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Ticker symbol 8830

June 7, 2023

(Start date of measures for providing information in electronic format: May 26, 2023)

Sumitomo Realty & Development Co., Ltd.

2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Kojun Nishima,

Representative Director and President

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 90TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 90th Ordinary General Meeting of Shareholders of Sumitomo Realty & Development Co., Ltd. (the “Company”) will be held as stated below.

In the event that you are unable to attend, you can exercise your voting rights with either of the methods below. You are requested to review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights.

[Exercising Voting Rights via Mail]

Please indicate your approval or disapproval on the enclosed Form for the Exercise of Voting Rights and return it to the Company by 5:40 p.m. on Wednesday, June 28, 2023.

[Exercising Voting Rights via the Internet, etc.]

Please enter your approval or disapproval on the voting rights exercise website designated by the Company (<https://www.web54.net>) by 5:40 p.m. on Wednesday, June 28, 2023.

Particulars

- 1. Date and Time:** 10:00 a.m. on Thursday, June 29, 2023
- 2. Place:** Shinjuku Sumitomo Hall (Entrance B1F), Shinjuku Sumitomo Building,
2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for Consolidated Financial Statements for the 90th fiscal year (from April 1, 2022 to March 31, 2023) by the Independent Auditor and the Board of Corporate Auditors
2. Financial Statements for the 90th fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- Agenda 1.** Appropriation of Retained Earnings
- Agenda 2.** Election of Nine Directors
- Agenda 3.** Election of Four Corporate Auditors
- Agenda 4.** Election of One Substitute Corporate Auditor

For the convocation of the Meeting, the Company has taken measures to provide information constituting the content of Reference Documents for General Meeting of Shareholders (items for provision in electronic format) electronically and has posted them on the Company website and on the website of the Tokyo Stock Exchange (TSE).

Company Website with Posted Materials for General Meetings of Shareholders

https://english.sumitomo-rd.co.jp/ir/shareholders_info/shareholders_meeting

(In order to check the relevant content, access the above website, select “Notice of Convocation of the 90th Ordinary General Meeting of Shareholders” and “Items Omitted from Paper-Based Documents to be Delivered for Notice of Convocation of the 90th Ordinary General Meeting of Shareholders.”)

Tokyo Stock Exchange Website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

(In order to check the relevant documents, access the Tokyo Stock Exchange website listed above, input “Sumitomo Realty & Development Co., Ltd.” in the “Issue name (company name)” field or “8830” in the “Code” field, click “Search,” then click “Basic information” and “Documents for public inspection/PR information,” then “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.”)

If attending the meeting, you are kindly requested to submit the enclosed Form for the Exercise of Voting Rights to a receptionist.

In the event of any modifications to the items for provision in electronic format, the revised information will be posted on the Company website and the Tokyo Stock Exchange website.

Among items for which the measures for providing information in electronic format will be taken, the following items are posted on the Company website in accordance with laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are omitted in the paper-based documents to be delivered to shareholders (“paper-based documents to be delivered”). These paper-based documents to be delivered constitute part of the documents audited by the Corporate Auditors and the Independent Auditor for preparing their Audit Reports.

1. “Overview of the Corporate Group, Status of Assets and Profit and Loss, Principal Business Locations, Major Lenders and Borrowing Amounts,” “Matters regarding Share Option of the Company, etc.,” “Matters regarding Independent Auditor,” “Systems for Ensuring Appropriateness of Business Operations and its Operational Status,” and “Basic Policy on the control of the Company” in the Business Report
2. “Consolidated statement of changes in net assets” and “Notes to consolidated financial statements” in the Consolidated Financial Statements (in Japanese only)
3. “Non-consolidated balance sheets,” “Non-consolidated statements of income,” “Non-consolidated statements of changes in net assets,” and “Notes to non-consolidated financial statements” in the Financial Statements (in Japanese only)

To Institutional Investors

You may use the Electronic Voting System Platform for institutional investors operated by ICJ, Inc. as a method of exercising voting rights.

The Company's Policy on the System for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format

1. Overview of the system for providing informational materials for the general meeting of shareholders in electronic format

In accordance with the Act Partially Amending the Companies Act (Act No. 70 of 2019), which has been effective from September 1, 2022, a system for providing *informational materials for the general meeting of shareholders in electronic format (the "System") has been implemented. The System enables the companies to provide informational materials for the general meeting of shareholders by posting these materials on the company website and other websites, and sending the notice of convocation (the "Notice Document") that includes instructions on how to access the websites to all shareholders. Since the System is applicable to all listed companies, this system will be applied to the Company from the 90th Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2023.

Under the System, only a simple written notice (a notice the informational materials for the general meeting of shareholders have been posted on a website with its address, etc.) is sufficient as a Notice Document delivered to all shareholders. Shareholders who wish to continue to receive paper-based informational materials for the general meeting of shareholders must petition the Company's shareholder registry administrator (Sumitomo Mitsui Trust Bank, Limited) or the securities company with which the shareholders have transactions by the record date of the general meeting of shareholders and complete the procedure to request the delivery of paper-based documents.

* "Informational materials for the general meeting of shareholders" refers to the Reference Documents for General Meeting of Shareholders, Business Report, Audit Report, Financial Statements, and Consolidated Financial Statements. (Please note that the Audit Report, Financial Statements, and Consolidated Financial Statements are available in Japanese only.)

2. The Company's response policy

Taking into consideration that this is the first general meeting of shareholders after the application of the System, as a transitional measure, the Company will, in the same manner as before, send the informational materials for the Meeting (the 90th Ordinary General Meeting of Shareholders) to all shareholders who have voting rights as of the record date, regardless of whether or not shareholders have made a request for delivery of paper-based documents.

REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

Agenda and References

Agenda 1. Appropriation of Retained Earnings

In the fiscal year under review, same as the previous fiscal year, revenue from operations, operating income, ordinary profit and profit all exceeded the previous year, and we achieved record-high profit for the 10th consecutive year. Based on the policy explained on the next page, we would like to propose a year-end dividend of 28 yen per share, a total annual dividend of 52 yen per share including the interim dividend (an increase of 7 yen per share year on year and dividend increases for the ninth consecutive year).

For the next fiscal year ending March 31, 2024, we expect to renew record profit for the 11th consecutive year, and we intend to raise the annual dividend by 7 yen from the fiscal year under review to 59 yen (including an interim dividend of 29 yen).

				(Yen per share)	
	Previous fiscal year	Fiscal year under review	Year-on-year change	Next fiscal year (forecast)	Year-on-year change
Interim	22	24	+2	29	+5
Year-end	23	28	+5	30	+2
Annual	45	52	+7	59	+7

Matters concerning year-end dividends

Type of dividends

Cash

Matters concerning allocation of dividends to shareholders and the aggregate amount

Dividends of 28 yen per share of common stock of the Company

The aggregate amount: 13,270,279,316 yen

The effective date of the appropriation of retained earnings

June 30, 2023

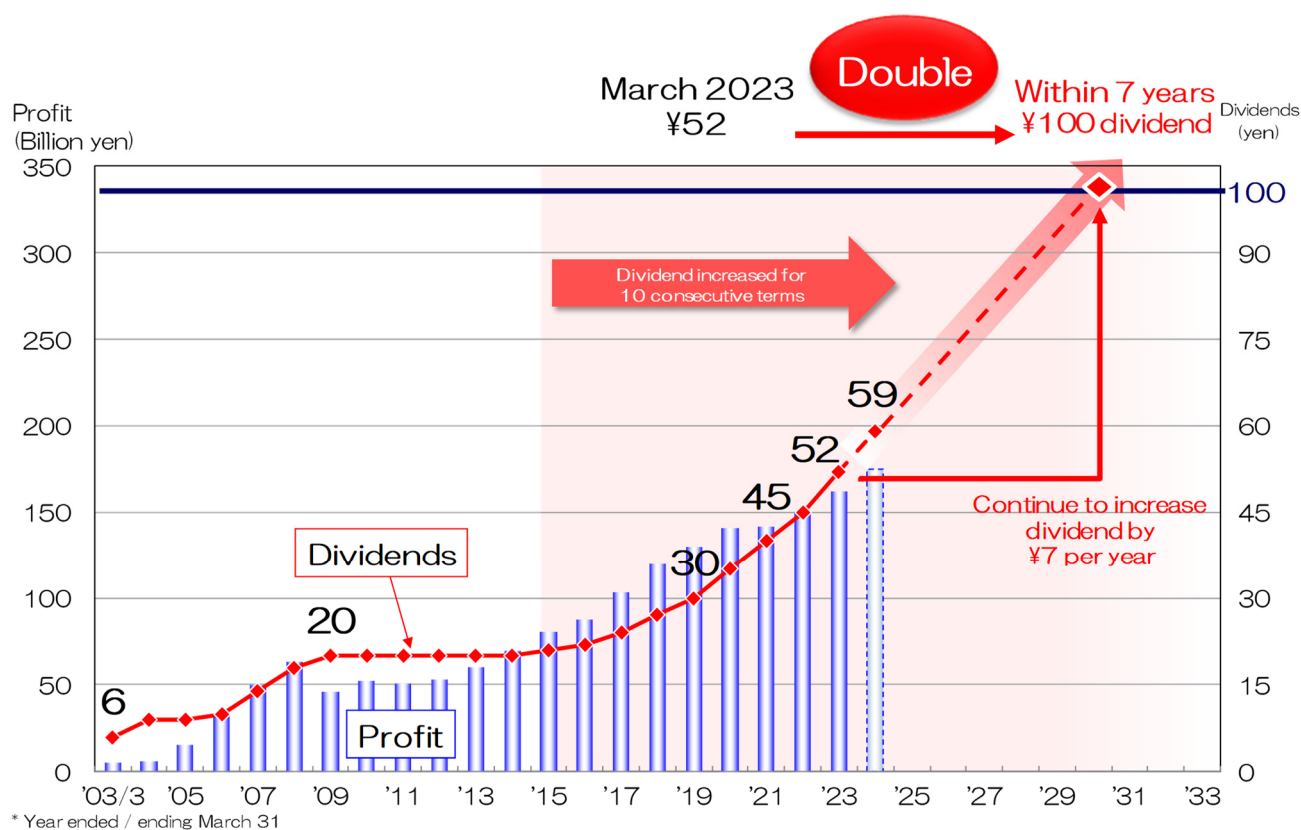
Basic Policy on Dividends

Double the dividend within 7 years to ¥100 per share, and continue sustainable dividend increase in line with profit growth

The Company's basic policy of profit distribution is to ensure prioritization of investment in leasing office assets in order to enhance the long-term earnings base and to strive for "sustainable dividend increase" in line with profit growth.

Based on this idea, we initially set forth the continuation of the "annual dividend increase of ¥5 per share" in the Ninth Management Plan. However, in November last year, we increased the pace of "sustainable dividend increase in line with profit growth" from ¥5 to ¥7 per share per year, based on the recognition that, in addition to steady progress in business performance, the future outlook for business performance has been brighter with the normalization in the economic activities, considering the coexistence with COVID-19.

In the next fiscal year (ending March 31, 2024), we plan to "increase the dividend for the 10th consecutive year" to ¥59 per share, and thereafter we will continue the "annual dividend increase of ¥7 per share" and raise it to "¥100 per share per year" within seven years, doubling the current ¥52.



Agenda 2. Election of Nine Directors

The term of office of all nine directors will expire upon the conclusion of this meeting, and the Company proposes the election of the nine directors.

Candidates for director are as follows. If this agenda is approved as originally proposed, one-third of Company directors will be outside directors satisfying the independence criteria set by the Tokyo Stock Exchange.

Candidate number	Name	Current position and responsibility in the Company	Candidate attributes
1	Kenichi Onodera	Director - Chairman of the Board	Reelection Male
2	Kojun Nishima	Representative Director - President Head of Office Leasing Business Division	Reelection Male
3	Masato Kobayashi	Representative Director - Deputy President Head of Condominium Sales Business Division	Reelection Male
4	Yoshiyuki Odai	Representative Director - Deputy President Head of Corporate Planning Division	Reelection Male
5	Hiroshi Kato	Director - Senior Managing Executive Officer Head of Remodeling Business Division In charge of Custom Homes Business	Reelection Male
6	Hisatoshi Katayama	Director - Senior Managing Executive Officer Head of Commercial Property Development Division	Reelection Male
7	Yozo Izuhara	Outside Director	Reelection Outside Independent Male
8	Nobumasa Kemori	Outside Director	Reelection Outside Independent Male
9	Chiyono Terada	Outside Corporate Auditor	New election Outside Independent Female

- Notes:
1. There is no special conflict of interest between each of the candidates and the Company.
 2. The Company has registered Mr. Yozo Izuhara, Mr. Nobumasa Kemori, and Ms. Chiyono Terada as independent officers with Tokyo Stock Exchange, Inc.
 3. The Company has entered into a limited liability agreement with Mr. Yozo Izuhara and Mr. Nobumasa Kemori as outside directors, and with Ms. Chiyono Terada as an outside corporate auditor in accordance with laws and regulations and the articles of incorporation. Under the agreement, their liability is limited to the minimum limit stipulated by laws and regulations. If this agenda is approved, the Company plans to enter into a limited liability agreement of the same content as above with them as outside directors.
 4. The Company has concluded a director and officer liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. Each candidate will be included as an insured person under said policy. In addition, we plan to renew the policy upon the next renewal with the same terms and conditions.

(Reference) Skill Matrix (Abilities Expected of Each Director)

Name	Corporate management	Leasing	Sales	Construction	Brokerage	Redevelopment	Planning and finance	Compliance
Kenichi Onodera	○	○	○	○	○	○	○	○
Kojun Nishima	○	○	○	○	○	○	○	○
Masato Kobayashi	○		○			○		
Yoshiyuki Odai	○						○	○
Hiroshi Kato	○			○				
Hisatoshi Katayama	○					○		
Yozo Izuhara	○							○
Nobumasa Kemori	○							○
Chiyono Terada	○							○

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
1	Kenichi Onodera (February 4, 1947) Reelection	Apr. 1970 Joined the Company June 1998 Director Apr. 2004 Head of Urban Property Management Division May 2005 Head of Commercial Property Development Division June 2005 Representative Director June 2007 Director - President June 2013 Director - Deputy Chairman of the Board Sep. 2019 Director - Chairman of the Board (present) (Significant concurrent positions outside the Company) —	40,600
		Reasons for nomination as candidate for director Mr. Kenichi Onodera leads management of the Company as Director - Chairman of the Board, and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge of the Group's management in general, and therefore proposes his re-election.	
2	Kojun Nishima (March 6, 1961) Reelection	Apr. 1984 Joined the Company Apr. 2000 General Manager of Business Management Department, Office Leasing Business Division Apr. 2007 Deputy Head of Commercial Property Development Division Apr. 2009 Head of Condominium Sales Business Division June 2009 Director Sep. 2009 Head of Office Leasing Business Division June 2010 Representative Director (present) June 2013 Director - President (present) (Significant concurrent positions outside the Company) —	50,900
		Reasons for nomination as candidate for director Mr. Kojun Nishima leads management of the Company as Director - President, and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge of the Group's management in general, and therefore proposes his re-election.	

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
3	Masato Kobayashi (June 14, 1960) Reelection	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2000 General Manager of Administration Department, Office Leasing Business Division</p> <p>Apr. 2007 Deputy Head of Commercial Property Development Division</p> <p>Apr. 2009 Head of Site Acquisition Division</p> <p>June 2009 Director</p> <p>June 2010 Representative Director (present)</p> <p>Aug. 2010 Head of Condominium Sales Business Division</p> <p>June 2013 Director - Deputy President (present)</p> <p>Mar. 2016 Head of Office Leasing Business Division, Head of Commercial Property Development Division</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	19,600
		<p>Reasons for nomination as candidate for director</p> <p>Mr. Masato Kobayashi has experience in real estate development and real estate management related to office building business and condominium business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by especially utilizing his extensive knowledge about the Group's business divisions in general, and therefore proposes his re-election.</p>	
4	Yoshiyuki Odai (June 9, 1961) Reelection	<p>Apr. 1985 Joined the Company</p> <p>Sep. 2004 General Manager of Corporate Planning Department, Corporate Planning Division</p> <p>Apr. 2010 Head of Condominium Sales Business Division</p> <p>Nov. 2010 Head of Corporate Planning Division</p> <p>June 2011 Director</p> <p>Nov. 2011 Head of Finance and Accounting Division</p> <p>Jan. 2014 Head of International Business Division</p> <p>Nov. 2019 Head of Corporate Planning Division (present)</p> <p>Apr. 2022 Representative Director - Deputy President (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	21,100
		<p>Reasons for nomination as candidate for director</p> <p>Mr. Yoshiyuki Odai has experience in corporate planning, finance, accounting, overseas business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Group's corporate planning, finance and compliance, and therefore proposes his re-election.</p>	

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
5	Hiroshi Kato (August 1, 1961) Reelection	<p>Apr. 1984 Joined the Company</p> <p>Apr. 2000 General Manager of Related Businesses Department, Office Leasing Business Division</p> <p>Apr. 2007 General Manager of Site Acquisition Department, Commercial Property Development Division</p> <p>Aug. 2010 Deputy Head of Office Leasing Business Division</p> <p>Apr. 2012 Head of New Business Development Division</p> <p>Apr. 2013 Head of Assets Development Division</p> <p>June 2013 Director (present)</p> <p>Sep. 2016 Head of Remodeling Business Division (present)</p> <p>Apr. 2020 Senior Managing Executive Officer (present)</p> <p>Apr. 2022 In charge of Custom Homes Business (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	25,400
Reasons for nomination as candidate for director			
Mr. Hiroshi Kato has experience in real estate development and real estate management related to office building business and housing renovation business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Company's real estate business, and therefore proposes his re-election.			
6	Hisatoshi Katayama (July 11, 1961) Reelection	<p>Apr. 1985 Joined the Company</p> <p>Dec. 2004 Head of West Tokyo Business Office, Urban Property Management Division</p> <p>Dec. 2005 General Manager of Redevelopment Department, Commercial Property Development Division</p> <p>Apr. 2010 Deputy Head of Office Leasing Business Division</p> <p>Feb. 2014 Deputy Head of Site Acquisition Division in the Metropolitan Area</p> <p>Apr. 2016 Deputy Head of Commercial Property Development Division</p> <p>Sep. 2016 Head of Commercial Property Development Division (present)</p> <p>June 2018 Director (present)</p> <p>Apr. 2020 Senior Managing Executive Officer (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	16,100
Reasons for nomination as candidate for director			
Mr. Hisatoshi Katayama has experience in urban redevelopment, real estate development, and real estate management related to office building business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Company's real estate business, and therefore proposes his re-election.			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
7	Yozo Izuhara (September 23, 1938) Reelection Outside Independent	<p>Apr. 1962 Joined Nippon Sheet Glass Co., Ltd.</p> <p>June 1996 Managing Director</p> <p>June 1998 Representative Director - President</p> <p>June 2004 Representative Director - Chairman</p> <p>June 2008 Director - Chairman of the Board</p> <p>Oct. 2009 Director - Chairman of the Board and Chairman</p> <p>June 2010 Executive Advisor</p> <p>June 2012 Honorary Senior Advisor (present)</p> <p>June 2014 Outside Corporate Auditor of the Company</p> <p>June 2019 Outside Director (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	0
		<p>Reasons for nomination as a candidate for outside director and expected roles</p> <p>Mr. Yozo Izuhara had served as President and Chairman of Nippon Sheet Glass Co., Ltd., and he has extensive knowledge on overseas business and M&A as a manager. The Company deems him to be suitable as an outside director, and therefore proposes his re-election. The Company expects Mr. Yozo Izuhara, mainly through important decision-making of the Board of Directors, to provide supervision of the Group's management and advice aiming at improving corporate value over the medium- to long-term from an independent standpoint.</p>	

- Notes:
1. The tenure of Mr. Yozo Izuhara as outside director of the Company will have been four years at the conclusion of this meeting.
 2. Nippon Sheet Glass Co., Ltd., in which Mr. Yozo Izuhara was Chairman, does not hold the Company's shares. The Company holds 0.3% of said company's shares, and the transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
8	Nobumasa Kemori (April 12, 1951) Reelection Outside Independent	<p>Sep. 1980 Joined Sumitomo Metal Mining Co., Ltd.</p> <p>June 2006 Director, Managing Executive Officer</p> <p>June 2007 Representative Director - President</p> <p>June 2013 Representative Director - Chairman</p> <p>June 2016 Chairman of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2017 Executive Advisor of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2019 Outside Director of the Company (present)</p> <p>June 2021 Honorable Advisor of Sumitomo Metal Mining Co., Ltd. (present)</p> <p>(Significant concurrent positions outside the Company) Outside Director of JFE Holdings, Inc.</p> <p>Reasons for nomination as a candidate for outside director and expected roles Mr. Nobumasa Kemori had served as President and Chairman of Sumitomo Metal Mining Co., Ltd., and he has extensive knowledge of the mining industry from a long-term perspective and overseas business as a manager. The Company deems him to be suitable as an outside director, and therefore proposes his re-election. The Company expects Mr. Nobumasa Kemori, mainly through important decision-making of the Board of Directors, to provide supervision of the Group's management and advice aiming at improving corporate value over the medium- to long-term from an independent standpoint.</p>	0

- Notes:
1. The tenure of Mr. Nobumasa Kemori as outside director of the Company will have been four years at the conclusion of this meeting.
 2. Sumitomo Metal Mining Co., Ltd., in which Mr. Nobumasa Kemori was Chairman, holds 1.0% of the Company's shares, and the Company holds 1.3% of said company's shares. The transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
9	Chiyono Terada (January 8, 1947) New election Outside Independent	<p>June 1976 Founded Art Hikkoshi Center</p> <p>June 1977 Established Art Hikkoshi Center Co., Ltd., President and CEO</p> <p>June 1990 Changed corporate name into Art Corporation, President and CEO</p> <p>Apr. 2018 President and CEO of Art Group Holdings (present)</p> <p>Dec. 2019 Chairperson Emeritus of Art Corporation (changed corporate name into Art Moving Company Co., Ltd. in January 2022) (present)</p> <p>June 2020 Outside Corporate Auditor of the Company (present)</p> <p>(Significant concurrent positions outside the Company) President and CEO of Art Group Holdings Chairperson Emeritus of Art Moving Company Co., Ltd.</p>	0
		<p>Reasons for nomination as a candidate for outside director and expected roles</p> <p>Ms. Chiyono Terada founded Art Hikkoshi Center and had served as its President and Chairperson, etc., and she has extensive knowledge and wide discernment as a manager. The Company deems her to be suitable as an outside director, and therefore proposes her election. The Company expects Ms. Chiyono Terada, mainly through important decision-making of the Board of Directors, to provide supervision of the Group's management and advice aiming at improving corporate value over the medium- to long-term from an independent standpoint.</p>	

- Notes:
- Ms. Chiyono Terada is currently an outside corporate auditor of the Company, and her tenure as an outside corporate auditor will have been three years at the conclusion of this meeting.
 - Art Moving Company Co., Ltd., in which Ms. Chiyono Terada is Chairperson Emeritus, holds 0.1% of the Company's shares, and the transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.

Agenda 3. Election of Four Corporate Auditors

At the conclusion of this meeting, corporate auditor Chiyono Terada will retire and the terms of office of corporate auditors Yoshifumi Nakamura, Toshikazu Tanaka, and Yoshiyuki Norihisa will expire. Accordingly, we propose the election of four corporate auditors. The board of corporate auditors has consented to this agenda.

Candidates for corporate auditor:

Candidate number	Name	Current position and responsibility in the Company	Candidate attributes
1	Yoshifumi Nakamura	Full-time Corporate Auditor	Reelection Male
2	Toshikazu Tanaka	Full-time Corporate Auditor	Reelection Male
3	Takashi Sakai	—	New election Outside Independent Male
4	Naoko Hasegawa	—	New election Outside Independent Female

- Notes:
1. There is no special conflict of interest between each of the candidates and the Company.
 2. The Company has registered Mr. Takashi Sakai and Ms. Naoko Hasegawa as independent officers with Tokyo Stock Exchange, Inc.
 3. If their elections are approved, the Company will enter into a limited liability agreement with them in accordance with laws and regulations and the articles of incorporation. Under the agreement, their liability is limited to the minimum limit stipulated by laws and regulations.
 4. The Company has concluded a director and officer liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. Each candidate will be included as an insured person under said policy. In addition, we plan to renew the policy upon the next renewal with the same terms and conditions.
 5. Osaka Gas Co., Ltd., in which Mr. Takashi Sakai was Executive Vice-President, holds 0.2% of the Company's shares, and the Company holds 0.1% of said company's shares. The transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.
 6. Regarding The Prudential Life Insurance Company, Ltd., in which Ms. Naoko Hasegawa is Executive Officer, since there is no capital or business relationship with said company, the Company deems there is no impact on independence.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
1	Yoshifumi Nakamura (March 29, 1951) Reelection	<p>Apr. 1973 Joined the Company</p> <p>July 1996 General Manager of Building Management Department, Office Leasing Business Division</p> <p>June 2002 Director</p> <p>May 2005 Head of Urban Property Management Division</p> <p>June 2007 Representative Director</p> <p>Aug. 2010 Controller of Residential Division</p> <p>June 2011 Full-time Corporate Auditor (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p> <p>Reasons for nomination as candidate for corporate auditor Mr. Yoshifumi Nakamura has held positions such as Representative Director of the Company and has extensive experience and wide discernment regarding management. The Company expects that he will continue to perform appropriate audits as a full-time corporate auditor by utilizing this knowledge, and therefore proposes his re-election.</p>	10,000
2	Toshikazu Tanaka (April 8, 1960) Reelection	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2000 General Manager of Central Operation Department, Office Leasing Business Division</p> <p>Apr. 2004 Deputy Head of Housing Business Division</p> <p>Oct. 2008 Head of General Affairs Division</p> <p>Apr. 2010 Head of Related Businesses Division</p> <p>Sep. 2011 Head of Housing Renovation Division</p> <p>June 2013 Director</p> <p> Representative Director - President of Sumitomo Real Estate Sales Co., Ltd.</p> <p>June 2019 Full-time Corporate Auditor of the Company (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p> <p>Reasons for nomination as candidate for corporate auditor Mr. Toshikazu Tanaka has held positions such as Director of the Company and Director and President of Sumitomo Real Estate Sales Co., Ltd. and has extensive experience and wide discernment regarding management. The Company expects that he will continue to perform appropriate audits as a full-time corporate auditor by utilizing this knowledge, and therefore proposes his re-election.</p>	12,800

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
3	Takashi Sakai (October 9, 1952) New election Outside Independent	<p>Apr. 1977 Joined Osaka Gas Co., Ltd.</p> <p>June 2005 Director</p> <p>June 2007 Managing Director</p> <p>June 2010 Representative Director - Executive Vice-President</p> <p>June 2018 Representative Director - President of Honshu-Shikoku Bridge Expressway Company Limited</p> <p>Jan. 2023 Outside Director of TSUNEISHI KAMTECS CORPORATION (present)</p> <p>(Significant concurrent positions outside the Company) Outside Director of TSUNEISHI KAMTECS CORPORATION</p> <p>Reasons for nomination as candidate for outside corporate auditor Mr. Takashi Sakai has held positions such as Executive Vice-President of Osaka Gas Co., Ltd. and President of Honshu-Shikoku Bridge Expressway Company Limited and has extensive experience and wide discernment as a manager. The Company deems him to be suitable as an outside corporate auditor, and therefore proposes his election.</p>	0
4	Naoko Hasegawa (January 3, 1965) New election Outside Independent	<p>Apr. 1987 Joined Sumitomo Fudosan Fitness Co., Ltd.</p> <p>Nov. 2002 Joined The Prudential Life Insurance Company, Ltd.</p> <p>Apr. 2005 Sales Manager of Tokyo #3 Agency</p> <p>Apr. 2013 Agency Manager of Nagano Agency</p> <p>Oct. 2014 Assistant to Chief Marketing Officer</p> <p>Apr. 2016 Agency Manager of Chiyoda #6 Agency</p> <p>Apr. 2021 Assistant to Chief Marketing Officer</p> <p>July 2021 Corporate Vice President (present) Gender Strategy Leader (present)</p> <p>Jan. 2023 Chief Business Ethics Officer (present)</p> <p>(Significant concurrent positions outside the Company) Corporate Vice President of The Prudential Life Insurance Company, Ltd.</p> <p>Reasons for nomination as candidate for outside corporate auditor Ms. Naoko Hasegawa has held positions such as Corporate Vice President and Chief Business Ethics Officer of The Prudential Life Insurance Company, Ltd. and has extensive experience and wide discernment in corporate management and corporate ethics. The Company deems her to be suitable as an outside corporate auditor, and therefore proposes her election.</p>	1,000

(Reference) Policies for Appointment of Officers

· **Basic Policy**

Regarding nomination of candidates for directors and corporate auditors, as well as the appointment of executive officers, persons with a wealth of experience, high-level insight and sophisticated expertise who will contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value are narrowed down to candidates through multiple meetings of Executive Committee. The final decision is then made by the Board of Directors based on thorough deliberation, reflecting independent and objective opinions of independent outside directors and outside corporate auditors. Independent outside directors and outside corporate auditors have opportunities to know relevant information such as the background, insights and achievements of internal directors, executive officers and internal corporate auditors at several occasions including meetings of the Committee of Outside Directors and Auditors, briefings for outside directors, and meetings of the Board of Corporate Auditors.

· **Compliance with the Independence Criteria of Outside Directors and Outside Corporate Auditors and Reasons for Appointment Thereof**

Regarding appointment of outside directors and outside corporate auditors, the Company has adopted the requirements for outside directors and outside corporate auditors prescribed in the Companies Act and the independence criteria set by the Tokyo Stock Exchange.

Name	Independence	Supplementary Explanation of the Relationship	Reasons of Appointment
Yozo Izuhara	○	Mr. Izuhara served as Director, Chairman of the Company's business partner Nippon Sheet Glass Co., Ltd. until June 2010. However, since the transaction amount between said company and the Company in the most recent fiscal year was small, accounting for less than 1% of sales for both companies, the Company deems there is no impact on independence.	Mr. Izuhara had served as President and Chairman of Nippon Sheet Glass Co., Ltd., and he has extensive knowledge on overseas business and M&A as a manager. The Company deems him to be suitable as an outside director.
Nobumasa Kemori	○	Mr. Kemori served as Director, Chairman of the Company's business partner Sumitomo Metal Mining Co., Ltd. until June 2017. However, since the transaction amount between said company and the Company in the most recent fiscal year was small, accounting for less than 1% of sales for both companies, the Company deems there is no impact on independence.	Mr. Kemori had served as President and Chairman of Sumitomo Metal Mining Co., Ltd., and he has extensive knowledge of the mining industry from a long-term perspective and overseas business as a manager. The Company deems him to be suitable as an outside director.
Chiyono Terada	○	Ms. Terada served as President and CEO of the Company's business partner Art Moving Company Co., Ltd. until December 2019. However, since the transaction amount between said company and the Company in the most recent fiscal year was small, accounting for less than 1% of sales for both companies, the Company deems there is no impact on independence.	Ms. Terada founded Art Hikkoshi Center and had served as its President and Chairperson, etc., and she has extensive knowledge and wide discernment as a manager. The Company deems her to be suitable as an outside director.
Takashi Sakai	○	Mr. Sakai served as Representative Director, Executive Vice-President of the Company's business partner Osaka Gas Co., Ltd. until March 2013. However, since the transaction amount between said company and the Company in the most recent fiscal year was small, accounting for less than 1% of sales for both companies, the Company deems there is no impact on independence.	Mr. Sakai has served as Executive Vice-President of Osaka Gas Co., Ltd. and President of Honshu-Shikoku Bridge Expressway Company Limited, and he has extensive knowledge and wide discernment as a manager. The Company deems him to be suitable as an outside corporate auditor.

Name	Independence	Supplementary Explanation of the Relationship	Reasons of Appointment
Naoko Hasegawa	○	Ms. Hasegawa worked for the Company's subsidiary Sumitomo Fudosan Fitness Co., Ltd. (currently Sumitomo Fudosan Esforta Co., Ltd.) from April 1987 to October 2002. However, since more than 20 years have passed since she resigned from said company and she has not been involved in execution of business of said company after her resignation, the Company deems there is no impact on independence.	Ms. Hasegawa has served as Executive Officer and Chief Business Ethics Officer of The Prudential Life Insurance Company, Ltd. and she has extensive experience and wide discernment in corporate management and corporate ethics. The Company deems her to be suitable as an outside corporate auditor.

(Reference) Members of Directors, Corporate Auditors (after approval and adoption of this agenda)

If Agenda 2 and Agenda 3 are approved as originally proposed, the directors and corporate auditors will be as follows.

	Name	Position in the Company	Attributes	Gender
Reelection	Kenichi Onodera	Director - Chairman of the Board		Male
Reelection	Kojun Nishima	Representative Director - President		Male
Reelection	Masato Kobayashi	Representative Director - Deputy President		Male
Reelection	Yoshiyuki Odai	Representative Director - Deputy President		Male
Reelection	Hiroshi Kato	Director - Senior Managing Executive Officer		Male
Reelection	Hisatoshi Katayama	Director - Senior Managing Executive Officer		Male
Reelection	Yozo Izuhara	Outside Director	Outside Independent	Male
Reelection	Nobumasa Kemori	Outside Director	Outside Independent	Male
New election	Chiyono Terada	Outside Director	Outside Independent	Female
Reelection	Yoshifumi Nakamura	Full-time Corporate Auditor		Male
Reelection	Toshikazu Tanaka	Full-time Corporate Auditor		Male
New election	Takashi Sakai	Outside Corporate Auditor	Outside Independent	Male
New election	Naoko Hasegawa	Outside Corporate Auditor	Outside Independent	Female

Independent: Independent officer registered with the Tokyo Stock Exchange

Agenda 4. Election of One Substitute Corporate Auditor

The Company requests approval for the election of one substitute corporate auditor, to provide for the case where the number of incumbent auditors becomes less than the number stipulated in laws and regulations, which require majority is comprised of outside corporate auditors. The board of corporate auditors has consented to this agenda.

Candidate for substitute corporate auditor:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
Setsuya Nakamura (April 29, 1944) Outside Independent	Dec. 1975 Passed the Certified Public Tax Accountant Examination	0
	Apr. 1976 Registered with the Tokyo Certified Public Tax Accountants' Association Established the Setsuya Nakamura Certified Public Tax Accounting Office, Representative (present) Apr. 2011 Registered as a political funding auditor	
Reasons for nomination as candidate for substitute outside corporate auditor Mr. Setsuya Nakamura has expertise, rich experience and wide discernment as a certified tax accountant. The Company deems him to be suitable as a substitute outside corporate auditor, and therefore proposes his election. Note that though he does not have direct experience in corporate management, the Company deems that he will be able to appropriately fulfill his duties if he assumes office as an outside corporate auditor due to the reasons listed above.		

- Notes:
1. There is no special conflict of interest between the candidate and the Company.
 2. If this agenda is approved and Mr. Setsuya Nakamura assumes office as an outside corporate auditor, the Company will register him as an independent officer with Tokyo Stock Exchange, Inc.
 3. If this agenda is approved and Mr. Setsuya Nakamura assumes office as an outside corporate auditor, the Company will enter into a limited liability agreement with him in accordance with laws and regulations and the articles of incorporation. Under the agreement, his liability is limited to the minimum limit stipulated by laws and regulations.
 4. The Company has concluded a director and officer liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. If this agenda is approved and Mr. Setsuya Nakamura assumes office as an outside corporate auditor, he will be included as an insured person under the insurance policy.

(Reference) Status of the Company's Corporate Governance

* The content presented in this section assumes the approval of Agenda 2 and Agenda 3.

Basic Views of Corporate Governance

The Company is a comprehensive real estate enterprise of the Sumitomo Group which has a history of 430 years and inherits Sumitomo's business philosophy of "Placing prime importance on integrity" and "Under no circumstances, shall it pursue easy gains." The Company's slogan, "Integrity and Innovation" expresses its corporate stance to all stakeholders including its employees, customers, business partners, creditors and shareholders. This includes the pride as a developer which values "Integrity" above all, and creates new corporate value with a pioneering spirit, without pursuing easy gains under any circumstances.

Under this slogan, we have set forth our fundamental mission as to "Create even better social assets for the next generation," and our basic management policy aims to contribute to addressing various social issues such as the environment, while maximizing corporate value through each business.

This fundamental mission also includes a reminder "Do not rest on seniors' laurels and make the best efforts for a better company for the next generation." At this point in time, we believe that the management of the Company should continue to be carried out by people mainly from within the Company who have inherited the strong will to sow the seeds of growth for the sake of the next generation. In doing so, we believe that employees will be able to maintain a high level of motivation to eventually participate in management.

In consideration of this basic stance, we are working to further strengthen and enhance corporate governance so as to contribute to the enhancement of the Company's corporate value over the medium- to long-term, by working on collaboration and dialogue with all stakeholders including shareholders, improving the efficiency of decision-making, appropriate supervision of execution, and proper disclosure of information.

Corporate Governance System

Reasons for Adopting an Organizational Structure of a Company with Corporate Auditors

Under the Companies Act of Japan, companies may adopt one of the following three forms of organizational structure: (i) a company with corporate auditors, in which the Board of Directors assumes executive responsibility, while corporate auditors are in charge of the monitoring of management; (ii) a company with a nominating committee, etc., wherein the Board of Directors is tasked with the management monitoring function and the Board of Executive Officers assumes executive responsibility; and (iii) a company with an audit and supervisory committee, in which the management monitoring function of corporate auditors is incorporated into the functions of the Board of Directors. In this way, companies may select the optimum governance structure that best suits their circumstances.

As stated in the Basic Views above, in order for the Company to continue growing, we believe that people from within the Company who are deeply familiar with the significance of continuing to invest, always looking resolutely forward even in difficult times, should be the core members of management and execution, and the motivation of juniors, who will acquire experience in the real estate business and eventually join the management team, should be maintained; hence we have a structure as a company with a corporate auditors, where the Board of Directors bears responsibility for execution, and corporate auditors take on the management supervision function.

Six directors, mainly from within the Company, who are deeply familiar with the business content, are in charge of management and execution, while three outside directors and four corporate auditors for a total of seven persons, which accounts for over half of the 13 attendees of the Board of Directors meeting, are responsible for the management supervision function. In order to fully demonstrate the supervisory function, we have built a system to accurately grasp the management condition and issues and to cooperate with each other as follows.

Role and Structure of the Board of Directors

The Board of Directors promotes the sustainable growth of the Company and the enhancement of corporate value over the medium- to long-term, improves profitability and business efficiency, and prevents fraud before it occurs. In order to do so, it is responsible for deliberating and deciding important matters for the Company such as basic management policy and management strategy, as well as supervising the execution of duties by each director and executive officer.

The maximum number of directors in the Board stipulated in the Articles of Incorporation is 12. The Board of Directors is comprised of six directors from within the Company who are in charge of business execution as they are deeply familiar with the significance of always looking resolutely forward and continuing to invest for sustainable growth, and three outside directors with experience as a chairman, a president or other management executives, who have superior character and insight and understand the Company's management principles.

· **Executive Officer System**

Due to the limited number of directors, we have introduced an executive officer system comparable with directors so that we can appoint officers necessary for business expansion, and we have appointed 13 executive officers who do not concurrently serve as directors. Compensation for executive officers who are non-concurrent directors is not an employee salary, but is to be paid from the total compensation for directors, which is clearly based on the Company's performance set at 1% of consolidated ordinary profit for the previous fiscal year, because they are considered to be comparable with directors.

· **Role and Structure of the Board of Corporate Auditors**

Corporate auditors are responsible to supervise whether directors are performing their duties properly by using the powerful authority endorsed by law.

The Board of Corporate Auditors consists of four corporate auditors, half of whom are the two outside corporate auditors.

· **Cooperation among Internal Audit Department, Independent Auditor, and Corporate Auditors**

We have established the Internal Audit Department to check the business execution status of each Department of the Group and the operational status of internal controls, to prevent fraud and errors, and to make proposals for operational improvement. The Internal Audit Department reports the results of its internal audits to, and exchanges views as appropriate with, corporate auditors and the independent auditor in an effort to forge closer collaboration between the three parties and increase the quality and efficiency of individual audits.

Initiatives to Strengthen Corporate Governance

Steps Taken to Strengthen Corporate Governance

June 2002	Appointed two outside corporate auditors, making half of the four corporate auditors outside members
April 2004	Reformed the management system, reducing the number of directors from 23 to 12
June 2004	Introduced a fully performance-based compensation system for directors Abolished the retirement benefit system for directors and the bonus system for directors
June 2015	Appointed two outside directors Established a Committee of Outside Directors and Auditors and began holding briefings for outside directors on a regular basis, to strengthen the supervision function of outside directors and outside corporate auditors
April 2020	Introduced an executive officer system
June 2020	Appointed one female corporate officer (outside corporate auditor)
June 2023 (Planned)	Increase the number of outside directors to three Appoint one female director

Roles of Outside Directors and Outside Corporate Auditors

As part of its initiatives to strengthen corporate governance, the Company appointed two outside corporate auditors in 2002 and two outside directors in 2015. Note that if Agenda 2 is approved, the number of outside directors will be three.

Corporate auditor is a system that has taken root in Japan for a long time. Corporate auditors use the strong investigative power granted by the law to audit whether the directors are conducting their duties appropriately. Although full-time corporate auditors from within the Company are familiar with the Company's internal affairs and have excellent information-gathering skills, they might become somewhat lenient, albeit unconsciously, when it comes to auditing their colleagues. Therefore, the Company ensures that at least half of the corporate auditors are outside members to add an objective perspective and thereby ensure the effectiveness of audits.

Likewise, it is undeniable that the Board of Directors may become narrow-minded if it consists only of people from within the Company, and it is possible that the Board may find itself left behind by the changes in the world. Therefore, the Company has appointed outside directors who have excellent character and insight, who understand its management philosophy, and who have experience as a chairman, a president or other management executives, in order to have them advise the management team and monitor the directors by utilizing their wide range of knowledge and insight based on their experience in corporate management.

Efforts to Strengthen the Supervision Function

The Company has three outside directors and four corporate auditors for a total of seven persons, which accounts for over half of the 13 attendees of the Board of Directors meeting, responsible for the management supervision function. In order to ensure that outside directors and outside corporate auditors can fully perform their roles, in the fiscal year under review the Company (i) held eight briefings for outside directors in which they were briefed on the agendas for the Board of Directors meetings, the content of discussions at Executive Committee, and other issues; and (ii) convened 14 meetings of the Board of Corporate Auditors wherein they received reports from the independent auditor and the Internal Audit Department and conducted interviews about the operating situation with the heads of each department.

In addition, (iii) we have established a Committee of Outside Directors and Auditors, comprised of only outside directors and outside corporate auditors. The Committee of Outside Directors and Auditors directly hears from each officer about the execution status of the duties of which he or she is in charge and the issues they are aware of, as well as giving appropriate advice. In the event of a whistleblowing report toward officers, outside corporate auditors receive a report directly and share the information at the Committee of Outside Directors and Auditors.

Through these initiatives, we believe that the Company's corporate governance has achieved a certain level of quality.

Initiatives for Promoting Diversity

We have been actively promoting diversity since before, based on the recognition that the presence of diverse perspectives and values reflecting a variety of experiences, skills and attributes within the Company is an advantage that ensures the sustainable growth of the Company.

For more than 20 years, we have been actively hiring people with diverse careers at other companies as individuals who can be immediately effective in the Company. Today, mid-career hires with work experience at other companies account for 90% of our employees at Sumitomo Realty & Development, and are the source of the Company's growth. In addition, for increasing employees' motivation, we believe that equal opportunity is the most important factor in promotion to management positions, so we promote employees based solely on their enthusiasm, ability and achievements, regardless of gender or whether they were hired as new graduates or as mid-career workers. As a result, mid-career hires account for more than 60% of managerial personnel, thus ensuring diversity in the managerial positions.

We are also actively working on the promotion of female participation and career advancement. Firstly, we have announced a numerical target for the ratio of female employees newly hired in sales and engineering positions that support our front line operations (25% in sales and 13% in engineering positions) in order to increase the number of female to be promoted in future by increasing the ratio of female in our workforce. Secondly, we are also working to support women's career development. For example, in 2022, we implemented reforms to apply personnel systems centered on job evaluation-based pay to all employees, and created a system that enables employees with medium- to long-term gaps in their career owing to life events such as childbirth and raising children to immediately assume positions of responsibility with no disadvantage after returning to work. We are also actively working to engage female corporate officers, and if Agenda 2 and Agenda 3 are approved at this meeting, we will have two female corporate officers.

We believe that diversity in managerial positions should be ensured naturally as a result of fair employment policies, systems and appointments, such as those described above. We believe that setting a numerical target for diversity in managerial positions may distort equal opportunity in the appointment of managers and lower the morale of employees as a whole, and therefore we will not set such a numerical target.

**(Reference) Basic Management Strategy and Medium- to Long-term Outlook for “Sustainable Growth”
(Announced on May 11, 2023)**

The Company formulated and announced the Ninth Management Plan in May of last year when uncertainty was still strong over such issues as the COVID-19 pandemic and the situation in Ukraine.

Although the financial environment and other conditions remain unpredictable, COVID-19 pandemic has been finally settled down and economic activity is expected to normalize. Under these circumstances, we restate and summarize our basic management strategy and accompanying medium- to long-term outlook to further increase corporate value as follows, taking into consideration recent changes in social and economic conditions.

1. Earnings Targets

(1) Aiming to surpass ¥300.0 billion in ordinary profit in the next medium-term management plan

With top priority placed on achieving objectives of the medium-term management plans it has formulated every three years, the Company has increased its corporate value as a result of having steadily implemented the plans.

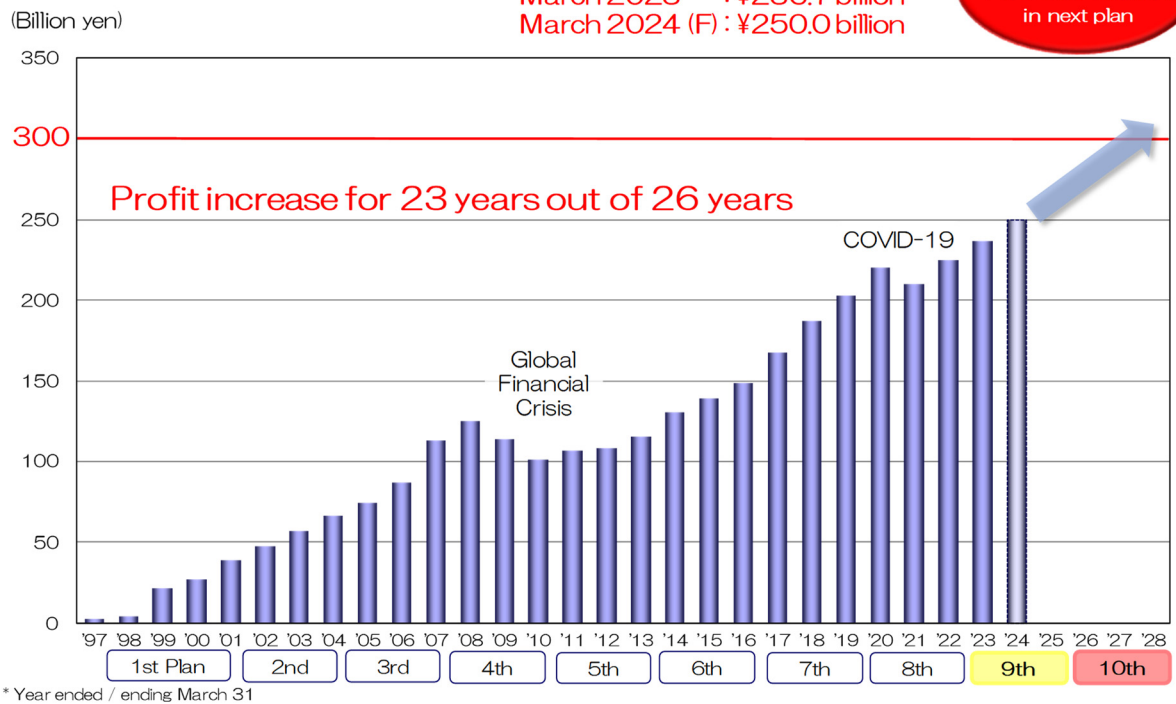
The Company has executed eight management plans, and has achieved increases in ordinary profit in 23 fiscal years, excluding the three fiscal years under the global financial crisis and the COVID-19 pandemic.

In the fiscal year ended March 31, 2023, the first year of the Ninth Management Plan, we achieved record ordinary profit for the second consecutive year and record profit for the tenth consecutive year, making a good start toward achieving the goals for the cumulative three-year period of the medium-term management plan.

For the fiscal year ending March 31, 2024, we aim to renew record-high profits with expecting higher profits in all business segments of the mainstay office building leasing (Leasing segment), condominium sales (Sales segment), housing (Construction segment) and Brokerage segment.

Historical ordinary profit

Achieve record ordinary profit for the third consecutive year
 March 2023 : ¥236.7 billion
 March 2024 (F) : ¥250.0 billion



At the time of the announcement of the Ninth Management Plan in May last year, when the business environment outlook was uncertain due to the COVID-19 pandemic and the situation in the Ukraine, the Company has set its long-term vision to achieve ¥300.0 billion in ordinary profit by FY2030 at the latest through the contribution of earnings from operations of new buildings to be completed. However, the outlook for each business segment including the hotel and multipurpose hall businesses, which were affected by the COVID-19 pandemic, has improved compared to a year ago, and surpassing ¥300 billion in ordinary profit is now expected to be achievable during the next medium-term management plan (2026-2028), earlier than initially expected.

(2) Growth strategy by segment

Our office building leasing business in Tokyo has proven to be resilient in the face of the COVID-19 pandemic, and we will continue to position it as our solid foundation. In addition to office building leasing business, we will also expand other businesses such as Shinchiku Sokkurisan remodeling, through initiatives of high social significance including contribution to decarbonization, aiming to “surpass ¥300.0 billion in ordinary profit” with the comprehensive strengths of the Group as a whole.

Leasing

For office buildings, the trend toward increasing floor space is becoming apparent against the backdrop of tenants’ staff returning to office and increased hiring as economic activity normalizes. By steadily capturing these tenant companies’ needs, we will maintain and improve the profitability of existing buildings and continue on the trajectory of long-term profit growth through operation of new buildings to be completed with gross floor area of over 700,000 tsubo.

The “La Tour” premium leasing residences series has grown to a scale of 4,000 units and has been well-accepted for its hospitality and service. We will continue to improve our brand value and further extend our strong performance.

In the hotel and event hall business, we are striving to restore the profitability to the pre-COVID-19 levels during the current fiscal year, and aiming for further growth in the next medium-term management plan and beyond with the contribution to earnings from the full-scale operation of Haneda Airport Garden including flagship hotels with a total of 1,700 guestrooms, directly connected to Haneda Airport, which fully opened in January.

Sales

For condominium sales with firm demand under the low interest rate environment, more than 90% of the 3,000 units planned to be delivered in the current fiscal year were already sold, and sales activities including those for the next fiscal year and beyond are making steady progress as planned.

Although rising construction costs continuously needs to be addressed, we have already secured the necessary amount of land for condominiums to be delivered by the next medium-term management plan amid continuing intensified competition for land acquisition. We will maintain our policy of focusing on profit with controlling the pace of sales, rather than chasing volume of units or sales, and will also maintain the high level of profit scale that we have achieved in previous medium-term management plans.

We are promoting development that contributes to decarbonization with the adoption of the “ZEH-M Oriented” high environmental performance as the standard specifications for all condominiums we design from the Ninth Management Plan.

Construction

In Japan, 90% of the over 50.0 million existing houses do not meet the latest energy-saving standards, posing a major social challenge for decarbonization. Our “Shinchiku Sokkurisan” remodeling business has been well received for its “high-insulation remodeling” that achieves high energy-saving performance, and the percentage of orders for “high-insulation remodeling” for full remodeling has reached 30% at present (target of 20% for the Ninth Management Plan).

In custom homes, we have launched the sale of “SUMICA” with the latest ZEH (Zero Energy House) specifications as standard; it combines the solar power generation service “SUMIFU × ENEKARI,” which offers the benefits of solar power generation services for peace of mind at zero initial cost simply with a fixed monthly service fee, and high thermal insulation specifications, and the ZEH ratio is now increasing to 80% (target of 60% for the Ninth Management Plan).

In both businesses, we aim to achieve record-high profit by increasing orders through appealing to customers for high disaster prevention and environmental performance, while focusing on cost control, minimizing the impact of material price fluctuations.

Brokerage

Sumitomo Fudosan Real Estate Sales Co., Ltd. is one of the industry-leading company mainly with transactions of existing housings, focusing on spreading its “STEP” brand, while operating Mansion Plaza brokerage offices which exclusively handle high-class condominiums, and launching STEP Auctions, an industry-new service that offers fairer and more transparent transactions under the principle of “Customer First.” This new service has been well-accepted by many sellers.

Following the discontinuation of distributing insert flyers, in January we completely terminated our operations of sending direct mail (DM), which had been sent to customers using registered information, from the perspective of protecting personal information. We, instead, have shifted our focus to an advertising strategy utilizing the Internet, promoting efficient advertisement by paperless operations and digital transformation (DX).

While the supply of new housing is on the decline, the existing housing market, which is being revitalized by an increase in high-quality stock, is expected to grow, and we will strive to expand our market share by strengthening Group collaboration with our other businesses such as custom homes and remodeling, and condominiums that we have sold in the past, as well as further pursuing customer-oriented services.

(3) Impact of rising interest rates on earnings is expected to be negligible

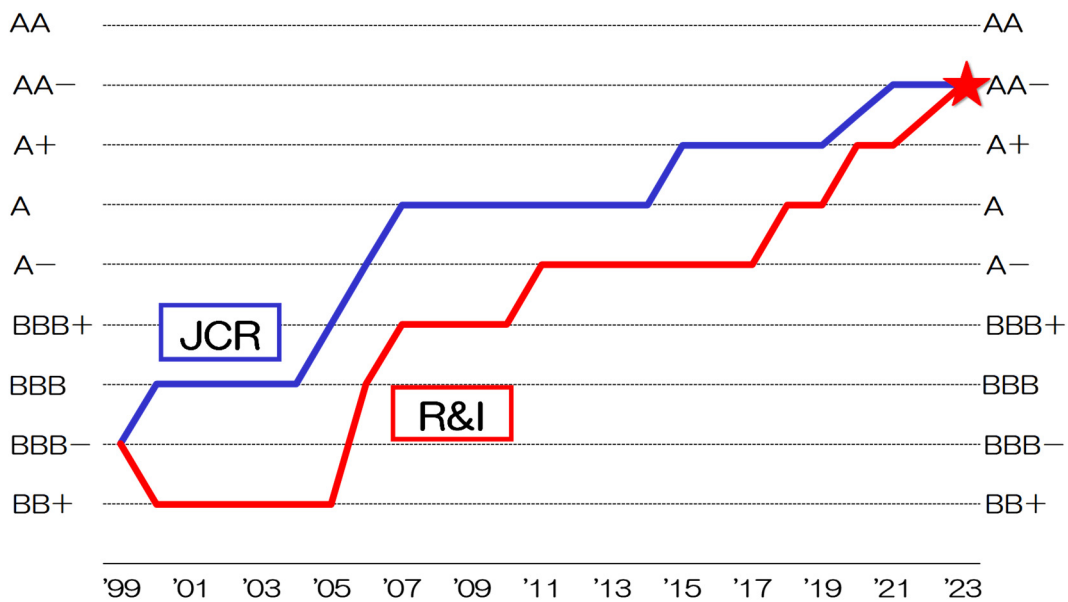
Preparing for the recent global inflation and the accompanying rise in interest rates is an important management issue for the Company as a real estate company with large up-front investments.

Our financing policy is to manage our finances conservatively, focusing on long-term debt with 10-year maturities, maintaining a fixed interest rate ratio of over 80%, and diversifying refinance dates (interest-bearing debt as of the end of the previous fiscal year was approximately ¥3.9 trillion, with the long-term ratio at 95% and the fixed interest rate ratio at 86%).

In addition, the shareholders' equity ratio, which indicates financial soundness, has improved every year, almost doubling to 28% from 15% 10 years ago, and the debt rating, which indicates creditworthiness of bonds and other financial assets, has improved to the AA zone rated by both Japan Credit Rating Agency, Ltd. (JCR) and Rating and Investment Information, Inc. (R&I), and we have earned a high evaluation for our financial stability as well as our profitability.

Trend of Debt Ratings

✓ High rating of AA- from both JCR and R&I



* Year ended March 31

The table below shows the estimated earnings impact of higher interest rates in case the entire amount scheduled for repayment (redemption) over the next five years was refinanced. The annual refinancing amount is about 10% of total interest-bearing debt, and if the market interest rates were to rise by 0.5%, the increase in interest payments would be about ¥2.0 billion each year. This is only a 0.5% impact on current leasing revenue of ¥400.0 billion, and it is well within the range that can be absorbed by future improvements in revenues from existing buildings and new buildings to be completed in the future. In addition, when interest rates rise, in general, the economy is likely to be in a moderate inflationary trend, in which case the probability of an upturn in the economy and an improvement in the Company's earnings environment is also high.

Rising interest rates simulation (next 5 years)

(Billion yen)

	2024	2025	2026	2027	2028
Repayment amount (refinancing)	294.1	383.8	345.9	440.6	302.4

* Year ending March 31

↳ If interest rates remain at current levels...

Interest amount	18.0	18.0	18.0	18.5	19.5
YoY change		—	—	+0.5	+1.0

↳ If interest rates increase by 0.5%...

Interest amount	18.0	19.0	21.0	23.0	26.0
YoY change		+1.0	+2.0	+2.0	+3.0

*Long-term debt and bonds

*Interest-bearing debt as ¥3.9 trillion as of March 31, 2023

The Company will continue its conservative financing policy with a higher ratio of fixed interest rates, for long-term debt, and will strive to minimize the impact of rising interest rates in the future. The target of “ordinary profit exceeding ¥300.0 billion in the next medium-term management plan” incorporates the assumption of a 0.5% rise in market interest rates.

2. Profit Distribution Policy

(1) Policy to return the fruits of sustainable growth to employees first, implementing a total of 7% wage increase in the previous fiscal year

The Company puts into practice the corporate slogan “Integrity and Innovation” and is aiming for employee-first management to return the fruits of sustainable growth to employees first, based on the ideas that employees are the source of enhancing the corporate value through sustainable growth.

We have a highly diverse workforce, with career hires accounting for 90% of our workforce, and we have implemented a salary increase that is commensurate with the growth of individual employees, a unique personnel system in Japan that evaluates solely on ability (job responsibilities) and performance in each of the various job categories, with pay raises that are commensurate with the growth of individual employees.

In the previous fiscal year, in addition to the salary increase above, a special allowance of ¥100,000 was paid uniformly to all 10,000 Group employees as a daily living support, taking into consideration the rapid rise in prices, especially for utilities. Furthermore, the lump-sum payment of ¥100,000 at the end of the fiscal year in conjunction with the renewal of record profit was given to all Group employees, instead of only to those at Sumitomo Realty & Development as in the past, to share the joy of the good performance with the entire Group. As a result, including two lump-sum payments for a total of ¥2.3 billion, the wage increase rate for the previous fiscal year was 7%. We will continue to make generous human capital investments in our employees along with returns to shareholders in line with sustainable growth.

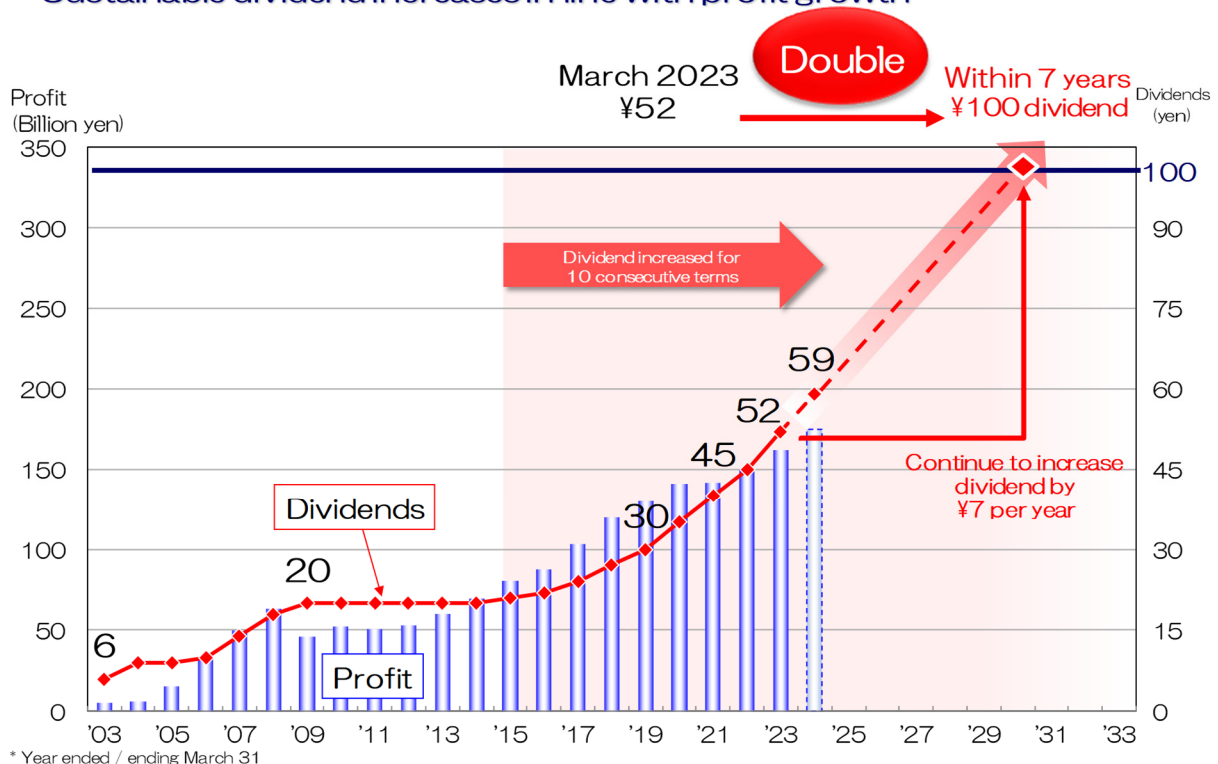
(2) Double the dividend within 7 years to ¥100 per share, and continue sustainable dividend increase in line with profit growth

The Company’s basic policy of profit distribution is to ensure prioritization of investment in leasing office assets in order to enhance the long-term earnings base and to strive for “sustainable dividend increase” in line with profit growth.

Based on this idea, we initially set forth the continuation of the “annual dividend increase of ¥5 per share” in the Ninth Management Plan. However, in November last year, we increased the pace of “sustainable dividend increase in line with profit growth” from ¥5 to ¥7 per share per year, based on the recognition that, in addition to steady progress in business performance, the future outlook for business performance has been brighter with the normalization in the economic activities, considering the coexistence with COVID-19.

In the current fiscal year (ending March 31, 2024), we plan to “increase the dividend for the 10th consecutive year” to ¥59 per share, and thereafter we will continue the “annual dividend increase of ¥7 per share” and raise it to “¥100 per share per year” within seven years, doubling the current ¥52. The Company will reward shareholders for their long-term support as we aim to increase our corporate value through sustainable growth.

Sustainable dividend increases in line with profit growth

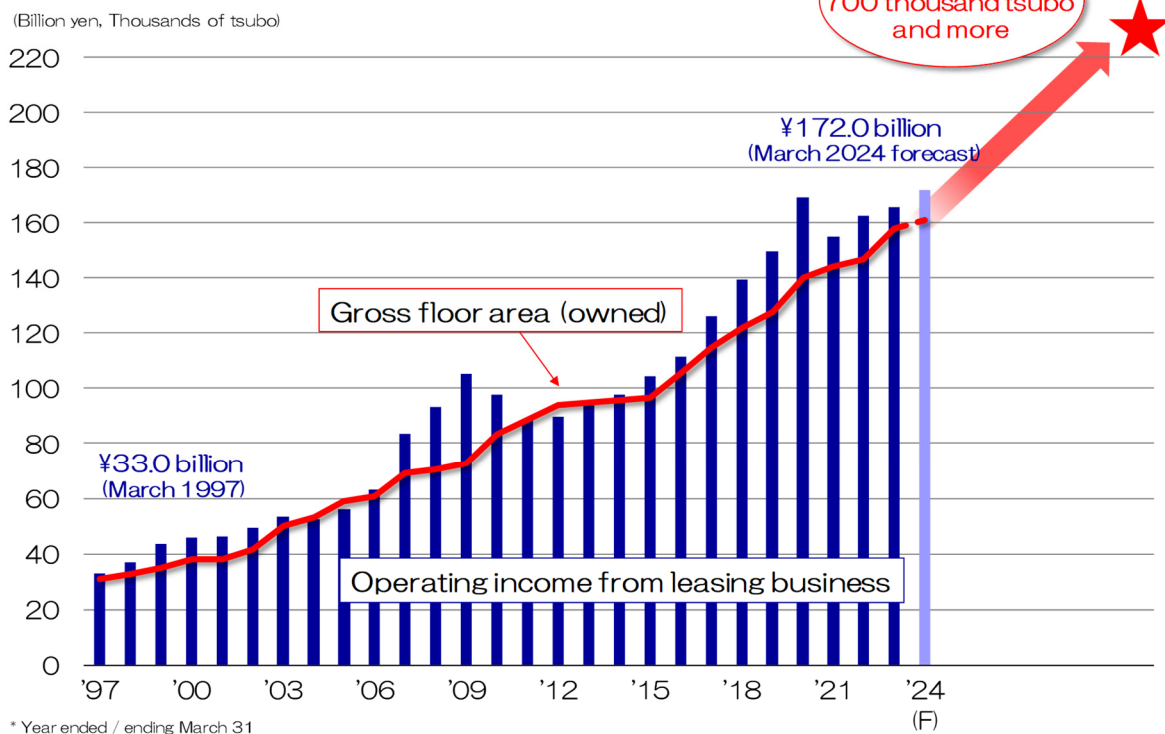


3. Investments for Growth

(1) Steady progress in investment in leasing office assets with gross floor area of over 700,000 tsubo in central Tokyo, mainly comprising redevelopment

The Company has adopted a policy of continuing to invest in leasing office assets in central Tokyo, which has underpinned sustainable growth to date, and has been promoting development plans with gross floor area of over 700,000 tsubo (approx. 2,300,000 square meters) expected to complete in and after the “Ninth Management Plan.” The Company aims to achieve profitability from these projects focusing on large-scale redevelopment over the next three medium-term management plans, and additional investments will be approximately ¥2 trillion (of which ¥700.0 billion is for the three years of the Ninth Management Plan). In the previous fiscal year (ended March 31, 2023), two large-scale redevelopment projects, Sumitomo Fudosan Tokyo Mita Garden Tower and Sumitomo Fudosan Shinjuku First Tower were completed. We will continue to steadily promote redevelopment projects underway in Ikebukuro, Yaesu, Tsukiji, Roppongi, and other locations in central Tokyo, and we will strive to further expand our earnings base and increase corporate value by completing and putting these projects into operation. In terms of new properties, we maintain our policy of taking advantage of opportunities that arise and actively acquire desirable properties available (securing ¥300.0 billion for investments in new projects for the three years of Ninth Management Plan).

Operating income from office building leasing business and gross floor area for leasing



(2) Investment of ¥500.0 billion in India, aiming to increase profits by ¥30.0 billion, or 10% of domestic ordinary profit

In addition to expanding the earnings base centered on the leasing business in central Tokyo, the Company is making full-fledged overseas expansion in India, with our “Tokyo office building leasing business” model of acquiring the development site independently, developing, leasing, managing and owning buildings by ourselves for the long term.

In July 2019, we acquired the largest office building’s site in Bandra Kurla Complex (BKC), which is the new city center of Mumbai, the largest economic city of India, and in November 2022, we acquired an additional site of a similar size. Together with the first acquired site, we are promoting the office building development with gross floor area of approximately 80,000 tsubo and an investment scale of nearly ¥200.0 billion. We have already started underground construction for the first property, and we are aiming to complete construction of both properties during the next medium-term management plan.

The BKC is being developed as a financial center, and government-affiliated companies, major Indian conglomerates, and foreign IT companies are moving into the area. New stations for high-speed rail and a new metro line are scheduled to be built in the future, and further development as a business district is expected. Starting with these developments, we first invest approximately ¥500.0 billion in India, or 10 % of over ¥5 trillion of leased assets after the completion of the development plans with gross floor area of 700,000 tsubo in Japan,

while taking into consideration of various property types and business models in addition to the long-term ownership of office buildings, aiming for higher investment efficiency than in Tokyo, considering overseas risk premiums such as interest rates and exchange rates.

In the next medium-term management plan, we aim to surpass ¥300.0 billion in domestic ordinary profit, and as our source of further growth beyond that, we aim to generate 10% of that amount, or ¥30.0 billion, from overseas business.

4. Governance

(1) Ensuring diversity of the Board of Directors - Outside Directors accounting for one-third of the Board, and appointing one female Director

The Company has decided to make changes to its Directors and Corporate Auditors as shown in the right table due to the expiration of the terms of office of all Directors, and announced it on February 9 (to be officially decided at the Ordinary General Meeting of Shareholders scheduled to be held in June 2023).

As a result, the number of Outside Directors will be increased from the current two to three, meeting the one-third ratio of Outside Directors recommended in Japan's Corporate Governance Code. In addition, a total of two candidates for one Director and one Corporate Auditor are female.

Even under the current structure, the Board of Directors holds vigorous discussions, and we believe that the Company's governance is sufficiently functioning. However, we will continue to further strengthen and enhance our corporate governance and aim to increase our corporate value.

New Management Structure

(Planned to be effective from June 29, 2023)

✓Outside Directors accounting for one-third of the Board of Directors
✓Appointing one female Director

Number of Directors:	Current		New
Inside	7		6
Outside	2	⇒	3
(of which, female)	(0)		(1)
Number of Corporate Auditors:	Current		New
Inside	2		2
Outside	2	⇒	2
(of which, female)	(1)		(1)

(2) Considering abolishing advance warning takeover defense measures against malicious takeover action

Since its introduction in 2007, the Company's advance warning takeover defense measures have been renewed every three years through a resolution of the General Meeting of Shareholders and have been continued.

The current policy was approved at the General Meeting of Shareholders in June 2022. Subsequently, the Ministry of Economy, Trade and Industry established the "Fair Acquisition Study Group" to discuss a review of the guidelines for takeovers, and the Financial Services Agency also started discussions on reviewing the tender offer system in March, and discussions on ensuring the fairness and transparency of acquisition procedures are progressing rapidly.

These discussions are greatly welcomed because they are expected to possibly resolve the "problems in the legal system" that necessitate our takeover defense measures, such as being taken all of a sudden by a malicious acquirer who rapidly purchases shares in the market, and the takeover being consummated without sufficient time for consideration or an appropriate decision-making process at the General Meeting of Shareholders, posing a risk of damage to corporate value and the interests of other shareholders.

In light of future trends in these system revisions, we will consider abolishing the advance warning takeover defense measures that we have introduced, at the Board of Directors and other meetings.

(3) Progress in reducing strategic shareholdings

From the perspective of building and strengthening stable and long-standing relationships with business partners such as tenant companies and financial institutions, the Company may acquire and hold shares of such business partners when it deems that such acquisition and holding will contribute to stabilizing and enhancing corporate value.

With regard to the reduction of strategic shareholdings, in the Ninth Management Plan, the Company has set a numerical target of reducing the ratio of the book value of listed shareholdings each year to 10% or less of shareholders' equity by FY2030 at the latest, and it imposes a certain level of discipline on the balance of shareholdings. In the previous fiscal year, we sold six issues, with book value of approximately ¥7.0 billion in total, whose significance of our holdings had declined. As a result, the book value of listed shares decreased to ¥269.0 billion (down ¥3.0 billion from the preceding fiscal year), and the ratio to shareholders' equity declined two percentage points to 16.6% (18.4% at the end of the preceding fiscal year).

The Company will continue to examine the significance of the strategic holding of shares individually, and it will proceed to sell shares that are deemed to have lost their significance to continue holding as subject to reduction.

Book value of listed shares and shareholders' equity

	6th (March 31, 2016)	7th (March 31, 2019)	8th (March 31, 2022)	March 31, 2023 Results	Fiscal 2030 Target
Book value of shares (Billion yen)	190.3	255.5	271.9	269.0	
Shareholders' equity (Billion yen)	821.0	1,099.3	1,479.2	1,618.9	
Ratio (%)	23.2	23.2	18.4	16.6	10% or less

5. Capital Efficiency

Achieved ROE of 9.4%, well above the cost of capital

In the previous fiscal year (ended March 31, 2023), ROE (Return on Equity) was 9.4%, achieving high capital efficiency on par with the preceding year. Meanwhile, the shareholders' equity ratio has improved every year with increasing financial stability, and R&I upgraded our credit rating to AA- in February.

The Company will continue to maintain ROE that exceeds the cost of capital, while balancing financial stability with enhanced profitability.

Changes in ROE

- ✓ Maintain ROE that exceeds cost of capital
- ✓ Achieve both financial stability and profitability with improved shareholders' equity ratio and credit rating

	2019	2020	2021	2022	2023	
ROE (%)	11.2	11.3	10.1	9.6	9.4	} Profitability
Profit (Billion yen)	130.1	141.0	141.4	150.5	161.9	
Shareholders' equity (Billion yen)	1,202.1	1,295.0	1,503.0	1,634.0	1,799.4	
Shareholders' equity ratio (%)	23.4	24.4	26.5	28.1	28.3	} Stability
R&I rating	A	A+	A+	A+	AA-	

* Year ended March 31

(Reference) Ninth Management Plan (Announced on May 12, 2022)

Name Ninth Management Plan

Plan period Three years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025

Key Points of Plan

1. Earnings Targets

Consecutive record profit for the period covered

Achieve cumulative ordinary profit of 750 billion yen and profit of 500 billion yen over the three-year period

Aim to achieve record profits for the fourth consecutive plan since the Sixth Management Plan by maintaining the pace of growth that we attained until the Eighth Management Plan

< Three-year cumulative earnings targets >

Revenue from operations	¥3 trillion	(Vs. Eighth Management Plan: + ¥129.6 billion + 5%)
Operating income	¥770.0 billion	(“ + ¥82.5 billion + 12%)
Ordinary profit	¥750.0 billion	(“ + ¥94.4 billion + 14%)
Profit	¥500.0 billion	(“ + ¥67.2 billion + 16%)

(Reference) Comparison of Management Plan results

	(Billion yen)			
(Fiscal year ended/ending March 31)	6th Plan 2014 - 2016	7th Plan 2017 - 2019	8th Plan 2020 - 2022	9th Plan 2023 - 2025
Revenue from operations	2,442.1	2,885.8	2,870.4	3,000.0
Operating income	500.6	613.2	687.5	770.0
Ordinary profit	418.0	557.8	655.6	750.0
Profit	238.1	353.3	432.8	500.0

Note: All figures are cumulative totals within the period of the plan.

2. Capital Investment Plans (Non-current asset investment excluding sales assets, such as condominiums for sale)

Further investment in leasing office assets in central Tokyo, strengthening our earnings base
Expect to invest 1 trillion yen over the three years of the Ninth Management Plan

- (1) We will invest 700 billion yen in concrete development projects for over 700 thousand tsubo (one tsubo is roughly 3.3 m²) of gross floor area, mainly comprising redevelopment projects

Current forecasts for the operation of leasing office assets are as shown in the table below
 < Pace of development >

	(Thousand tsubo)				
	6th Plan	7th Plan	8th Plan	9th Plan	10th Plan onward
Gross floor area	110	210	180	190	520

- (2) We will ensure that we take advantage of opportunities that arise by securing 300 billion yen for investments in new projects

3. Financing Plans

- (1) We expect to be able to cover the additional investment of 700 billion yen in properties that are in process with increases in cash flows from the leasing business*

< Capital investment and cash flows from the leasing business >

	(Billion yen)			
	6th Plan	7th Plan	8th Plan	9th Plan
Capital investment	(422.3)	(663.5)	(805.3)	(1,000.0)
Cash flows from the leasing business	409.8	534.6	644.5	700.0
Interest-bearing debt	3,158.9	3,342.8	3,560.0	3,800.0

* Cash flows from the leasing business: Operating income of the leasing business + Depreciation

- (2) Introduction of green financing

Procure total long-term funding amount of 1 trillion yen from green financing

- (i) Procure 1 trillion yen in funds from green financing for 12 buildings, out of 62 buildings owned by the Company that have already acquired a rating of three stars or above in DBJ Green Building Certification* (as of April 30, 2023)
- (ii) Principles for target properties during financing period
- Disclose environmental performance information, including CO₂ emissions and energy consumption
 - Maintain at least three stars in the DBJ Green Building Certification
 - Prohibit the sale of the target properties since this financing contributes to addressing social issues such as environmental improvement (retain to maintain performance)
- (iii) Obtain assessment of conformity with green finance from JCR and R&I

* DBJ Green Building Certification is a certification system established by the Development Bank of Japan to evaluate real estate for its performance and initiatives regarding “environmental and social awareness” beyond its “profitability.”

4. Policy for Shareholder Returns *Revised on November 11, 2022

Increase the pace of the annual dividend increase from 5 yen to 7 yen, due to the brightening outlook of the business performance

Maintaining policy of prioritizing investment in leasing office assets, and “sustainable dividend increase” policy in line with profit growth

< Dividends and earnings per share >

(Yen)

(Fiscal year ended March 31)	7th Plan			8th Plan		
	2017	2018	2019	2020	2021	2022
Dividends	24	27	30	35	40	45
Earnings per share	218	253	275	298	298	317

5. Introduction of Numerical Targets regarding Strategic Shareholdings

Reduce the ratio of the book value of shares held to 10% or less of shareholders’ equity by fiscal 2030

The Company maintains that it can acquire and hold shares of business partners, etc., if it is deemed to contribute to the Company’s sustainable growth and medium- to long-term enhancement of corporate value primarily from the standpoint of establishing and strengthening stable and long-standing business relationships with them.

In this new management plan, the Company has decided to establish a numerical target for the amount of strategic shareholdings held, and certain rules. As of the end of the previous fiscal year, the book value of listed shares held of 271.9 billion yen was approximately 18% of shareholders’ equity of 1,479.2 billion yen (after subtracting net unrealized holding gains on securities, etc., from net assets). Going forward, we will reduce this ratio year by year to 10% or less by fiscal 2030.

< Book value of listed shares and shareholders’ equity >

(Billion yen)

(As of March 31)	6th Plan (2016)	7th Plan (2019)	8th Plan (2022)
Book value of shares	190.3	255.5	271.9
Shareholders’ equity	821.0	1,099.3	1,479.2
Ratio	23%	23%	18%

Fiscal 2030 target
/
10% or less

6. Establishment of CO₂ Emissions Reduction Targets (Scope 1, 2, and 3)

50% reduction by fiscal 2030 compared with fiscal 2014, immediately prior to the Paris Agreement

Expressed support for 2050 carbon neutrality

Aim to achieve the target by linking decarbonization initiatives with business expansion

- (1) Promote energy-saving in leasing business centered on office buildings and facility management businesses
 - Further pursue the introduction of highly efficient facilities for new constructions and renovations, and reduce the Company's CO₂ emissions from energy consumption, etc., by 50% per unit of floor area
 - Continue awareness-raising activities for energy saving towards tenants
- (2) Promote measures to reduce emissions in both upstream and downstream parts of main businesses
 - Support tenant companies to introduce green power for their office spaces in a building
 - Support to curb energy consumption during construction
 - Enhance high-performance designs (adopting ZEH*-M Oriented as the standard specification for condominiums) *ZEH = Net Zero Energy House
 - Promote the provision of the new solar power generation service, "SUMIFU × ENEKARI," which will contribute to decarbonization for detached houses
 - Promote the provision of Shinchiku Sokkurisan high thermal insulation remodeling products
 - Support the spread of automobile charging stations
- (3) Aim to reduce total emissions by 10% in the Ninth Management Plan
 - Reductions in the condominium business, which accounts for approximately 60% of total emissions, will contribute from the Tenth Management Plan onward, when the construction of properties with new design standards will be completed
 - Aim to reduce emissions by 25% except for condominiums

< CO₂ emissions reduction targets for the Ninth Management Plan >

(Thousand tons of CO ₂)	Fiscal 2014 emissions		9th Plan reduction target	(Reference)
		Proportion		Fiscal 2019 emissions
Condominiums	3,605	61%	/	3,540
Custom homes and Shinchiku Sokkurisan remodeling	1,591	27%		1,565
Office buildings	689	12%		1,366
Other (head office and Group companies)	55	1%		66
Non-condominium	2,336	39%	(25)%	2,997
Total	5,940	100%	(10)%	6,537

Main numerical targets in each business

- (1) 30% of energy consumption in tenant office spaces to be green
- (2) 100% of condominiums to be ZEH-M Oriented designs
- (3) 60% of custom home orders to be ZEH homes (already standardized)
- (4) 20% of Shinchiku Sokkurisan remodeling orders to be high thermal insulation remodeling products (already introduced)
- (5) All of electric power used in the Group's own offices to be green by obtaining environmental value generated by solar power through "SUMIFU × ENEKARI"