

Consolidated Financial Results for the Third Quarter of Fiscal 2011 (April 1, 2011 - December 31, 2011)

Fiscal 2011 (Year ending March 31, 2012)

February 9, 2012

SUMITOMO REALTY & DEVELOPMENT CO., LTD.

Stock Exchange Listings TSE1, OSE1
 Securities Code 8830
 Location of Head Office Tokyo, Japan
 URL <http://www.sumitomo-rd.co.jp/english/>

1. Results for Third Quarter (April 1, 2011 - December 31, 2011)

(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	%
Nine months ended Dec. 31, 2011	497,542	(12.9)	108,103	3.4	79,321	(1.8)	38,761	(12.7)
Nine months ended Dec. 31, 2010	571,471	10.6	104,551	(3.3)	80,753	(3.3)	44,380	(6.0)
(Reference) Fiscal 2010	744,756	3.5	138,462	3.3	106,295	5.8	50,908	(3.3)

Note: Comprehensive Income

Fiscal 2011, 3rd quarter : 36,524 millions of yen (12.0%); Fiscal 2010, 3rd quarter : 41,487 millions of yen -%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2011	81.75	72.73
Nine months ended Dec. 31, 2010	93.59	82.37
(Reference) Fiscal 2010	107.35	94.73

Notes 1. Average number of shares issued and outstanding (consolidated)

Fiscal 2011, 3rd quarter : 474,163,176 shares; Fiscal 2010, 3rd quarter : 474,215,125 shares

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

(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 Dec. 31, 2011	3,730,027	531,227	14.2
As of Dec. 31, 2010	3,103,706	519,918	16.8
(Reference) Fiscal 2010	3,234,202	526,227	16.3

Note: Number of shares issued and outstanding (consolidated)

As of Dec. 31, 2011 : 474,144,687 shares; As of Dec. 31, 2010 : 474,185,111 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2010	10.00	10.00	20.00
Forecast for Fiscal 2011	10.00	10.00	20.00

3. Consolidated Business Forecasts for Fiscal 2011 (Year ending March 31, 2012)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2011	680,000	146,000	107,000	53,000

Consolidated business forecasts announced on May 12, 2011 have 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

	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2011	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2011	Achieved (%)
Leasing	212,993	200,701	(12,291)	275,000	73
Sales	203,795	142,363	(61,432)	190,000	75
Construction	118,771	117,266	(1,504)	165,000	71
Brokerage	33,335	34,558	+1,222	48,000	72
Other and Elimination/Corporate	2,576	2,653	+76	2,000	-
Total	571,471	497,542	(73,929)	680,000	73

(2) Operating income

	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2011	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2011	Achieved (%)
Leasing	61,929	68,995	+7,065	90,000	77
Sales	29,834	27,166	(2,667)	38,000	71
Construction	12,596	10,996	(1,599)	16,000	69
Brokerage	7,991	9,295	+1,303	13,000	72
Other and Elimination/Corporate	(7,800)	(8,350)	(550)	(11,000)	-
Total	104,551	108,103	+3,551	146,000	74

Consolidated Balance Sheets

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

Millions of yen

Assets	December 31, 2011	March 31, 2011
Current assets:		
Cash, time and notice deposits	¥ 106,453	¥ 119,748
Notes and accounts receivable-trade	12,821	14,283
Real estate for sale	186,210	206,339
Real estate for sale in process	359,038	345,164
Costs on uncompleted construction contracts	7,379	5,569
Other inventories	1,705	1,017
Deferred income taxes	11,524	12,822
Other current assets	37,076	101,957
Allowance for doubtful accounts	(516)	(947)
Total current assets	<u>721,693</u>	<u>805,957</u>
Fixed assets:		
Property and equipment		
Buildings and structures, net	611,559	385,708
Land	1,936,478	1,523,346
Leased assets, net	1,264	1,025
Construction in progress	60,591	64,250
Other property and equipment, net	6,746	4,331
Total Property and equipment	<u>2,616,639</u>	<u>1,978,663</u>
Intangible assets		
Leasehold rights	50,833	50,785
Other intangible assets	1,065	1,029
Total intangible assets	<u>51,899</u>	<u>51,815</u>
Investment and other assets		
Investment securities	153,329	217,730
Long-term loans	503	3,438
Guarantee and lease deposits paid to lessors	138,950	145,706
Deferred income taxes	23,465	11,604
Other investments	39,103	34,757
Allowance for doubtful accounts	(15,557)	(15,471)
Total investment and other assets	<u>339,794</u>	<u>397,766</u>
Total fixed assets	<u>3,008,333</u>	<u>2,428,245</u>
Total assets	<u>¥ 3,730,027</u>	<u>¥ 3,234,202</u>

Millions of yen

Liabilities and Net Assets

	December 31, 2011	March 31, 2011
Current liabilities:		
Notes and accounts payable-trade	¥ 29,884	¥ 31,756
Short-term debt	156,250	185,750
Long-term debt due within one year	193,701	284,792
Long-term non-recourse loans due within one year	24,155	-
Commercial paper	49,987	29,988
Corporate bonds due within one year	110,000	90,000
Non-recourse bonds due within one year	36,796	-
Accrued income taxes	17,485	17,109
Deposits received	160,058	169,719
Accrued bonuses	688	3,184
Provision for loss on disaster	573	1,930
Other current liabilities	81,069	76,110
Total current liabilities	860,650	890,340
Long-term liabilities:		
Corporate bonds	250,000	310,000
Non-recourse bonds	49,520	-
Long-term debt	1,300,226	1,121,068
Long-term non-recourse loans	359,347	-
Allowance for employees' severance and retirement benefits	5,030	4,882
Allowance for retirement benefits for directors	181	213
Guarantee and lease deposits received	164,436	164,317
Long-term deposits received	162,660	167,985
Other long-term liabilities	27,468	30,065
Total long-term liabilities	2,318,871	1,798,533
Total liabilities	3,179,521	2,688,873
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,747	132,748
Retained earnings	298,566	290,259
Treasury stock	(3,687)	(3,644)
Total shareholders' equity	550,431	542,168
Accumulated other comprehensive income (loss)		
Net unrealized holding losses on securities	(9,632)	(6,700)
Net deferred losses on hedges	(1,290)	(1,924)
Foreign currency translation adjustments	(8,280)	(7,315)
Total accumulated other comprehensive income (loss)	(19,203)	(15,940)
Minority interests	19,278	19,101
Total net assets	550,506	545,328
Total liabilities and net assets	¥ 3,730,027	¥ 3,234,202

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2011	2010
Revenue from operations	¥ 497,542	¥ 571,471
Cost of revenue from operations	352,327	427,349
Gross profit	145,215	144,122
Selling, general and administrative expenses	37,111	39,570
Operating income	108,103	104,551
Non-operating income		
Interest and dividend income	3,626	3,388
Other non-operating income	532	402
Total non-operating income	4,159	3,791
Non-operating expenses		
Interest expense	27,193	22,604
Other non-operating expenses	5,748	4,985
Total non-operating expenses	32,941	27,589
Ordinary profit	79,321	80,753
Extraordinary income		
Gain on sale of property and equipment	428	109
Gain on sale of investment securities	0	0
Compensation income	-	1
Other extraordinary income	8	49
Total extraordinary income	437	161
Extraordinary losses		
Loss on sale of property and equipment	0	18
Loss on disposal of property and equipment	413	709
Loss on devaluation of investment securities	7,874	4,000
Loss on sale of investment securities	0	0
Other extraordinary losses	28	659
Total extraordinary losses	8,316	5,387
Income before income taxes and minority interests	71,441	75,526
Income taxes	31,425	29,921
Income before minority interests	40,016	45,605
Minority interests	1,255	1,224
Net income	¥ 38,761	¥ 44,380

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2011	2010
Income before minority interests	¥ 40,016	¥ 45,605
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	(2,930)	(3,079)
Net deferred gains (losses) on hedges	671	341
Foreign currency translation adjustments	(1,232)	(1,380)
Total other comprehensive income (loss)	(3,492)	(4,117)
Comprehensive income	36,524	41,487
Comprehensive income attributable to:		
Owners of the parent	35,498	40,582
Minority interests	1,025	904