

Consolidated Financial Results for the Third Quarter of Fiscal 2012 (April 1, 2012 - December 31, 2012)

Fiscal 2012 (Year ending March 31, 2013)

February 7, 2013

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, 2012 - December 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	%
Nine months ended Dec. 31, 2012	508,764	2.3	111,237	2.9	85,358	7.6	50,320	29.8
Nine months ended Dec. 31, 2011	497,542	(12.9)	108,103	3.4	79,321	(1.8)	38,761	(12.7)
(Reference) Fiscal 2011	688,662	(7.5)	147,465	6.5	107,912	1.5	53,236	4.6

Notes 1. Comprehensive Income

Fiscal 2012, 3rd quarter : 57,361 millions of yen +57.1%; Fiscal 2011, 3rd quarter : 36,524 millions of yen (12.0%)

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2012	106.13	94.96
Nine months ended Dec. 31, 2011	81.75	72.73
(Reference) Fiscal 2011	112.28	99.83

Note: Average number of shares issued and outstanding (consolidated)

Fiscal 2012, 3rd quarter : 474,124,983 shares; Fiscal 2011, 3rd quarter : 474,163,176 shares

(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	%
As of Dec. 31, 2012	3,914,326	600,316	15.3
As of Dec. 31, 2011	3,730,027	531,227	14.2
(Reference) Fiscal 2011	3,859,698	553,843	14.3

Note: Number of shares issued and outstanding (consolidated)

As of Dec. 31, 2012: 474,112,372 shares; As of Dec. 31, 2011: 474,144,687 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2011	10.00	10.00	20.00
Forecast for Fiscal 2012	10.00	10.00	20.00

3. Consolidated Business Forecasts 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
Fiscal 2012	720,000	150,000	109,000	58,000

Consolidated business forecasts announced on May 14, 2012 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, 2011	Nine months ended Dec. 31, 2012	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2012	Achieved (%)
Leasing	200,701	208,796	+8,094	275,000	76
Sales	142,363	142,680	+317	220,000	65
Construction	117,266	117,879	+613	167,000	71
Brokerage	34,558	35,438	+880	54,000	66
Other and Elimination/Corporate	2,653	3,968	+1,315	4,000	-
Total	497,542	508,764	+11,221	720,000	71

(2) Operating income

	Nine months ended Dec. 31, 2011	Nine months ended Dec. 31, 2012	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2012	Achieved (%)
Leasing	68,995	73,383	+4,388	92,000	80
Sales	27,166	27,967	+801	38,000	74
Construction	10,996	9,792	(1,204)	17,000	58
Brokerage	9,295	8,776	(518)	16,000	55
Other and Elimination/Corporate	(8,350)	(8,683)	(332)	(13,000)	-
Total	108,103	111,237	+3,133	150,000	74

Consolidated Balance Sheets

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

Millions of yen

Assets	December 31, 2012	March 31, 2012
Current assets:		
Cash, time and notice deposits	¥ 124,672	¥ 146,475
Notes and accounts receivable-trade	12,416	17,058
Real estate for sale	168,342	172,678
Real estate for sale in process	453,425	407,955
Costs on uncompleted construction contracts	8,873	4,271
Other inventories	2,087	1,264
Deferred income taxes	9,328	10,587
Other current assets	56,486	41,361
Allowance for doubtful accounts	(460)	(511)
Total current assets	<u>835,171</u>	<u>801,141</u>
Fixed assets:		
Property and equipment		
Buildings and structures, net	594,856	600,175
Land	2,030,186	2,005,363
Construction in progress	41,674	59,818
Other property and equipment, net	6,560	7,165
Total Property and equipment	<u>2,673,277</u>	<u>2,672,522</u>
Intangible assets		
Leasehold rights	50,531	50,520
Other intangible assets	982	1,066
Total intangible assets	<u>51,513</u>	<u>51,587</u>
Investment and other assets		
Investment securities	184,213	155,551
Guarantee and lease deposits paid to lessors	129,906	134,067
Deferred income taxes	16,180	18,565
Other investments	39,056	41,330
Allowance for doubtful accounts	(14,991)	(15,067)
Total investment and other assets	<u>354,364</u>	<u>334,446</u>
Total fixed assets	<u>3,079,154</u>	<u>3,058,556</u>
Total assets	<u>¥ 3,914,326</u>	<u>¥ 3,859,698</u>

Millions of yen

Liabilities and Net Assets

	December 31, 2012	March 31, 2012
Current liabilities:		
Notes and accounts payable-trade	¥ 34,487	¥ 34,663
Short-term debt	158,800	149,700
Long-term debt due within one year	239,778	217,623
Long-term non-recourse loans due within one year	68,550	47,610
Commercial paper	50,987	19,994
Corporate bonds due within one year	70,000	90,000
Non-recourse bonds due within one year	6,548	89,828
Accrued income taxes	18,379	24,066
Deposits received	131,619	121,814
Accrued bonuses	754	3,137
Other current liabilities	84,707	82,372
Total current liabilities	864,612	880,808
Long-term liabilities:		
Corporate bonds	230,000	250,000
Non-recourse bonds	43,972	48,520
Long-term debt	1,369,698	1,295,045
Long-term non-recourse loans	386,542	345,795
Allowance for employees' severance and retirement benefits	5,392	5,101
Allowance for retirement benefits for directors	201	186
Guarantee and lease deposits received	162,269	165,002
Long-term deposits received	208,818	261,783
Other long-term liabilities	21,974	24,789
Total long-term liabilities	2,428,869	2,396,223
Total liabilities	3,293,482	3,277,031
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,747	132,747
Retained earnings	353,879	313,041
Treasury stock	(3,750)	(3,704)
Total shareholders' equity	605,682	564,889
Accumulated other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	4,272	(1,932)
Net deferred losses on hedges	(1,462)	(971)
Foreign currency translation adjustments	(8,176)	(8,141)
Total accumulated other comprehensive income (loss)	(5,366)	(11,045)
Minority interests	20,528	28,822
Total net assets	620,844	582,666
Total liabilities and net assets	¥ 3,914,326	¥ 3,859,698

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2012	2011
Revenue from operations	¥ 508,764	¥ 497,542
Cost of revenue from operations	358,403	352,327
Gross profit	150,360	145,215
Selling, general and administrative expenses	39,122	37,111
Operating income	111,237	108,103
Non-operating income		
Interest and dividend income	3,937	3,626
Other non-operating income	476	532
Total non-operating income	4,413	4,159
Non-operating expenses		
Interest expense	24,443	27,193
Other non-operating expenses	5,849	5,748
Total non-operating expenses	30,293	32,941
Ordinary profit	85,358	79,321
Extraordinary income		
Gain on sale of property and equipment	-	428
Gain on sale of investment securities	171	0
Other extraordinary income	-	8
Total extraordinary income	171	437
Extraordinary losses		
Loss on sale of property and equipment	10	0
Loss on disposal of property and equipment	480	413
Loss on devaluation of investment securities	2,431	7,874
Loss on sale of investment securities	86	0
Other extraordinary losses	20	28
Total extraordinary losses	3,029	8,316
Income before income taxes and minority interests	82,499	71,441
Income taxes	30,808	31,425
Income before minority interests	51,691	40,016
Minority interests	1,370	1,255
Net income	¥ 50,320	¥ 38,761

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2012	2011
<i>Income before minority interests</i>	¥ 51,691	¥ 40,016
<i>Other comprehensive income (loss)</i>		
Net unrealized holding gains (losses) on securities	6,204	(2,930)
Net deferred gains (losses) on hedges	(489)	671
Foreign currency translation adjustments	(44)	(1,232)
Total other comprehensive income (loss)	5,670	(3,492)
<i>Comprehensive income</i>	57,361	36,524
Comprehensive income attributable to:		
Owners of the parent	56,000	35,498
Minority interests	1,361	1,025