

## Consolidated Financial Results for Fiscal 2014 (Year ended March 31, 2015)

May 14, 2015

### 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 2014 (Year ended March 31, 2015)

(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 2014</b>	<b>806,835</b>	<b>3.4</b>	<b>165,894</b>	<b>3.4</b>	<b>139,055</b>	<b>6.5</b>	<b>80,566</b>	<b>15.6</b>
Fiscal 2013	780,273	5.9	160,471	6.0	130,536	13.6	69,697	16.5

Notes 1. Comprehensive Income

FY 2014 : 137,850 millions of yen 46.2%; FY 2013 : 94,272 millions of yen 10.4%

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 2014</b>	<b>169.97</b>	<b>10.5</b>	<b>3.2</b>	<b>20.6</b>
Fiscal 2013	147.02	10.4	3.1	20.6

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

FY 2014 : 474,013,586 shares; FY 2013 : 474,062,604 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 2014</b>	<b>4,523,804</b>	<b>832,462</b>	<b>18.4</b>	<b>1,756.25</b>
Fiscal 2013	4,220,428	707,947	16.8	1,493.48

Note: Number of shares issued and outstanding (consolidated)

As of March 31, 2015 : 474,000,361 shares; As of March 31, 2014 : 474,025,764 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 2014</b>	<b>10.00</b>	<b>11.00</b>	<b>21.00</b>	<b>9,954</b>	<b>12.4</b>	<b>1.3</b>
Fiscal 2013	10.00	10.00	20.00	9,480	13.6	1.4
Forecast for Fiscal 2015	11.00	11.00	22.00		11.9	

#### 3. Forecast for Fiscal 2015 (Year ending March 31, 2016)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal 2015</b>	<b>850,000</b>	<b>174,000</b>	<b>147,000</b>	<b>88,000</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

				(Millions of yen)	
	Fiscal 2013	Fiscal 2014	Increase (Decrease)	Forecast for Fiscal 2015	Increase (Decrease)
Leasing	283,729	289,117	+5,387	300,000	+10,883
Sales	234,093	264,207	+30,113	290,000	+25,793
Construction	201,190	188,994	(12,195)	190,000	+1,006
Brokerage	57,210	58,486	+1,275	63,000	+4,514
Other and Elimination/Corporate	4,049	6,030	+1,980	7,000	+969
<b>Total</b>	<b>780,273</b>	<b>806,835</b>	<b>+26,561</b>	<b>850,000</b>	<b>+43,165</b>

(2) Operating income

				(Millions of yen)	
	Fiscal 2013	Fiscal 2014	Increase (Decrease)	Forecast for Fiscal 2015	Increase (Decrease)
Leasing	97,951	104,441	+6,490	110,000	+5,559
Sales	39,208	43,781	+4,572	44,000	+219
Construction	18,708	12,962	(5,746)	13,500	+538
Brokerage	17,961	16,462	(1,499)	20,000	+3,538
Other and Elimination/Corporate	(13,359)	(11,753)	+1,606	(13,500)	(1,746)
<b>Total</b>	<b>160,471</b>	<b>165,894</b>	<b>+5,423</b>	<b>174,000</b>	<b>+8,106</b>

## Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2015	March 31, 2014
<b>Current assets:</b>		
Cash, time and notice deposits	¥ 151,367	¥ 147,266
Notes and accounts receivable-trade	27,597	18,813
Real estate for sale	189,770	161,437
Real estate for sale in process	604,455	545,534
Costs on uncompleted construction contracts	5,708	7,048
Other inventories	2,015	1,759
Deferred income taxes	10,824	11,443
Other current assets	34,042	31,225
Allowance for doubtful accounts	(78)	(76)
Total current assets	1,025,702	924,451
<b>Fixed assets:</b>		
Property and equipment		
Buildings and structures, net	551,510	571,548
Land	2,259,845	2,149,668
Construction in progress	106,737	73,017
Other property and equipment, net	5,262	5,811
Total Property and equipment	2,923,355	2,800,045
Intangible assets		
Leasehold rights	53,075	53,059
Other intangible assets	939	901
Total intangible assets	54,015	53,960
Investment and other assets		
Investment securities	366,530	286,006
Guarantee and lease deposits paid to lessors	107,251	111,913
Deferred income taxes	13,534	14,951
Other investments	45,329	41,611
Allowance for doubtful accounts	(11,914)	(12,512)
Total investment and other assets	520,731	441,970
Total fixed assets	3,498,101	3,295,977
Total assets	¥ 4,523,804	¥ 4,220,428

Millions of yen

## Liabilities and Net Assets

	March 31, 2015	March 31, 2014
<b>Current liabilities:</b>		
Notes and accounts payable-trade	¥ 66,963	¥ 45,502
Short-term debt	87,000	113,000
Long-term debt due within one year	320,862	200,084
Long-term non-recourse loans due within one year	60,927	69,335
Commercial paper	-	31,995
Corporate bonds due within one year	60,000	80,000
Non-recourse bonds due within one year	8,264	8,348
Accrued income taxes	26,518	28,988
Deposits received	61,172	146,690
Accrued bonuses	3,725	3,774
Other current liabilities	102,109	101,799
Total current liabilities	797,543	829,517
<b>Long-term liabilities:</b>		
Corporate bonds	380,000	330,000
Non-recourse bonds	36,060	41,324
Long-term debt	1,735,356	1,550,318
Long-term non-recourse loans	338,558	375,790
Allowance for retirement benefits for directors	197	181
Net defined benefit liability	5,433	5,092
Guarantee and lease deposits received	168,273	161,486
Long-term deposits received	160,119	163,651
Other long-term liabilities	42,724	30,535
Total long-term liabilities	2,866,722	2,658,379
Total liabilities	3,664,265	3,487,897
<b>Net assets:</b>		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,750	132,750
Retained earnings	494,275	423,599
Treasury stock	(4,246)	(4,140)
Total shareholders' equity	745,584	675,014
Accumulated Other Comprehensive Income		
Net unrealized holding gains on securities	88,798	37,762
Net deferred losses on hedges	(1,615)	(1,640)
Foreign currency translation adjustments	(550)	(3,362)
Remeasurements of defined benefit plans	244	173
Total accumulated other comprehensive income	86,877	32,933
Minority interests	27,076	24,583
Total net assets	859,538	732,531
Total liabilities and net assets	¥ 4,523,804	¥ 4,220,428

## 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>2015</b>	<b>2014</b>
<b>Revenue from operations</b>	¥ 806,835	¥ 780,273
<b>Cost of revenue from operations</b>	579,964	558,986
<b>Gross profit</b>	226,870	221,286
<b>Selling, general and administrative expenses</b>	60,976	60,815
<b>Operating income</b>	165,894	160,471
<b>Non-operating income</b>		
Interest and dividend income	5,260	4,629
Other non-operating income	642	646
Total non-operating income	5,902	5,276
<b>Non-operating expenses</b>		
Interest expense	26,246	26,971
Other non-operating expenses	6,495	8,239
Total non-operating expenses	32,742	35,210
<b>Ordinary profit</b>	139,055	130,536
<b>Extraordinary income</b>		
Gain on sale of property and equipment	3	19
Gain on sale of investment securities	-	1,429
Reversal of allowance for doubtful accounts	-	235
Other extraordinary income	-	0
Total extraordinary income	3	1,684
<b>Extraordinary losses</b>		
Loss on impairment of fixed assets	3,810	15,068
Loss on sale of property and equipment	3	2
Loss on disposal of property and equipment	3,105	1,918
Loss on devaluation of investment securities	30	96
Other extraordinary losses	1,443	13
Total extraordinary losses	8,392	17,099
<b>Income before income taxes and minority interests</b>	130,666	115,121
<b>Income taxes</b>	47,445	42,603
<b>Income before minority interests</b>	83,220	72,517
<b>Minority interests</b>	2,654	2,820
<b>Net income</b>	¥ 80,566	¥ 69,697

## Consolidated Statement of Comprehensive Income (Loss)

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

	<i>Millions of yen</i>			
	<b>Fiscal year ended March 31,</b>			
	<b>2015</b>		<b>2014</b>	
<b>Income before minority interests</b>	¥	83,220	¥	72,517
<b>Other comprehensive income</b>				
Net unrealized holding gains on securities		51,056		17,796
Net deferred losses on hedges		10		(262)
Foreign currency translation adjustments		3,497		4,219
Remeasurements of defined benefit plans		65		-
Total other comprehensive income		54,629		21,754
<b>Comprehensive income</b>		137,850		94,272
Comprehensive income attributable to:				
Owners of the parent		134,510		90,604
Minority interests		3,339		3,668

## Fair Value of Investment and Rental Properties

	<i>Millions of yen</i>			
	<b>As of March 31, 2015</b>		<b>As of March 31, 2014</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Investment and rental Properties	¥ 2,914,271	¥ 4,204,415	¥ 2,794,339	¥ 3,926,983