

Consolidated Financial Results for the Third Quarter of Fiscal 2014 (April 1, 2014 - December 31, 2014)

Fiscal 2014 (Year ending March 31, 2015)

February 13, 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 for Third Quarter (April 1, 2014 - December 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	%
Nine months ended Dec. 31, 2014	523,737	(9.7)	115,735	(5.9)	96,074	(5.2)	58,977	(6.1)
Nine months ended Dec. 31, 2013	579,684	13.9	122,981	10.6	101,363	18.8	62,812	24.8
(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, 3rd quarter : 98,073 millions of yen +2.2%; Fiscal 2013, 3rd quarter : 95,961 millions of yen +67.3%

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

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 31, 2014	124.42	—
Nine months ended Dec. 31, 2013	132.49	—
(Reference) Fiscal 2013	147.02	—

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

Fiscal 2014, 3rd quarter : 474,016,665 shares; Fiscal 2013, 3rd quarter : 474,073,780 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 Dec. 31, 2014	4,389,035	794,151	18.1
As of Dec. 31, 2013	4,118,678	710,996	17.3
(Reference) Fiscal 2013	4,220,428	707,947	16.8

Note: Number of shares issued and outstanding (consolidated)

As of Dec. 31, 2014 : 474,006,245 shares; As of Dec. 31, 2013 : 474,034,005 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)

	Operating revenues	Operating income	Ordinary profit	Net income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2014	792,000	168,000	138,000	80,000

Consolidated business forecasts announced on May 13, 2014 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, 2013	Nine months ended Dec. 31, 2014	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2014	Achieved (%)
Leasing	208,069	213,047	+4,978	289,000	74
Sales	187,133	132,759	(54,373)	245,000	54
Construction	141,928	131,720	(10,208)	190,000	69
Brokerage	38,977	41,649	+2,672	61,000	68
Other and Elimination/Corporate	3,576	4,560	+983	7,000	-
Total	579,684	523,737	(55,947)	792,000	66

(2) Operating income

	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2014	Increase (Decrease)	(Millions of yen)	
				Forecast for Fiscal 2014	Achieved (%)
Leasing	73,103	79,814	+6,711	104,000	77
Sales	34,969	25,298	(9,671)	43,000	59
Construction	13,093	7,761	(5,332)	15,000	52
Brokerage	10,836	10,734	(101)	19,000	56
Other and Elimination/Corporate	(9,021)	(7,872)	+1,148	(13,000)	-
Total	122,981	115,735	(7,246)	168,000	69

Consolidated Balance Sheets

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

Millions of yen

Assets	December 31,		March 31,	
	2014		2014	
Current assets:				
Cash, time and notice deposits	¥	112,868	¥	147,266
Notes and accounts receivable—trade		14,534		18,813
Real estate for sale		125,010		161,437
Real estate for sale in process		658,012		545,534
Costs on uncompleted construction contracts		12,551		7,048
Other inventories		2,379		1,759
Deferred income taxes		10,473		11,443
Other current assets		64,234		31,225
Allowance for doubtful accounts		(77)		(76)
Total current assets		999,986		924,451
Fixed assets:				
Property and equipment				
Buildings and structures, net		554,204		571,548
Land		2,210,892		2,149,668
Construction in progress		78,689		73,017
Other property and equipment, net		5,248		5,811
Total Property and equipment		2,849,035		2,800,045
Intangible assets				
Leasehold rights		53,050		53,059
Other intangible assets		927		901
Total intangible assets		53,977		53,960
Investment and other assets				
Investment securities		336,500		286,006
Guarantee and lease deposits paid to lessors		107,423		111,913
Deferred income taxes		14,957		14,951
Other investments		39,905		41,611
Allowance for doubtful accounts		(12,750)		(12,512)
Total investment and other assets		486,036		441,970
Total fixed assets		3,389,049		3,295,977
Total assets	¥	4,389,035	¥	4,220,428

Millions of yen

Liabilities and Net Assets

	December 31, 2014	March 31, 2014
Current liabilities:		
Notes and accounts payable—trade	¥ 21,157	¥ 45,502
Short-term debt	100,500	113,000
Long-term debt due within one year	269,925	200,084
Long-term non-recourse loans due within one year	53,295	69,335
Commercial paper	50,988	31,995
Corporate bonds due within one year	100,000	80,000
Non-recourse bonds due within one year	6,264	8,348
Accrued income taxes	16,746	28,988
Deposits received	48,816	146,690
Accrued bonuses	895	3,774
Other current liabilities	99,183	101,799
Total current liabilities	767,771	829,517
Long-term liabilities:		
Corporate bonds	360,000	330,000
Non-recourse bonds	38,560	41,324
Long-term debt	1,664,579	1,550,318
Long-term non-recourse loans	348,357	375,790
Allowance for retirement benefits for directors	192	181
Net defined benefit liability	5,757	5,092
Guarantee and lease deposits received	164,751	161,486
Long-term deposits received	177,292	163,651
Other long-term liabilities	41,988	30,535
Total long-term liabilities	2,801,478	2,658,379
Total liabilities	3,569,249	3,487,897
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	132,750	132,750
Retained earnings	472,686	423,599
Treasury stock	(4,222)	(4,140)
Total shareholders' equity	724,019	675,014
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	74,583	37,762
Net deferred losses on hedges	(1,855)	(1,640)
Foreign currency translation adjustments	(2,638)	(3,362)
Remeasurements of defined benefit plans	42	173
Total accumulated other comprehensive income	70,131	32,933
Minority interests	25,634	24,583
Total net assets	819,785	732,531
Total liabilities and net assets	¥ 4,389,035	¥ 4,220,428

Consolidated Statements of Income

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

	<i>Millions of yen</i>	
	Fiscal year ended December 31,	
	2014	2013
Revenue from operations	¥ 523,737	¥ 579,684
Cost of revenue from operations	367,500	414,292
Gross profit	156,237	165,392
Selling, general and administrative expenses	40,502	42,411
Operating income	115,735	122,981
Non-operating income		
Interest and dividend income	5,004	4,455
Other non-operating income	492	388
Total non-operating income	5,496	4,844
Non-operating expenses		
Interest expense	19,955	20,531
Other non-operating expenses	5,201	5,930
Total non-operating expenses	25,157	26,462
Ordinary profit	96,074	101,363
Extraordinary income		
Gain on sale of property and equipment	3	4
Gain on sale of investment securities	-	483
Other extraordinary income	-	0
Total extraordinary income	3	488
Extraordinary losses		
Loss on sale of property and equipment	-	2
Loss on disposal of property and equipment	1,934	578
Loss on devaluation of investment securities	26	-
Other extraordinary losses	13	13
Total extraordinary losses	1,974	594
Income before income taxes and minority interests	94,103	101,257
Income taxes	33,409	36,798
Income before minority interests	60,693	64,459
Minority interests	1,716	1,646
Net income	¥ 58,977	¥ 62,812

Consolidated Statement of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended December 31,	
	2014	2013
<i>Income before minority interests</i>	¥ 60,693	¥ 64,459
<i>Other comprehensive income (loss)</i>		
Net unrealized holding gains on securities	36,827	28,680
Net deferred gains (losses) on hedges	(210)	146
Foreign currency translation adjustments	894	2,674
Remeasurements of defined benefit plans	(131)	-
Total other comprehensive income	37,379	31,502
<i>Comprehensive income</i>	98,073	95,961
Comprehensive income attributable to:		
Owners of the parent	96,175	93,786
Minority interests	1,897	2,174