

Supplementary Material

Fiscal 2022
(April 1, 2022 - March 31, 2023)



Sumitomo Realty & Development Co., Ltd.

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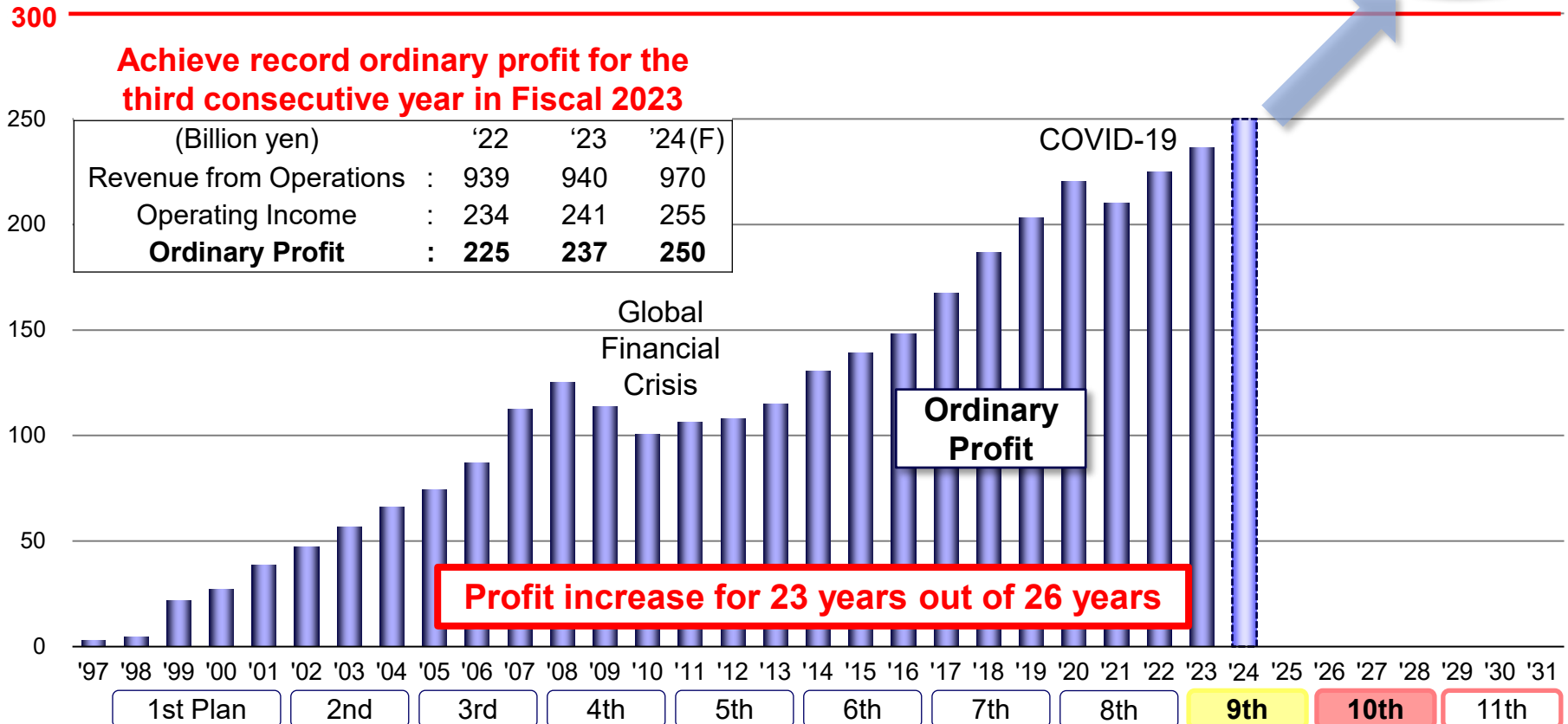
Earnings Targets

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

- ✓ For Fiscal 2023, aiming at record-high ordinary profit for the third consecutive year and record-high profit attributable to owners of parent for the eleventh consecutive year
- ✓ Medium- to long-term outlook is expected to be achievable earlier than forecast set out in the Ninth Management Plan (announced in May 2022)

Surpassing
¥300 billion
in next plan

(Billion yen)



(Years ended/ending March 31)

Earnings Targets

(2) Growth strategy by segment

Aiming to “surpass ¥300.0 billion in ordinary profit” with the comprehensive strengths of the Group as a whole, while continuing to position office building leasing business in Tokyo as our solid foundation

*1 tsubo ≈ 3.3m²

Leasing

For office buildings, by steadily capturing the needs for increasing floor space which is becoming apparent as economic activity normalizes, 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. Continue to improve our brand value and further extend our strong performance
- In the hotel and event hall business, strive to restore the profitability to the pre-COVID-19 levels during the current fiscal year, and aim 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 with the flagship hotels

Sales

Maintain our policy of focusing on profit with controlling the pace of sales, rather than chasing volume of units or sales, and maintain the high level of profit scale that we have achieved in previous medium-term management plans

- 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
- 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
- Promote development that contributes to decarbonization with the adoption of the “ZEH-M Oriented” as the standard specifications for all condominiums we design from the Ninth Management Plan

Construction

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 and minimizing the impact of material price fluctuations

- In Japan, 90% of the over 50.0 million existing houses do not meet the latest energy-saving standards, posing a major challenge for decarbonization
- > In “Shinchiku Sokkurisan” remodeling, the percentage of orders for “high-insulation remodeling” has reached 30% at present (target of 20% for the Ninth Management Plan)
- In custom homes, launched the sale of “SUMICA” in 2022 with the latest ZEH (Zero Energy House) specifications as standard; it combines the solar power generation service “SUMIFU × ENEKARI” and high thermal insulation specifications, and the ZEH ratio reached 80% (target of 60% for the Ninth Management Plan)

Brokerage “STEP”

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 and further pursuing customer-oriented services

- Focus on spreading “STEP” brand, while operating Mansion Plaza brokerage offices nationwide which exclusively handle high-class condominiums
- STEP Auctions offering fairer and more transparent transactions has been well-accepted by many sellers
- Promote efficiency by paperless operations and digital transformation (DX), including the discontinuation of distributing insert flyers and sending direct mail (DM) in consideration of protecting personal information

Earnings Targets

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

- ✓ Continue the conservative financing policy with a higher ratio of fixed interest rates focusing on long-term debt, and strive to minimize the impact of rising interest rates in the future

Conservative finance focusing on long-term debt

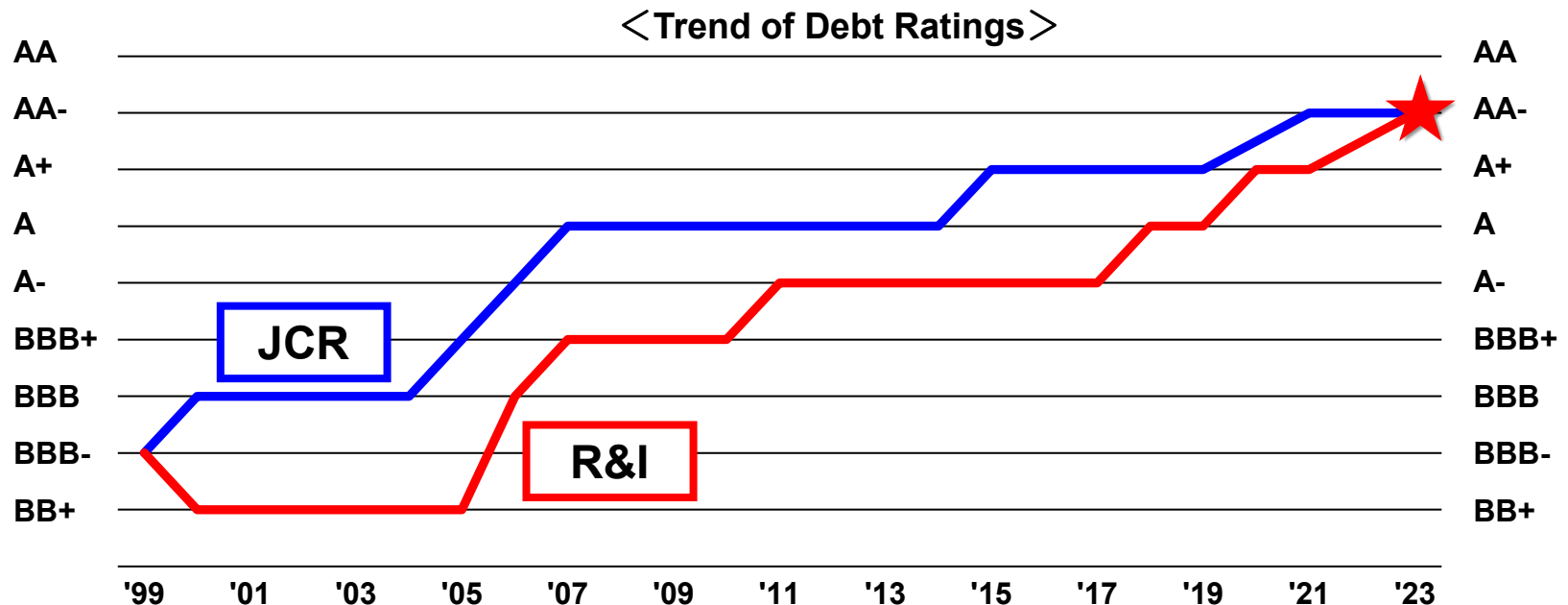
Fixed interest rate ratio
of interest-bearing debt
Over 80%

At the end of Fiscal 2022
Long-term debt ratio : 95%
Fixed interest rate ratio: 86%

Ensuring financial soundness and stability

Shareholders'
equity ratio
28%

Debt ratings
by JCR and R&I
AA-



* Year ended March 31

Earnings Targets

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

- ✓ 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
- ✓ Annual refinancing amount is ¥300 to ¥400 billion, approx. 10% of total interest-bearing debt of 3.9 trillion yen, 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



Only a 0.5% impact on current leasing revenue of ¥400.0 billion
= Well within the range of absorption

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

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

Salary Increase	<p>✓ <u>Salary increase based on ability and performance</u></p> <ul style="list-style-type: none">▶ Highly diverse workforce with career hires accounting for 90%▶ Evaluate solely on ability (job responsibilities) and performance in each of the job categories, and implement pay raises that are commensurate with the growth of individual employees
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Lump-sum payment 1: Special allowance	<p>✓ <u>A special allowance as a daily living support (uniformly ¥100,000)</u></p> <ul style="list-style-type: none">▶ Taking into consideration the rapid rise in prices, especially for utilities, for all 10,000 Group employees
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Lump-sum payment 2: Renewing record profit	<p>✓ <u>Lump-sum payment at the end of the fiscal year in conjunction with the renewal of record profit (uniformly ¥100,000)</u></p> <ul style="list-style-type: none">▶ 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
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Fiscal 2022

Wage increase rate of 7%

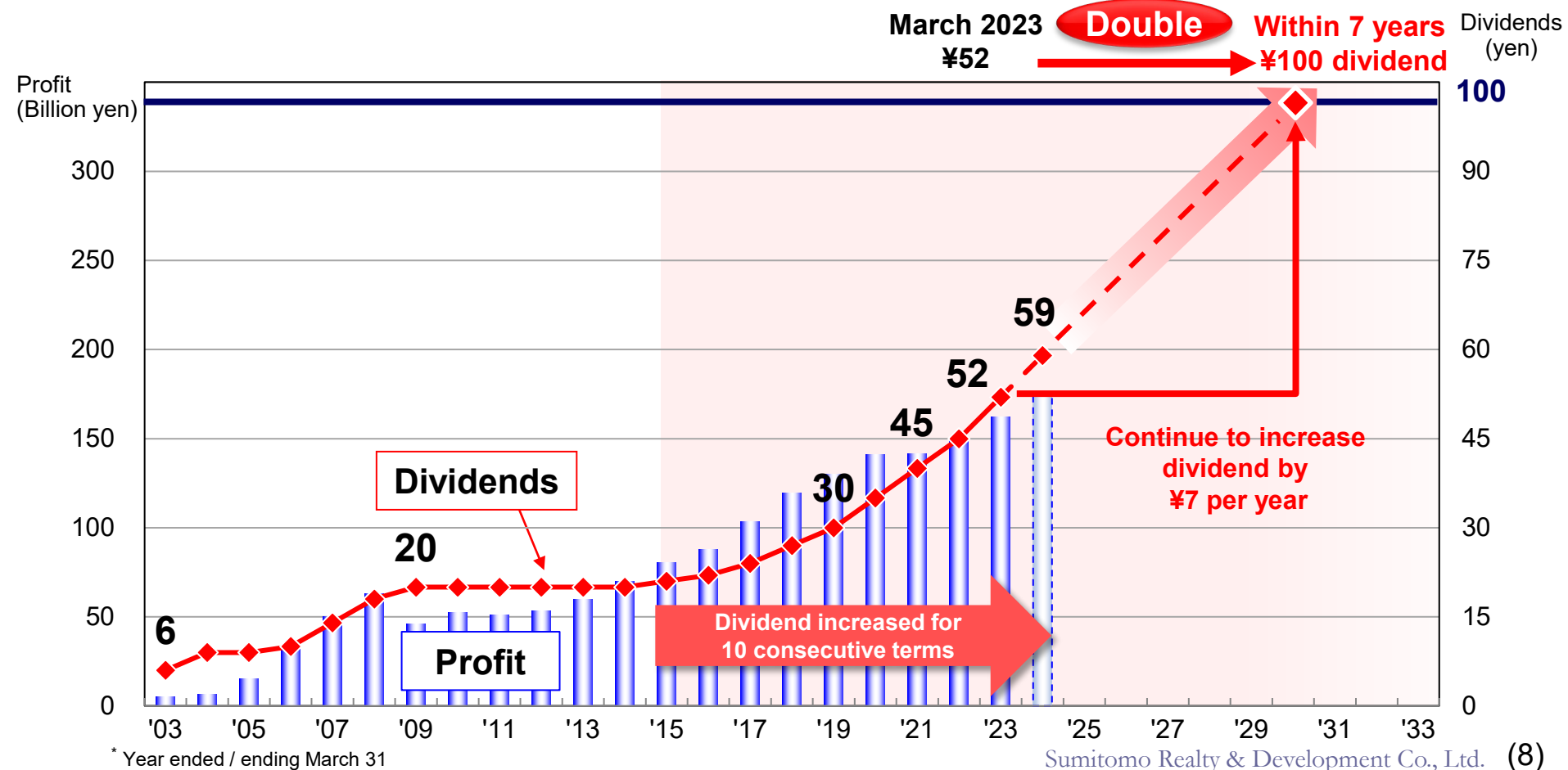
*Including two lump-sum payments for a total of ¥2.3 billion

➔ Continue to make human capital investments in our employees as the driving force of our sustainable growth

Profit Distribution Policy

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

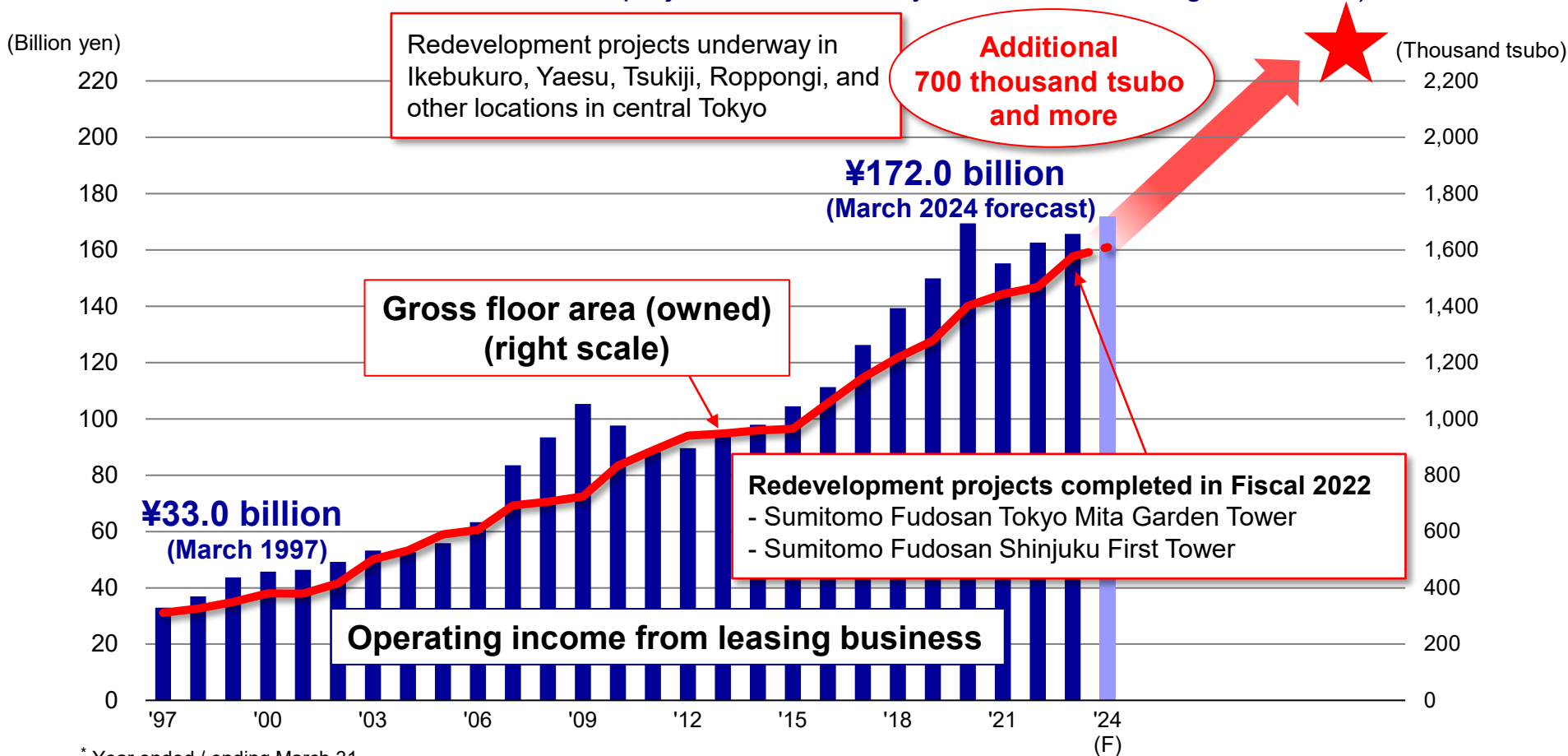
- ✓ Increased the pace of dividend increase from ¥5 to ¥7 per share per year as the outlook has improved (announced in November 2022)
- ✓ Raise it to “¥100 per share per year” within seven years, doubling the current ¥52
- ✓ In Fiscal 2023, plan to increase the dividend for the 10th consecutive year to ¥59 per share



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 *1 tsubo ≈ 3.3㎡

- ✓ Strive to further expand our earnings base and increase corporate value by completing and putting the development projects into operation with gross floor area of over 700,000 tsubo
- ✓ Maintain our policy of taking advantage of opportunities that arise for new properties (securing ¥300.0 billion for investments in new projects for the three years of Ninth Management Plan)



Investments for Growth

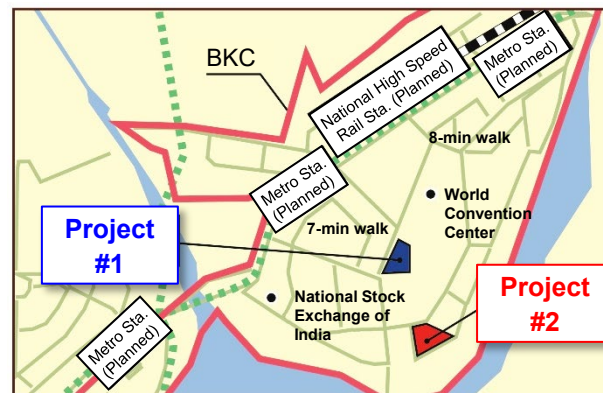
(2) Investment of ¥500.0 billion in India, aiming to increase profits by ¥30.0 billion

- ✓ Developing two office buildings in Bandra Kurla Complex (BKC), which is the new city center of Mumbai, the largest economic city of India
- ✓ In the next medium-term management plan, aim to surpass ¥300.0 billion in domestic ordinary profit, and generate 10% of that amount, or ¥30.0 billion, from overseas business

*1 1 INR = 1.7 JPY, *2 1 tsubo \approx 3.3m²

- Make full-fledged overseas expansion in India with our “Tokyo office building leasing business” model
- Aim for higher investment efficiency than in Tokyo, considering overseas risk premiums such as interest rates and exchange rates
- Aim to complete construction of both properties during the next medium-term management plan

	Project #1	Project #2
Location	Bandra East, Mumbai, Maharashtra State	
Site acquisition	July 2019	November 2022
Acquisition value Yen equivalent*1	22.38 billion INR 38.0 billion JPY	20.67 billion INR 35.1 billion JPY
Type of ownership	Land lease rights for 80 yrs	Land lease rights for 80 yrs
Site area	12,486 sqm (approx. 3,780 tsubo*2)	11,885 sqm (approx. 3,595 tsubo)
Building scale	Gross floor area of approx. 40,000 tsubo	Gross floor area of approx. 40,000 tsubo
Building use	Leasing office building	Leasing office building



Governance

(1) Ensuring diversity of the Board of Directors

- ✓ The number of Outside Directors will be increased from the current two to three, accounting for one-third of the Board of Directors
- ✓ Appointing one female Director, resulting in a total of two female officers for one Director and one Corporate Auditor

(Planned to be effective from June 29, 2023)

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)

List of New Directors and Corporate Auditors

Directors			
Kenichi Onodera	Director - Chairman of the Board		Male
Kojun Nishima	Representative Director - President		Male
Masato Kobayashi	Representative Director - Deputy President		Male
Yoshiyuki Odai	Representative Director - Deputy President		Male
Hiroshi Kato	Director - Senior Managing Executive Officer		Male
Hisatoshi Katayama	Director - Senior Managing Executive Officer		Male
Yozo Izuhara	Outside Director	Outside Independent	Male
Nobumasa Kemori	Outside Director	Outside Independent	Male
Chiyono Terada	Outside Director	Outside Independent	Female

Corporate Auditors			
Yoshifumi Nakamura	Full-time Corporate Auditor		Male
Toshikazu Tanaka	Full-time Corporate Auditor		Male
Takashi Sakai	Outside Corporate Auditor	Outside Independent	Male
Naoko Hasegawa	Outside Corporate Auditor	Outside Independent	Female

Governance

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

- ✓ In light of trends in the review of corporate takeover rules by the Ministry of Economy, Trade and Industry and the Financial Services Agency, consider abolishing the “advance warning takeover defense measures against malicious takeover action” that we have introduced

“Problems in the legal system” that necessitate our takeover defense measures

e.g. **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**



Progress in “review of corporate takeover rules,” expected to possibly resolve the problems

Discussions on ensuring the fairness and transparency of acquisition procedures

METI: Reviewing the guidelines for takeovers at the “Fair Acquisition Study Group”

FSA: Reviewing the tender offer system and considering to tighten the large shareholding reporting rule



**If the problems are solved in light of trends in these system revisions,
abolish the “advance warning takeover defense measures”**

Governance

(3) Progress in reducing strategic shareholdings

- ✓ In Fiscal 2022, sold issues with book value of approximately ¥7.0 billion, and the ratio of the book value of shares to shareholders' equity declined to 16.6%
- ✓ Continuously, proceed to sell shares that are deemed to have lost their significance to continue holding

	6th Plan (March 31, 2016)	7th Plan (March 31, 2019)	8th Plan (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

Capital Efficiency

(1) Achieved ROE of 9.4%, well above the cost of capital

- ✓ In Fiscal 2022, ROE was 9.4%, achieving high capital efficiency on par with the preceding year
- ✓ The shareholders' equity ratio has improved every year, and R&I upgraded our credit rating to AA- in February 2023



Maintain ROE that exceeds the cost of capital, while balancing financial stability with enhanced profitability

	2019	2020	2021	2022	2023
ROE (%)	11.2	11.3	10.1	9.6	9.4
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
R&I rating	A	A+	A+	A+	AA-

Profitability

Stability

Three-year Cumulative Earnings Targets

Consecutive record profit for the period covered

Achieve cumulative ordinary profit of ¥750 billion and profit of ¥500 billion 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. 8th Plan	+ ¥ 130 billion,	+ 5 %)
Operating Income	¥	770 billion	(“	+ ¥ 83 billion,	+ 12 %)
Ordinary Profit	¥	750 billion	(“	+ ¥ 94 billion,	+ 14 %)
Profit	¥	500 billion	(“	+ ¥ 67 billion,	+ 16 %)

(Billion yen)

(Three-year cumulative totals)	6th Plan 2014 - 2016	7th Plan 2017 - 2019	8th Plan 2020 - 2022	9th Plan 2023 - 2025
Revenue from Operations	2,442	2,886	2,870	3,000
Operating Income	501	613	687	770
Ordinary Profit	418	558	656	750
Profit	238	353	433	500

* Year ended / ending March 31

Performance Targets and Strategies by Segment

Maintain the position of office building leasing in Tokyo as a solid foundation, and aim to utilize the comprehensive strengths of the Group as a whole to achieve our targets

(Billion yen)

Performance Targets by Segment

(Three-year cumulative totals)

		6th Plan 2014 - 2016	7th Plan 2017 - 2019	8th Plan 2020 - 2022	9th Plan 2023 - 2025
	Leasing	886	1,073	1,219	1,300
	Sales	773	957	822	750
	Construction	589	635	612	700
	Brokerage	177	208	210	250
Revenue from Operations		2,442	2,886	2,870	3,000
	Leasing	314	416	487	520
	Sales	127	140	151	150
	Construction	47	50	55	75
	Brokerage	41	47	44	68
Operating Income		501	613	687	770
Ordinary Profit		418	558	656	750
Profit		238	353	433	500

* Year ended / ending March 31

Results for Fiscal 2022 (Apr 1, 2022 – March 31, 2023)

(Billion yen)

		FY '21 Results	FY '22 Results	Increase/ Decrease	FY '22 Previously Announced Forecasts	Achieved
	Leasing	425	425	+0	430	(5)
	Sales	234	222	(12)	220	+2
	Construction	204	214	+9	220	(6)
	Brokerage	73	75	+2	78	(3)
Revenue from Operations		939	940	+0	950	(10)
	Leasing	163	166	+3	165	+1
	Sales	50	54	+3	50	+4
	Construction	19	21	+3	21	+0
	Brokerage	18	20	+2	20	+0
Operating Income		234	241	+7	240	+1
	Other income (expenses)	(9)	(5)	+4	(5)	+0
Ordinary Profit		225	237	+12	235	+2
Profit attributable to owners of parent		150	162	+11	160	+2

Forecasts for Fiscal 2023 (Apr 1, 2023 – Mar 31, 2024)

(Billion yen)

		FY '21 Results	FY '22 Results	FY '23 Forecasts	Increase/ Decrease
	Leasing	425	425	445	+20
	Sales	234	222	225	+3
	Construction	204	214	220	+6
	Brokerage	73	75	77	+2
Revenue from Operations		939	940	970	+30
	Leasing	163	166	172	+6
	Sales	50	54	54	+0
	Construction	19	21	23	+2
	Brokerage	18	20	22	+2
Operating Income		234	241	255	+14
	Other income (expenses)	(9)	(5)	(5)	(0)
Ordinary Profit		225	237	250	+13
Profit attributable to owners of parent		150	162	175	+13

Capital Investment Plans

(Non-current asset investment excluding sales assets, such as condominiums for sale)

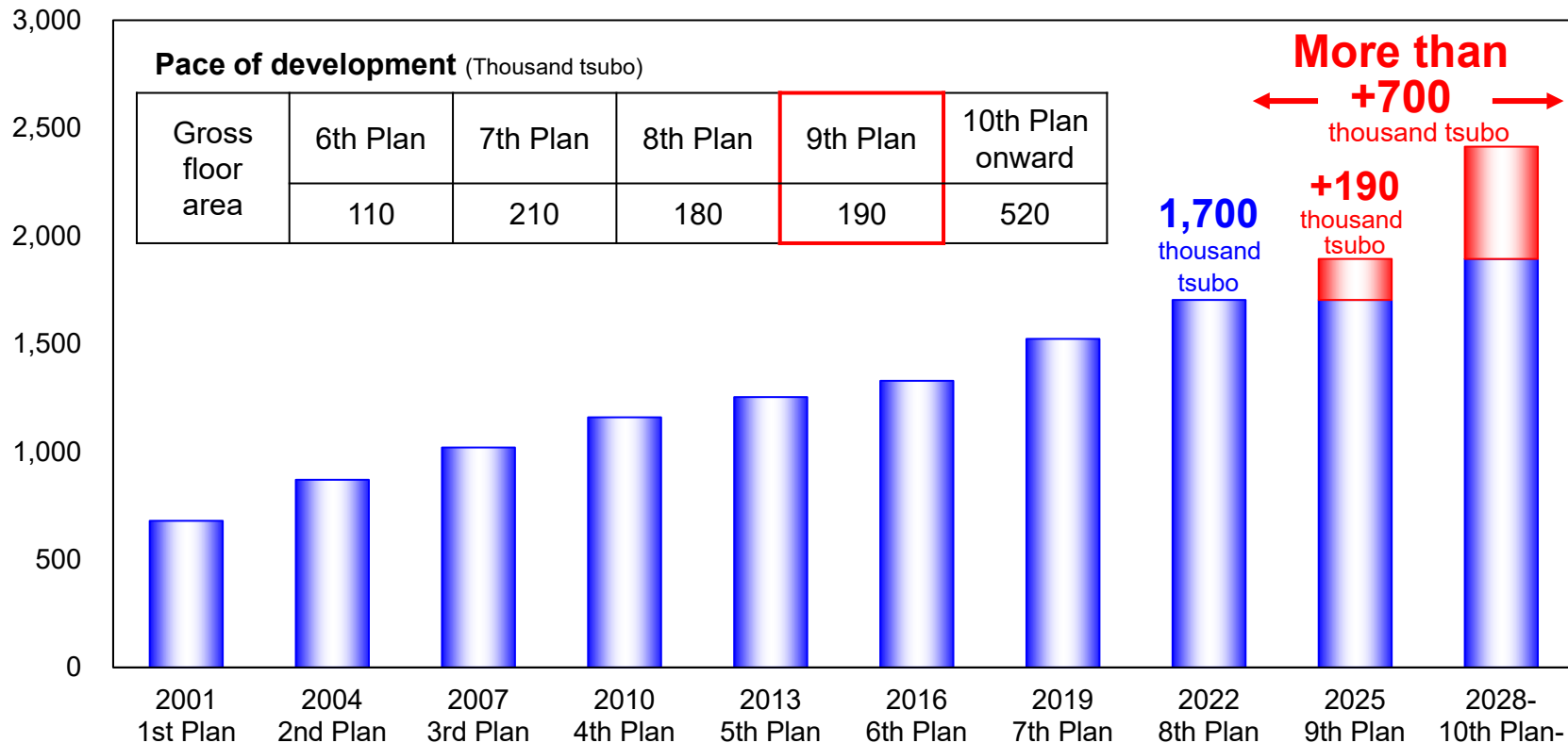
Further investment in leasing office assets in central Tokyo, strengthening our earnings base

Expect to invest ¥1 trillion over the three years of the Ninth Management Plan

- (1) Invest ¥700 billion in concrete development projects for over 700 thousand tsubo* of gross floor area, mainly comprising redevelopment projects * 1 tsubo \approx 3.3m²
- (2) Ensure that we take advantage of opportunities that arise by securing ¥300 billion for investments in new projects

< Development Pace of Gross Floor Area for Leasing >

(Thousand tsubo)



* Year ended / ending March 31

Principal New Office Building Projects

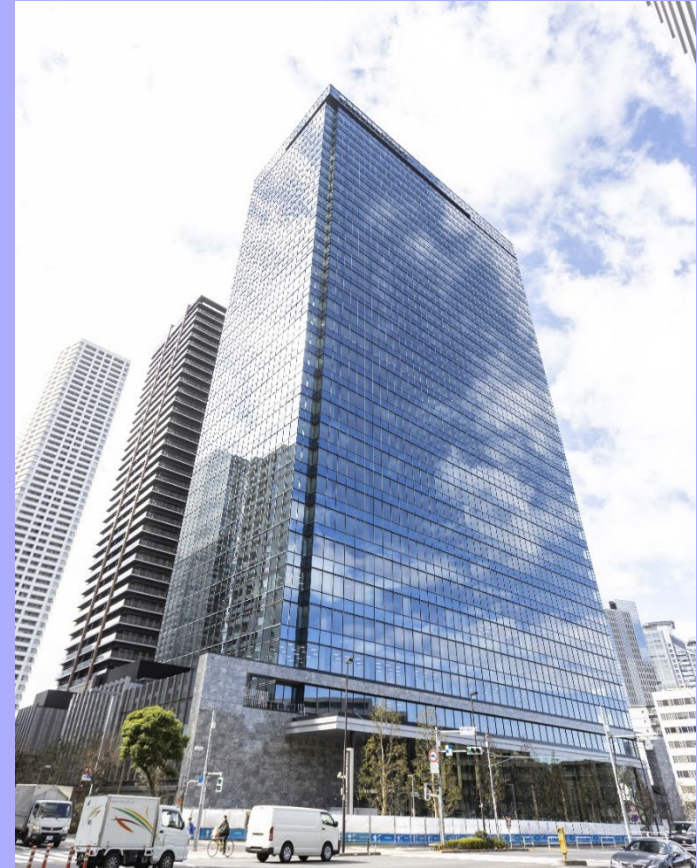
* 1 tsubo \approx 3.3m²

Project Name	Location (Tokyo)	Gross Floor Area (Tsubo*)	Completion (Expected)
Sumitomo Fudosan Tokyo Mita Garden Tower	Minato Ward	59,400	Feb 2023
Sumitomo Fudosan Shinjuku First Tower	Shinjuku Ward	27,000	Mar 2023
Nakano 2-chome Project	Nakano Ward	30,000	Feb 2024
Sumitomo Fudosan Akihabara East Building	Taito Ward	3,000	Mar 2024
Sumitomo Fudosan Shinjuku Minamiguchi Building (Shinjuku Minamiguchi Project)	Shibuya Ward	7,200	Mar 2024
Roppongi Ekimae Project	Minato Ward	9,700	Oct 2024
Sumitomo Fudosan Osaki Twin Building West	Shinagawa Ward	8,800	Dec 2024
Others		34,100	
9th Plan Total		179,200	

Principal New Office Building Projects

* 1 tsubo $\approx 3.3\text{m}^2$ **Sumitomo Fudosan Tokyo Mita Garden Tower**

Location	Minato Ward, Tokyo	Gross Floor Area	59,400 tsubo
Completion	Feb 2023	No. of Floor	42 above ground/ 4 below ground

**Sumitomo Fudosan Shinjuku First Tower**

Location	Shinjuku Ward, Tokyo	Gross Floor Area	27,000 tsubo
Completion	Mar 2023	No. of Floor	Office:35 above ground/ 2 below ground Residence:35 above ground/ 2 below ground

Principal New Office Building Projects

* 1 tsubo $\approx 3.3\text{m}^2$ **Nakano 2-chome Project**

Location	Nakano Ward, Tokyo	Gross Floor Area	30,000 tsubo
Completion	Feb 2024 (Expected)	No. of Floor	37 above ground/ 2 below ground

**Sumitomo Fudosan Shinjuku Minamiguchi Building (Shinjuku Minamiguchi Project)**

Location	Shibuya Ward, Tokyo	Gross Floor Area	7,200 tsubo
Completion	Mar 2024 (Expected)	No. of Floor	18 above ground/ 1 below ground

Principal New Office Building Projects

* 1 tsubo $\approx 3.3\text{m}^2$ **Roppongi Ekimae Project**

Location	Minato Ward, Tokyo	Gross Floor Area	9,700 tsubo
Completion	Oct 2024 (Expected)	No. of Floor	22 above ground

**Sumitomo Fudosan Osaki Twin Building West**

Location	Shinagawa Ward, Tokyo	Gross Floor Area	8,800 tsubo
Completion	Dec 2024 (Expected)	No. of Floor	14 above ground/ 1 below ground

Haneda Airport Garden: Grand opening in January 2023



Location	Ota Ward, Tokyo	Gross Floor Area	91,500 m ²	Main Purposes	Hotel (a luxury hotel with 160 guestrooms, a high-grade hotel with 1,557 guestrooms), spa, commercial facility, event hall, conference/banquet room, bus terminal, etc.
Completion	Mar 2020	No. of Floor	12 above ground		

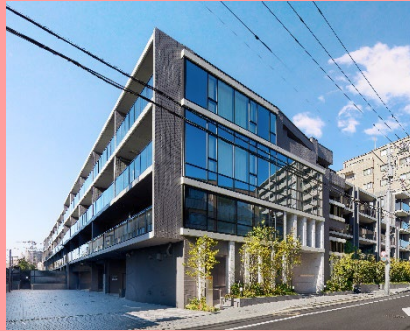
Principal Condominium Projects (Scheduled Delivery in FY2023)

* Units = No. of
units for sale**City Tower Shinjuku**

Shinjuku Ward, Tokyo

162 units

35 above ground / 2 below ground

**City Terrace Nakano**

Nakano Ward, Tokyo

119 units

6 above ground

**City Terrace Bunkyo Koishikawa**

Bunkyo Ward, Tokyo

120 units

7 above ground / 1 below ground

**City Terrace Yokohama Hoshikawa**

Yokohama

140 units

7 above ground

**City Tower Tennoji**

Osaka

177 units

25 above ground

**Bay City Towers Kobe**

Kobe

WEST: 346 units, EAST: 353 units

27 above ground / 1 below ground
(Both WEST and EAST)

Principal Condominium Projects (Scheduled Delivery from FY2024)

* Units = No. of
units for sale**City Terrace Zenpukujikoen**

Nerima Ward, Tokyo

170 units

4 above ground

**City Tower Toranomon**

Minato Ward, Tokyo

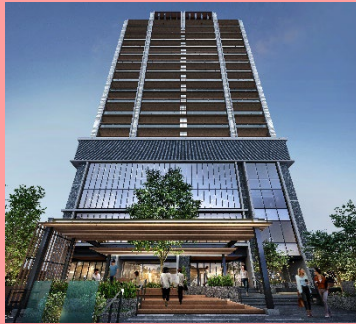
138 units

28 above ground / 1 below ground

**City Towers Itabashi Oyama**

Itabashi Ward, Tokyo

273 units

NORTH: 25 above ground / 2 below ground
SOUTH: 26 above ground / 1 below ground**City House Yokohama**

Yokohama

165 units

18 above ground

**City Terrace Miyagaoka**

Sapporo

97 units

9 above ground

**City Tower Aoba-Dori
Ichibancho**






Sendai

155 units

24 above ground / 1 below ground

The Progress in Promoting Decarbonization in the Ninth Plan

Making favorable progress toward the numerical targets in each segment

Targets in the Ninth Management Plan		FY2022
Office buildings		
<u>30% of energy consumption in tenant office spaces to be green</u> Green Power Plan options that can be chosen by each tenant company		<u>15%</u>
Condominiums		
<u>100% of condominiums to be ZEH-M Oriented designs</u> Standardization of high-level energy-saving design; The contributions to reductions by the subject properties will be in the 10th Plan onward when they are completed		Approx. 4,600 units *Including ones under application
Shinchiku Sokkurisan remodeling		
<u>20% of orders to be high thermal insulation remodeling products (already introduced)</u> Renovation with advanced energy saving for the poor thermal insulation of existing houses		<u>14%</u>
Custom homes		
<u>60% of orders to be ZEH homes (already standardized)</u> *Including ZEH equivalent Thermal insulation and energy-saving performance that exceeds the latest ZEH standards + New solar power generation service “SUMIFU×ENEKARI”		<u>57%</u>
Others		
<u>All of electric power used in the Group’s own offices to be green</u> Obtain environmental value generated by solar power through “SUMIFU×ENEKARI” *Equivalent to 4,000 units of housing with "SUMIFU x ENEKARI"		Approx. 70%

The Progress in Procurement of Funds from Green Financing

Target in the Ninth Management Plan

**Procure ¥1 trillion in long-term funds
from green financing**

At the end of FY2022

Procured 477.2 billion yen



Property image (Shinjuku Grand Tower)

<Target properties> 12 buildings out of buildings owned by the Company that have already acquired a rating of 3 stars or above in DBJ Green Building Certification

* The number of buildings and commercial facilities with the DBJ Green Building Certification increased to 62 (as of April 30, 2023) from 27 (as of March 31, 2022).

*Thousand tsubo, 1 tsubo ≈ 3.3m²

Property name	Rank	Gross floor area*	The end of Fiscal 2022 Balance of GF / TTL costs (Billion yen)	
Shinjuku Grand Tower	★★★★★	54	1,260 /	1,264
Shinjuku Garden Tower	★★★★★	43	777 /	783
Roppongi Grand Tower	★★★★★	64	2,215 /	2,216
Tokyo Nihombashi Tower	★★★★★	41	520 /	1,212
Osaki Garden Tower	★★★★★	54	- /	
Azabujuban Building	★★★★★	14	- /	
Shinjuku Oak Tower	★★★★★	49	- /	
Shinjuku Central Park Building	★★★★★	46	- /	
Shiodome Sumitomo Building	★★★★★	30	- /	
Iidabashi First Tower	★★★★★	24	- /	
Shibakoen First Building	★★★★★	19	- /	
Shinjuku Central Park Tower	★★★★★	18	- /	
12 properties TOTAL		458	4,772 /	5,475

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

Rating: 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."

DBJ Green Building

List of ESG Initiatives (Fiscal 2022) (1)

Date (Released)	E	S	G	ESG Initiatives
Apr 2022	●	●		Shinchiku Sokkurisan started offering SUMIFU × ENEKARI, a new solar power generation service through renovating existing detached houses
	●			Participated in the “30by30 Alliance for Biodiversity” and strengthened biodiversity conservation activities
	●	●		Launched “SUMICA” detached houses with thermal insulation and energy-saving performance exceeding the latest ZEH standards
May 2022	●		●	Establishment of CO ₂ emissions reduction targets (Ninth Management Plan target and interim target by Fiscal 2030)
			●	Integrated Risk Management Committee into Sustainability Committee
			●	Disclosed skill matrix of each director
			●	Introduced numerical target for strategic shareholdings
	●			Signed a comprehensive collaboration agreement with Susono City for forest cultivation
Jun 2022	●	●		Large-scale renovation of Shinjuku Sumitomo Building and its “Sankaku Hiroba (triangular plaza)” won the achievement award of Japan Association for Real Estate Sciences, “Award of Minister of Land, Infrastructure, Transport and Tourism”
	●			Released the result of joint research with The University of Tokyo and Musashino University on the decarbonization effect of “Shinchiku Sokkurisan” building renovation
	●			Signed a comprehensive collaboration agreement with Daikin for decarbonization of air conditioning systems Phase 1: Regeneration and reuse of recovered refrigerants
	●	●	●	Included in “MSCI Japan ESG Select Leaders,” the ESG Indexes
Aug 2022		●		Held the 111th STEP Concert, a classic concert for families to enjoy (registration required, free invitation)
	●	●		Held wood education event at Ariake Garden using timber cut from the “Sumitomo Fudosan no Mori” forest regeneration project
Sep 2022	●	●		Conducted a visiting lecture on SDGs, “Development of Environmentally Friendly Housing” at Shishibone-higashi Elementary School (Edogawa Ward, Tokyo)

Most of the above initiatives have been announced through news releases.

List of ESG Initiatives (Fiscal 2022) (2)

Date (Released)	E	S	G	ESG Initiatives
Oct 2022	●			Replaced vending machines in office buildings with "LOVE the EARTH Vendor" powered by virtually zero CO ₂ emissions electricity
	●	●		One of our largest office buildings, Sumitomo Fudosan Tokyo Mita Garden Tower, certified as "ZEB Ready" (Zero Energy Building with energy saving of 50% or more)
Nov 2022	●			Sumitomo Fudosan Onarimon Ekimae Building won the award of the "Minato Model Carbon Dioxide Fixation Certification System Awards" from Minato Ward
	●			Signed an agreement with the major Canadian lumber manufacturer and lumber importer for promotion of two-by-four housing supply to promote decarbonization
Jan 2023	●	●		Held a "PET Bottle Horizontal Recycling Event" encouraging waste separation at Shinjuku Sumitomo Building
Feb 2023		●	●	Disclosed our Multi-Stakeholder Policy
		●	●	Disclosed our Declaration of Partnership Building
		●		Higashi-Ginza Area Management Project: Held "HIGASHIGINZA Art Gallery 2"
		●	●	Announced a new female outside director (formally elected June 2023)
		●		Started "Urban Oasis 2023," a series of mini-concerts at public spaces of our office buildings
		●		Held a disaster drill for operation of temporary evacuation facility as a member of an association for disaster prevention in Shinjuku Station area
	●			FASION and REAL ESTATE: Collaboration with TSI Holdings for initiatives of resource circulation at office
Mar 2023		●		Introduced hygiene products to the emergency supplies at our temporary evacuation facilities for stranded commuters
		●		Recognized as a 2023 Certified Health & Productivity Management Outstanding Organization under the large enterprise category
Apr 2023	●	●		Five properties of "La Tour," the finest premium leasing residence, acquired the highest ratings in DBJ Green Building Certification

Most of the above initiatives have been announced through news releases.

ESG-related Certifications from Third Parties

Third-party environmental recognitions for leasing assets (acquisition of DBJ Green Building Certification)

- ✓ 68 properties with approx. 1,050,000 tsubo, acquired certification, accounting for 67% of the total floor area of properties owned by the Company
(GFA basis, as of April 2023, 1 tsubo ≈ 3.3m²)
- ✓ The constant “environmental and social awareness” of our properties was highly recognized

Properties that have acquired ★5 stars



DBJ Green Building

*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.”



Shinjuku Grand Tower



Osaki Garden Tower



Shinjuku Garden Tower



Tokyo Nihombashi Tower



Azabujuban Building



Roppongi Grand Tower



Ariake Garden

Included in ESG Index

FTSE



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

MSCI



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

S&P



SNAM



Sampo Sustainability Index

Sumitomo Realty & Development Co., Ltd.

Investor Relations & ESG Section, Corporate Planning Department

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