

# Consolidated Financial Results for the Second Quarter of Fiscal 2013 (April 1, 2013 - September 30, 2013)

Fiscal 2013 (Year ending March 31, 2014)

November 6, 2013

## SUMITOMO REALTY & DEVELOPMENT CO., LTD.

Stock Exchange Listings TSE1  
 Securities Code 8830  
 Location of Head Office Tokyo, Japan  
 URL <http://www.sumitomo-rd.co.jp/english/>

### 1. Results for Second Quarter (April 1, 2013 - September 30, 2013)

(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, 2013</b>	<b>391,495</b>	<b>24.6</b>	<b>83,123</b>	<b>20.9</b>	<b>67,951</b>	<b>34.0</b>	<b>41,872</b>	<b>58.8</b>
Six months ended Sep. 30, 2012	314,129	2.1	68,773	6.6	50,713	13.8	26,365	13.1
(Reference) Fiscal 2012	736,652	7.0	151,345	2.6	114,916	6.5	59,825	12.4

Notes 1. Comprehensive Income

Fiscal 2013, 2nd quarter : 64,282 millions of yen +159.0%; Fiscal 2012, 2nd quarter : 24,816 millions of yen +3.0%

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Six months ended Sep. 30, 2013</b>	<b>88.32</b>	-
Six months ended Sep. 30, 2012	55.61	49.97
(Reference) Fiscal 2012	126.18	—

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

Fiscal 2013, 1H : 474,082,740 shares; Fiscal 2012, 1H : 474,128,808 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	%
<b>As of Sep. 30, 2013</b>	<b>4,104,192</b>	<b>684,722</b>	<b>16.7</b>
As of Sep. 30, 2012	3,886,004	572,833	14.7
(Reference) Fiscal 2012	4,105,500	627,011	15.3

Note: Number of shares issued and outstanding (consolidated)

As of Sep. 30, 2013 : 474,066,373 shares; As of Sep. 30, 2012 : 474,121,330 shares

### 2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
<b>Fiscal 2012</b>	<b>10.00</b>	<b>10.00</b>	<b>20.00</b>
Forecast for Fiscal 2013	10.00	10.00	20.00

### 3. Consolidated Business Forecasts for Fiscal 2013 (Year ending March 31, 2014)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2013</b>	<b>760,000</b>	<b>160,000</b>	<b>125,000</b>	<b>68,000</b>

Consolidated business forecasts announced on May 14, 2013 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

	Six months ended Sep. 30, 2012	Six months ended Sep. 30, 2013	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2013	Achieved (%)
Leasing	139,883	139,438	(444)	280,000	50
Sales	79,026	139,265	+60,239	235,000	59
Construction	68,128	84,872	+16,744	185,000	46
Brokerage	23,893	25,659	+1,766	55,000	47
Other and Elimination/Corporate	3,198	2,257	(940)	5,000	-
<b>Total</b>	<b>314,129</b>	<b>391,495</b>	<b>+77,365</b>	<b>760,000</b>	<b>52</b>

(2) Operating income

	Six months ended Sep. 30, 2012	Six months ended Sep. 30, 2013	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2013	Achieved (%)
Leasing	49,495	48,751	(743)	97,000	50
Sales	14,685	26,618	+11,933	41,000	65
Construction	4,247	6,500	+2,253	18,000	36
Brokerage	6,038	7,268	+1,229	16,000	45
Other and Elimination/Corporate	(5,693)	(6,015)	(322)	(12,000)	-
<b>Total</b>	<b>68,773</b>	<b>83,123</b>	<b>+14,350</b>	<b>160,000</b>	<b>52</b>

# Consolidated Balance Sheets

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

Millions of yen

<b>Assets</b>	<b>September 30,</b>		<b>March 31,</b>	
	<b>2013</b>		<b>2013</b>	
<b>Current assets:</b>				
Cash, time and notice deposits	¥	105,788	¥	225,774
Notes and accounts receivable-trade		11,101		17,886
Real estate for sale		152,527		203,451
Real estate for sale in process		507,449		469,550
Costs on uncompleted construction contracts		10,587		5,141
Other inventories		2,467		1,352
Deferred income taxes		10,651		10,796
Other current assets		26,297		31,945
Allowance for doubtful accounts		(102)		(112)
<b>Total current assets</b>		<b>826,766</b>		<b>965,785</b>
<b>Fixed assets:</b>				
Property and equipment				
Buildings and structures, net		582,011		591,084
Land		2,132,251		2,042,669
Construction in progress		59,242		43,580
Other property and equipment, net		6,319		6,865
<b>Total Property and equipment</b>		<b>2,779,825</b>		<b>2,684,200</b>
Intangible assets				
Leasehold rights		52,987		50,531
Other intangible assets		963		1,007
<b>Total intangible assets</b>		<b>53,950</b>		<b>51,538</b>
Investment and other assets				
Investment securities		286,233		234,980
Guarantee and lease deposits paid to lessors		113,970		125,855
Deferred income taxes		14,987		14,978
Other investments		42,554		43,667
Allowance for doubtful accounts		(14,095)		(15,505)
<b>Total investment and other assets</b>		<b>443,649</b>		<b>403,976</b>
<b>Total fixed assets</b>		<b>3,277,426</b>		<b>3,139,714</b>
<b>Total assets</b>	¥	<b>4,104,192</b>	¥	<b>4,105,500</b>

Millions of yen

## Liabilities and Net Assets

	September 30, 2013	March 31, 2013
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 19,230	¥ 38,811
Short-term debt	129,700	137,500
Long-term debt due within one year	195,042	208,392
Long-term non-recourse loans due within one year	74,630	75,690
Commercial paper	89,979	59,976
Corporate bonds due within one year	30,000	70,000
Non-recourse bonds due within one year	7,548	8,848
Accrued income taxes	24,914	22,155
Deposits received	145,597	206,864
Accrued bonuses	3,548	3,351
Other current liabilities	97,545	98,796
Total current liabilities	817,736	930,385
<b>Long-term liabilities:</b>		
Corporate bonds	330,000	270,000
Non-recourse bonds	42,548	41,672
Long-term debt	1,465,002	1,400,903
Long-term non-recourse loans	374,245	377,725
Allowance for employees' severance and retirement benefits	5,488	5,518
Allowance for retirement benefits for directors	171	207
Guarantee and lease deposits received	158,019	160,469
Long-term deposits received	170,280	243,941
Other long-term liabilities	33,036	25,813
Total long-term liabilities	2,578,791	2,526,250
Total liabilities	3,396,528	3,456,635
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,749	132,748
Retained earnings	400,515	363,384
Treasury stock	(3,945)	(3,779)
Total shareholders' equity	652,124	615,158
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	37,876	19,980
Net deferred losses on hedges	(726)	(1,392)
Foreign currency translation adjustments	(4,551)	(6,735)
Total accumulated other comprehensive income	32,598	11,852
Minority interests	22,941	21,853
Total net assets	707,664	648,865
Total liabilities and net assets	¥ 4,104,192	¥ 4,105,500

# 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>2013</b>	<b>2012</b>
<b>Revenue from operations</b>	¥ 391,495	¥ 314,129
<b>Cost of revenue from operations</b>	280,471	220,195
<b>Gross profit</b>	111,023	93,933
<b>Selling, general and administrative expenses</b>	27,899	25,160
<b>Operating income</b>	83,123	68,773
<b>Non-operating income</b>		
Interest and dividend income	2,368	2,147
Other non-operating income	270	256
<b>Total non-operating income</b>	<b>2,639</b>	<b>2,404</b>
<b>Non-operating expenses</b>		
Interest expense	13,810	16,547
Other non-operating expenses	4,001	3,916
<b>Total non-operating expenses</b>	<b>17,812</b>	<b>20,464</b>
<b>Ordinary profit</b>	67,951	50,713
<b>Extraordinary income</b>		
Gain on sale of investment securities	61	-
Gain on sale of property and equipment	4	-
<b>Total extraordinary income</b>	<b>65</b>	<b>-</b>
<b>Extraordinary losses</b>		
Loss on sale of property and equipment	2	10
Loss on disposal of property and equipment	229	318
Loss on devaluation of investment securities	-	6,516
Other extraordinary losses	1	0
<b>Total extraordinary losses</b>	<b>233</b>	<b>6,845</b>
<b>Income before income taxes and minority interests</b>	67,783	43,867
<b>Income taxes</b>	24,791	16,508
<b>Income before minority interests</b>	42,991	27,359
<b>Minority interests</b>	1,118	994
<b>Net income</b>	¥ 41,872	¥ 26,365

# Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended September 30,	
	2013	2012
<b><i>Income before minority interests</i></b>	¥ 42,991	¥ 27,359
<b><i>Other comprehensive income (loss)</i></b>		
Net unrealized holding gains (losses) on securities	17,904	(2,421)
Net deferred gains (losses) on hedges	649	(448)
Foreign currency translation adjustments	2,737	326
Total other comprehensive income (loss)	21,291	(2,543)
<b><i>Comprehensive income</i></b>	64,282	24,816
Comprehensive income attributable to:		
Owners of the parent	62,618	23,755
Minority interests	1,664	1,060