

Consolidated Financial Results for the First Quarter of Fiscal 2014 (April 1, 2014 - June 30, 2014)

Fiscal 2014 (Year ending March 31, 2015)

August 7, 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 for First Quarter (April 1, 2014 - June 30, 2014)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Revenue from operations		Operating income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2014	188,480	(8.4)	41,386	(3.4)	35,777	(2.2)	22,575	1.6
Three months ended Jun. 30, 2013	205,724	39.6	42,832	35.3	36,583	54.8	22,222	95.3
(Reference) Fiscal 2013	780,273	5.9	160,471	6.0	130,536	13.6	69,697	16.5

Notes 1: Comprehensive Income

Fiscal 2014, 1st quarter : 39,609 millions of yen (20.2%); Fiscal 2013, 1st quarter : 32,953 millions of yen (282.8%)

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2014	47.63	—
Three months ended Jun. 30, 2013	46.87	—
(Reference) Fiscal 2013	147.02	—

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

Fiscal 2014, 1st quarter : 474,023,347 shares; Fiscal 2013, 1st quarter : 474,090,368 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 Jun. 30, 2014	4,187,357	742,307	17.7
As of Jun. 30, 2013	4,020,126	654,340	16.3
(Reference) Fiscal 2013	4,220,428	707,947	16.8

Note: Number of shares issued and outstanding (consolidated)

As of Jun. 30, 2014 : 474,020,443 shares; As of Jun. 30, 2013 : 474,083,350 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2013	10.00	10.00	20.00
Forecast for Fiscal 2014	10.00	10.00	20.00

3. Consolidated Business Forecasts for Fiscal 2014 (Year ending March 31, 2015)

	Revenue from operations	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2014	810,000	165,000	135,000	77,000

Consolidated business forecasts announced on May 13, 2014 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) Revenue from operations

	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2014	Achieved (%)
Leasing	68,530	69,297	+767	287,000	24
Sales	87,997	66,900	(21,097)	265,000	25
Construction	35,596	38,415	+2,819	190,000	20
Brokerage	12,217	11,962	(254)	61,000	20
Other and Elimination/Corporate	1,382	1,904	+521	7,000	-
Total	205,724	188,480	(17,243)	810,000	23

(2) Operating income

	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2014	Achieved (%)
Leasing	24,401	26,105	+1,703	102,000	26
Sales	16,812	15,114	(1,697)	42,000	36
Construction	1,509	1,447	(61)	16,000	9
Brokerage	3,004	1,625	(1,379)	19,000	9
Other and Elimination/Corporate	(2,894)	(2,906)	(12)	(14,000)	-
Total	42,832	41,386	(1,446)	165,000	25

Consolidated Balance Sheets

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

Millions of yen

Assets	June 30, 2014	March 31, 2014
Current assets:		
Cash, time and notice deposits	¥ 67,988	¥ 147,266
Notes and accounts receivable—trade	10,218	18,813
Real estate for sale	143,131	161,437
Real estate for sale in process	564,784	545,534
Costs on uncompleted construction contracts	10,167	7,048
Other inventories	2,344	1,759
Deferred income taxes	10,646	11,443
Other current assets	52,640	31,225
Allowance for doubtful accounts	(67)	(76)
Total current assets	861,855	924,451
Fixed assets:		
Property and equipment		
Buildings and structures, net	568,572	571,548
Land	2,155,706	2,149,668
Construction in progress	72,260	73,017
Other property and equipment, net	5,609	5,811
Total Property and equipment	2,802,149	2,800,045
Intangible assets		
Leasehold rights	54,681	53,059
Other intangible assets	955	901
Total intangible assets	55,636	53,960
Investment and other assets		
Investment securities	314,534	286,006
Guarantee and lease deposits paid to lessors	110,027	111,913
Deferred income taxes	15,161	14,951
Other investments	40,485	41,611
Allowance for doubtful accounts	(12,494)	(12,512)
Total investment and other assets	467,715	441,970
Total fixed assets	3,325,501	3,295,977
Total assets	¥ 4,187,357	¥ 4,220,428

Millions of yen

Liabilities and Net Assets

	June 30, 2014	March 31, 2014
Current liabilities:		
Notes and accounts payable—trade	¥ 24,452	¥ 45,502
Short-term debt	125,000	113,000
Long-term debt due within one year	212,774	200,084
Long-term non-recourse loans due within one year	62,375	69,335
Commercial paper	-	31,995
Corporate bonds due within one year	110,000	80,000
Non-recourse bonds due within one year	7,348	8,348
Accrued income taxes	12,142	28,988
Deposits received	76,903	146,690
Accrued bonuses	808	3,774
Other current liabilities	90,508	101,799
Total current liabilities	722,313	829,517
Long-term liabilities:		
Corporate bonds	340,000	330,000
Non-recourse bonds	42,200	41,324
Long-term debt	1,561,390	1,550,318
Long-term non-recourse loans	379,222	375,790
Allowance for retirement benefits for directors	181	181
Net defined benefit liability	5,751	5,092
Guarantee and lease deposits received	163,192	161,486
Long-term deposits received	166,407	163,651
Other long-term liabilities	40,238	30,535
Total long-term liabilities	2,698,584	2,658,379
Total liabilities	3,420,897	3,487,897
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,750	132,750
Retained earnings	441,025	423,599
Treasury stock	(4,163)	(4,140)
Total shareholders' equity	692,417	675,014
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	55,544	37,762
Net deferred losses on hedges	(1,939)	(1,640)
Foreign currency translation adjustments	(3,844)	(3,362)
Remeasurements of defined benefit plans	129	173
Total accumulated other comprehensive income	49,889	32,933
Minority interests	24,153	24,583
Total net assets	766,460	732,531
Total liabilities and net assets	¥ 4,187,357	¥ 4,220,428

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended June 30,	
	2014	2013
Revenue from operations	¥ 188,480	¥ 205,724
Cost of revenue from operations	132,996	148,814
Gross profit	55,483	56,909
Selling, general and administrative expenses	14,097	14,077
Operating income	41,386	42,832
Non-operating income		
Interest and dividend income	2,524	2,307
Other non-operating income	94	157
Total non-operating income	2,618	2,465
Non-operating expenses		
Interest expense	6,549	6,893
Other non-operating expenses	1,677	1,820
Total non-operating expenses	8,227	8,714
Ordinary profit	35,777	36,583
Extraordinary income		
Gain on sale of property and equipment	3	-
Gain on sale of investment securities	-	0
Reversal of allowance for doubtful accounts	10	-
Other extraordinary income	0	-
Total extraordinary income	13	0
Extraordinary losses		
Loss on sale of property and equipment	-	2
Loss on disposal of property and equipment	41	8
Loss on devaluation of investment securities	-	699
Other extraordinary losses	12	0
Total extraordinary losses	54	711
Income before income taxes and minority interests	35,736	35,872
Income taxes	12,978	13,213
Income before minority interests	22,758	22,659
Minority interests	182	436
Net income	¥ 22,575	¥ 22,222

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended June 30,	
	2014	2013
<i>Income before minority interests</i>	¥ 22,758	¥ 22,659
<i>Other comprehensive income (loss)</i>		
Net unrealized holding gains on securities	17,789	6,996
Net deferred gains (losses) on hedges	(290)	1,447
Foreign currency translation adjustments	(603)	1,850
Remeasurements of defined benefit plans	(44)	-
Total other comprehensive income	16,850	10,294
<i>Comprehensive income</i>	39,609	32,953
Comprehensive income attributable to:		
Owners of the parent	39,532	32,161
Minority interests	77	792