

## Consolidated Financial Results for Fiscal 2013 (Year ended March 31, 2014)

May 13, 2014

### 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 of Fiscal 2013 (Year ended March 31, 2014)

(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 2013</b>	<b>780,273</b>	<b>5.9</b>	<b>160,471</b>	<b>6.0</b>	<b>130,536</b>	<b>13.6</b>	<b>69,697</b>	<b>16.5</b>
Fiscal 2012	736,652	7.0	151,345	2.6	114,916	6.5	59,825	12.4

Notes 1. Comprehensive Income

FY 2013 : 94,272 millions of yen 10.4%; FY 2012 : 85,410 millions of yen 41.8%

2. Percentages for operating revenues, operating income, ordinary profit and net income represent changes compared with the previous year.

	Earnings per share	Return on average equity	Ratio of ordinary profit to average assets	Operating income margin
	Yen	%	%	%
<b>Fiscal 2013</b>	<b>147.02</b>	<b>10.4</b>	<b>3.1</b>	<b>20.6</b>
Fiscal 2012	126.18	10.1	2.9	20.5

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

FY 2013 : 474,062,604 shares; FY 2012 : 474,120,917 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	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
<b>Fiscal 2013</b>	<b>4,220,428</b>	<b>707,947</b>	<b>16.8</b>	<b>1,493.48</b>
Fiscal 2012	4,105,500	627,011	15.3	1,322.52

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2014 : 474,025,764 shares; As of March 31, 2013 : 474,103,334 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 2013</b>	<b>10.00</b>	<b>10.00</b>	<b>20.00</b>	<b>9,480</b>	<b>13.6</b>	<b>1.4</b>
Fiscal 2012	10.00	10.00	20.00	9,482	15.9	1.6
Forecast for Fiscal 2014	10.00	10.00	20.00		12.3	

#### 3. Forecast for Fiscal 2014 (Year ending March 31, 2015)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2014</b>	<b>810,000</b>	<b>165,000</b>	<b>135,000</b>	<b>77,000</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 2012			Fiscal 2013			Increase (Decrease)	
	Fiscal 2012			Fiscal 2013			Increase (Decrease)	
Leasing	278,316			283,729			+5,413	
Sales	232,149			234,093			+1,944	
Construction	171,081			201,190			+30,108	
Brokerage	50,957			57,210			+6,253	
Other and Elimination/Corporate	4,147			4,049			(98)	
<b>Total</b>	<b>736,652</b>			<b>780,273</b>			<b>+43,620</b>	

(Millions of yen)

Forecast for Fiscal 2014		Increase (Decrease)	
287,000		+3,271	
265,000		+30,907	
190,000		(11,190)	
61,000		+3,790	
7,000		+2,950	
<b>810,000</b>		<b>+29,727</b>	

(2) Operating income

	Fiscal 2012			Fiscal 2013			Increase (Decrease)	
	Fiscal 2012			Fiscal 2013			Increase (Decrease)	
Leasing	94,186			97,951			+3,764	
Sales	38,923			39,208			+284	
Construction	15,758			18,708			+2,950	
Brokerage	14,494			17,961			+3,467	
Other and Elimination/Corporate	(12,017)			(13,359)			(1,341)	
<b>Total</b>	<b>151,345</b>			<b>160,471</b>			<b>+9,126</b>	

(Millions of yen)

Forecast for Fiscal 2014		Increase (Decrease)	
102,000		+4,049	
42,000		+2,792	
16,000		(2,708)	
19,000		+1,039	
(14,000)		(640)	
<b>165,000</b>		<b>+4,529</b>	

## Consolidated Balance Sheets

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

Millions of yen

<b>Assets</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 147,266	¥ 225,774
Notes and accounts receivable-trade	18,813	17,886
Real estate for sale	161,437	203,451
Real estate for sale in process	545,534	469,550
Costs on uncompleted construction contracts	7,048	5,141
Other inventories	1,759	1,352
Deferred income taxes	11,443	10,796
Other current assets	31,225	31,945
Allowance for doubtful accounts	(76)	(112)
<b>Total current assets</b>	<b>924,451</b>	<b>965,785</b>
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	571,548	591,084
Land	2,149,668	2,042,669
Construction in progress	73,017	43,580
Other property and equipment, net	5,811	6,865
<b>Total Property and equipment</b>	<b>2,800,045</b>	<b>2,684,200</b>
Intangible assets		
Leasehold rights	53,059	50,531
Other intangible assets	901	1,007
<b>Total intangible assets</b>	<b>53,960</b>	<b>51,538</b>
Investment and other assets		
Investment securities	286,006	234,980
Guarantee and lease deposits paid to lessors	111,913	125,855
Deferred income taxes	14,951	14,978
Other investments	41,611	43,667
Allowance for doubtful accounts	(12,512)	(15,505)
<b>Total investment and other assets</b>	<b>441,970</b>	<b>403,976</b>
<b>Total fixed assets</b>	<b>3,295,977</b>	<b>3,139,714</b>
<b>Total assets</b>	<b>¥ 4,220,428</b>	<b>¥ 4,105,500</b>

Millions of yen

## Liabilities and Net Assets

	March 31, 2014	March 31, 2013
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 45,502	¥ 38,811
Short-term debt	113,000	137,500
Long-term debt due within one year	200,084	208,392
Long-term non-recourse loans due within one year	69,335	75,690
Commercial paper	31,995	59,976
Corporate bonds due within one year	80,000	70,000
Non-recourse bonds due within one year	8,348	8,848
Accrued income taxes	28,988	22,155
Deposits received	146,690	206,864
Accrued bonuses	3,774	3,351
Other current liabilities	101,799	98,796
Total current liabilities	829,517	930,385
<b>Long-term liabilities:</b>		
Corporate bonds	330,000	270,000
Non-recourse bonds	41,324	41,672
Long-term debt	1,550,318	1,400,903
Long-term non-recourse loans	375,790	377,725
Allowance for employees' severance and retirement benefits	-	5,518
Allowance for retirement benefits for directors	181	207
Net defined benefit liability	5,092	-
Guarantee and lease deposits received	161,486	160,469
Long-term deposits received	163,651	243,941
Other long-term liabilities	30,535	25,813
Total long-term liabilities	2,658,379	2,526,250
Total liabilities	3,487,897	3,456,635
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,750	132,748
Retained earnings	423,599	363,384
Treasury stock	(4,140)	(3,779)
Total shareholders' equity	675,014	615,158
Accumulated Other Comprehensive Income		
Net unrealized holding gains on securities	37,762	19,980
Net deferred losses on hedges	(1,640)	(1,392)
Foreign currency translation adjustments	(3,362)	(6,735)
Remeasurements of defined benefit plans	173	-
Total accumulated other comprehensive income	32,933	11,852
Minority interests	24,583	21,853
Total net assets	732,531	648,865
Total liabilities and net assets	¥ 4,220,428	¥ 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 March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenue from operations</b>	¥ 780,273	¥ 736,652
<b>Cost of revenue from operations</b>	558,986	529,913
<b>Gross profit</b>	221,286	206,739
<b>Selling, general and administrative expenses</b>	60,815	55,394
<b>Operating income</b>	160,471	151,345
<b>Non-operating income</b>		
Interest and dividend income	4,629	4,090
Other non-operating income	646	634
<b>Total non-operating income</b>	5,276	4,724
<b>Non-operating expenses</b>		
Interest expense	26,971	31,888
Other non-operating expenses	8,239	9,264
<b>Total non-operating expenses</b>	35,210	41,153
<b>Ordinary profit</b>	130,536	114,916
<b>Extraordinary income</b>		
Gain on sale of property and equipment	19	21
Gain on sale of investment securities	1,429	1,769
Reversal of allowance for doubtful accounts	235	-
Other extraordinary income	0	36
<b>Total extraordinary income</b>	1,684	1,827
<b>Extraordinary losses</b>		
Loss on impairment of fixed assets	15,068	16,966
Loss on sale of property and equipment	2	10
Loss on disposal of property and equipment	1,918	1,404
Loss on devaluation of investment securities	96	2,086
Loss on sale of investment securities	-	187
Other extraordinary losses	13	25
<b>Total extraordinary losses</b>	17,099	20,681
<b>Income before income taxes and minority interests</b>	115,121	96,062
<b>Income taxes</b>	42,603	33,924
<b>Income before minority interests</b>	72,517	62,138
<b>Minority interests</b>	2,820	2,312
<b>Net income</b>	¥ 69,697	¥ 59,825

## 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,	
	2014	2013
<b>Income before minority interests</b>	¥ 72,517	¥ 62,138
<b>Other comprehensive income</b>		
Net unrealized holding gains on securities	17,796	21,918
Net deferred losses on hedges	(262)	(387)
Foreign currency translation adjustments	4,219	1,741
Total other comprehensive income	21,754	23,272
<b>Comprehensive income</b>	94,272	85,410
Comprehensive income attributable to:		
Owners of the parent	90,604	82,723
Minority interests	3,668	2,687

## Fair Value of Investment and Rental Properties

	<i>Millions of yen</i>			
	As of March 31, 2014		As of March 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment and rental Properties	¥ 2,794,339	¥ 3,926,983	¥ 2,676,488	¥ 3,678,035