
Sales	33,418	37,892	+4,474	38,000	+108
Construction	16,698	16,476	(221)	17,000	+524
Brokerage	12,202	14,539	+2,337	16,000	+1,461
Other and Elimination/Corporate	(12,096)	(11,079)	+1,016	(13,000)	(1,921)
<b>Total</b>	<b>138,462</b>	<b>147,465</b>	<b>+9,002</b>	<b>150,000</b>	<b>+2,535</b>

## Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2012	March 31, 2011
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 146,475	¥ 119,748
Notes and accounts receivable-trade	17,058	14,283
Real estate for sale	172,678	206,339
Real estate for sale in process	407,955	345,164
Costs on uncompleted construction contracts	4,271	5,569
Other inventories	1,264	1,017
Deferred income taxes	10,587	12,822
Other current assets	41,361	101,957
Allowance for doubtful accounts	(511)	(947)
Total current assets	801,141	805,957
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	600,175	385,708
Land	2,005,363	1,523,346
Construction in progress	59,818	64,250
Other property and equipment, net	7,165	5,356
Total Property and equipment	2,672,522	1,978,663
Intangible assets		
Leasehold rights	50,520	50,785
Other intangible assets	1,066	1,029
Total intangible assets	51,587	51,815
Investment and other assets		
Investment securities	155,551	217,730
Guarantee and lease deposits paid to lessors	134,067	145,706
Deferred income taxes	18,565	11,604
Other investments	41,330	38,195
Allowance for doubtful accounts	(15,067)	(15,471)
Total investment and other assets	334,446	397,766
Total fixed assets	3,058,556	2,428,245
Total assets	¥ 3,859,698	¥ 3,234,202

Millions of yen

## Liabilities and Net Assets

	March 31, 2012	March 31, 2011
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 34,663	¥ 31,756
Short-term debt	149,700	185,750
Long-term debt due within one year	217,623	284,792
Long-term non-recourse loans due within one year	47,610	-
Commercial paper	19,994	29,988
Corporate bonds due within one year	90,000	90,000
Non-recourse bonds due within one year	89,828	-
Accrued income taxes	24,066	17,109
Deposits received	121,814	169,719
Accrued bonuses	3,137	3,184
Provision for loss on disaster	-	1,930
Other current liabilities	82,372	76,110
Total current liabilities	880,808	890,340
<b>Long-term liabilities:</b>		
Corporate bonds	250,000	310,000
Non-recourse bonds	48,520	-
Long-term debt	1,295,045	1,121,068
Long-term non-recourse loans	345,795	-
Allowance for employees' severance and retirement benefits	5,101	4,882
Allowance for retirement benefits for directors	186	213
Guarantee and lease deposits received	165,002	164,317
Long-term deposits received	261,783	167,985
Other long-term liabilities	24,789	30,065
Total long-term liabilities	2,396,223	1,798,533
Total liabilities	3,277,031	2,688,873
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,747	132,748
Retained earnings	313,041	290,259
Treasury stock	(3,704)	(3,644)
Total shareholders' equity	564,889	542,168
Accumulated Other Comprehensive Income		
Net unrealized holding losses on securities	(1,932)	(6,700)
Net deferred losses on hedges	(971)	(1,924)
Foreign currency translation adjustments	(8,141)	(7,315)
Total accumulated other comprehensive income	(11,045)	(15,940)
Minority interests	28,822	19,101
Total net assets	582,666	545,328
Total liabilities and net assets	¥ 3,859,698	¥ 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 March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenue from operations</b>	¥ 688,662	¥ 744,756
<b>Cost of revenue from operations</b>	490,436	551,364
<b>Gross profit</b>	198,225	193,392
<b>Selling, general and administrative expenses</b>	50,760	54,929
<b>Operating income</b>	147,465	138,462
<b>Non-operating income</b>		
Interest and dividend income	3,760	3,524
Other non-operating income	681	816
<b>Total non-operating income</b>	<b>4,442</b>	<b>4,341</b>
<b>Non-operating expenses</b>		
Interest expense	35,824	29,969
Other non-operating expenses	8,171	6,539
<b>Total non-operating expenses</b>	<b>43,995</b>	<b>36,508</b>
<b>Ordinary profit</b>	107,912	106,295
<b>Extraordinary income</b>		
Gain on sale of property and equipment	428	120
Gain on sale of investment securities	0	3
Compensation income	-	78
Gain on prior periods adjustment	-	412
Other extraordinary income	20	112
<b>Total extraordinary income</b>	<b>449</b>	<b>727</b>
<b>Extraordinary losses</b>		
Loss on impairment of fixed assets	5,617	7,601
Loss on sale of property and equipment	398	19
Loss on disposal of property and equipment	554	2,188
Loss on devaluation of investment securities	3,740	6,709
Loss on sale of investment securities	0	33
Loss on devaluation of common stocks of affiliates	854	-
Provision of allowance for loss on disaster	-	1,930
Other extraordinary losses	28	781
<b>Total extraordinary losses</b>	<b>11,194</b>	<b>19,264</b>
<b>Income before income taxes and minority interests</b>	97,167	87,757
<b>Income taxes</b>	41,840	35,010
<b>Income before minority interests</b>	55,327	52,747
<b>Minority interests</b>	2,090	1,839
<b>Net income</b>	¥ 53,236	¥ 50,908

## Consolidated Statement of Comprehensive Income (Loss)

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

	<i>Millions of yen</i>	
	Fiscal year ended March 31,	
	2012	2011
<b>Income before minority interests</b>	¥ 55,327	¥ 52,747
<b>Other comprehensive income (loss)</b>		
Net unrealized holding gains (losses) on securities	4,779	(3,307)
Net deferred gains on hedges	1,211	533
Foreign currency translation adjustments	(1,066)	(1,610)
Total other comprehensive income (loss)	4,924	(4,383)
<b>Comprehensive income</b>	60,251	48,363
Comprehensive income attributable to:		
Owners of the parent	58,351	46,916
Minority interests	1,899	1,446

## Fair Value of Investment and Rental Properties

	<i>Millions of yen</i>			
	As of March 31, 2012		As of March 31, 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment and rental Properties	¥ 2,665,754	¥ 3,641,735	¥ 1,972,362	¥ 2,518,169
Investment and rental Properties held by SPEs *	-	-	658,966	1,114,133

\* As part of the real estate operations, the Company invests in SPEs (principally *Tokutei Mokuteki Kaisha* ("TMKs") under the Asset Securitization Law).

The SPEs, which conduct real estate development and leasing projects, are funded by investments from the Company and by borrowings from financial institutions

(non-recourse loans and debentures).