

Consolidated Balance Sheets

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

Millions of yen

Assets	March 31, 2014	March 31, 2013
Current assets:		
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)
Total current assets	924,451	965,785
Fixed assets:		
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
Total Property and equipment	2,800,045	2,684,200
Intangible assets		
Leasehold rights	53,059	50,531
Other intangible assets	901	1,007
Total intangible assets	53,960	51,538
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)
Total investment and other assets	441,970	403,976
Total fixed assets	3,295,977	3,139,714
Total assets	¥ 4,220,428	¥ 4,105,500

Millions of yen

Liabilities and Net Assets

	March 31, 2014	March 31, 2013
Current liabilities:		
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
Long-term liabilities:		
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
Net assets:		
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>	
	Fiscal year ended March 31,	
	2014	2013
Revenue from operations	¥ 780,273	¥ 736,652
Cost of revenue from operations	558,986	529,913
Gross profit	221,286	206,739
Selling, general and administrative expenses	60,815	55,394
Operating income	160,471	151,345
Non-operating income		
Interest and dividend income	4,629	4,090
Other non-operating income	646	634
Total non-operating income	5,276	4,724
Non-operating expenses		
Interest expense	26,971	31,888
Other non-operating expenses	8,239	9,264
Total non-operating expenses	35,210	41,153
Ordinary profit	130,536	114,916
Extraordinary income		
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
Total extraordinary income	1,684	1,827
Extraordinary losses		
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
Total extraordinary losses	17,099	20,681
Income before income taxes and minority interests	115,121	96,062
Income taxes	42,603	33,924
Income before minority interests	72,517	62,138
Minority interests	2,820	2,312
Net income	¥ 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
Income before minority interests	¥ 72,517	¥ 62,138
Other comprehensive income		
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
Comprehensive income	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