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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](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

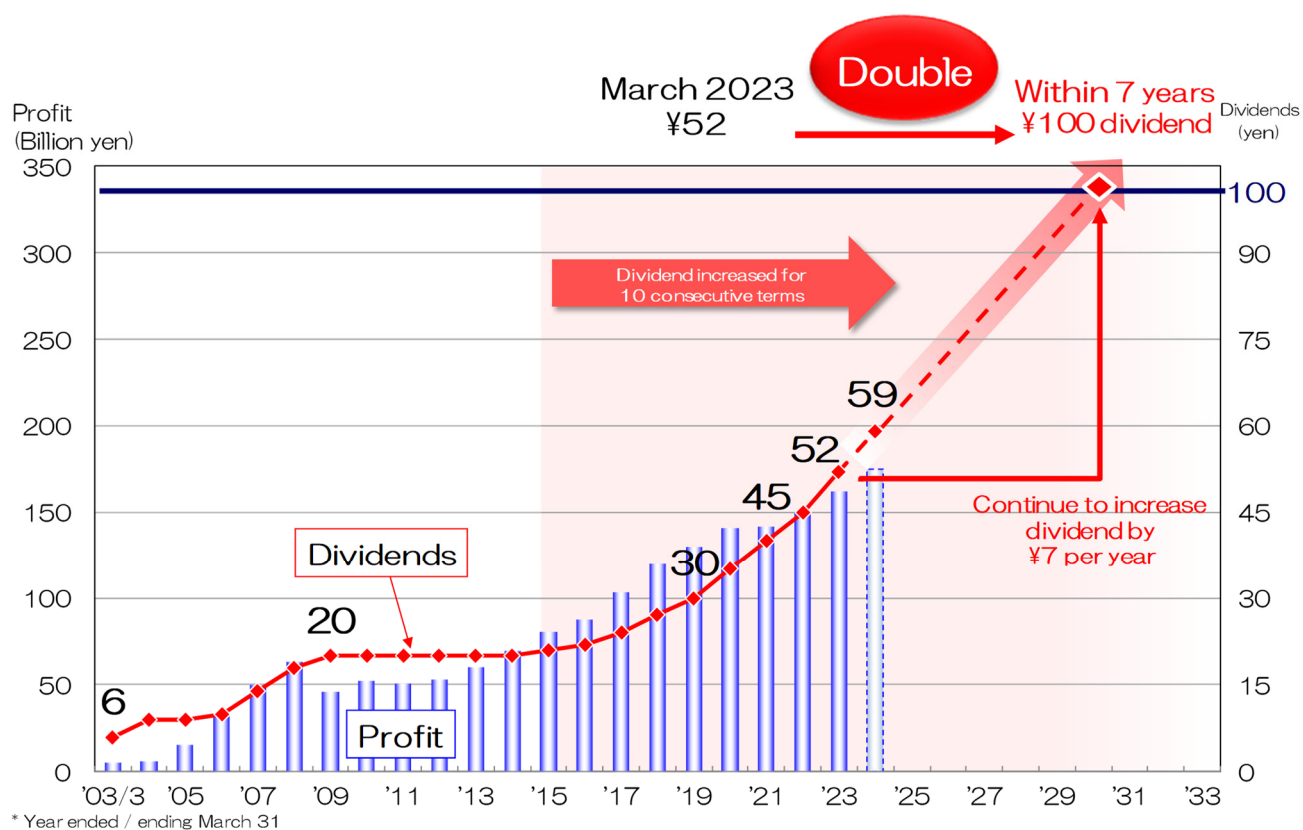
## Basic Policy on Dividends

### 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
<p>Reasons for nomination as candidate for director</p> <p>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.</p>			
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
<p>Reasons for nomination as candidate for director</p> <p>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.</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
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&amp;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>	10,000
		<p>Reasons for nomination as candidate for corporate auditor</p> <p>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>	
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>	12,800
		<p>Reasons for nomination as candidate for corporate auditor</p> <p>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>	

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.

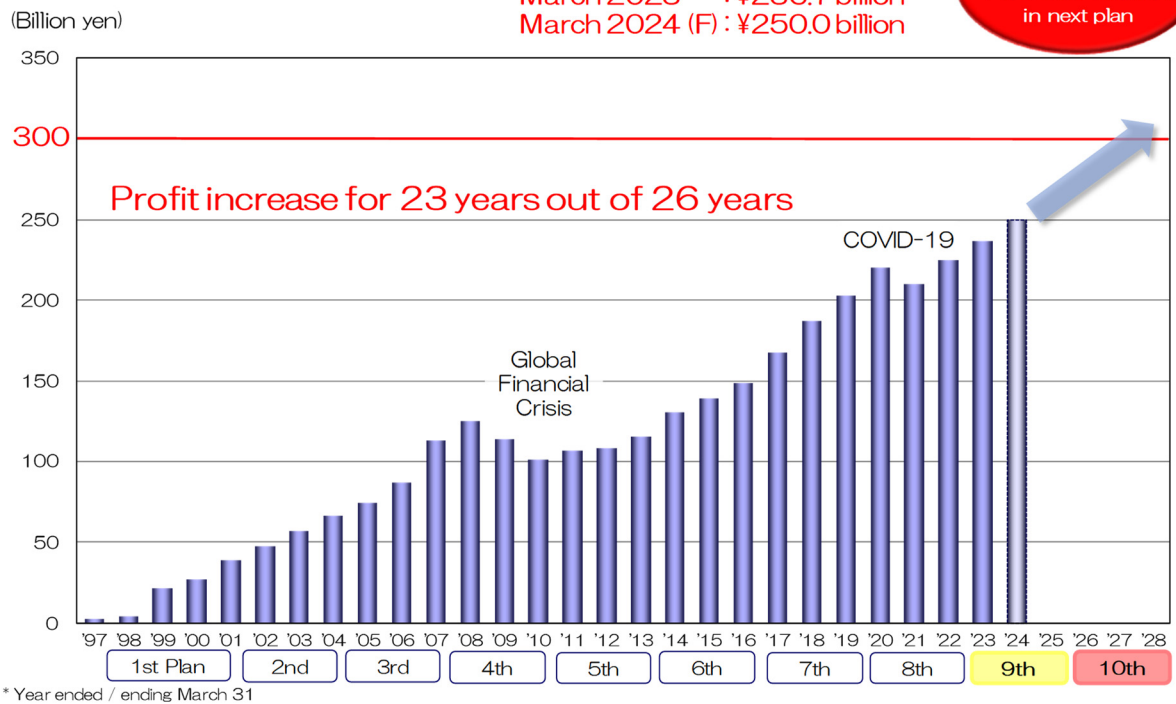
The Company has executed eight management plans, and has achieved increases in ordinary profit in 23 fiscal years, excluding the three fiscal years under the global financial crisis and the COVID-19 pandemic.

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**

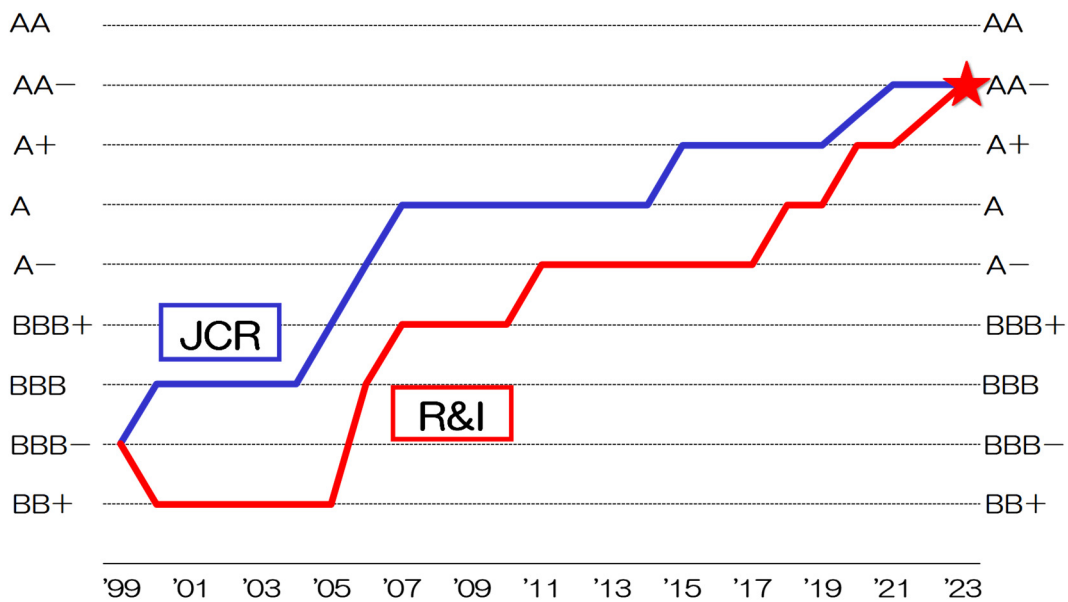
Preparing for the recent global inflation and the accompanying rise in interest rates is an important management issue for the Company as a real estate company with large up-front investments.

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.

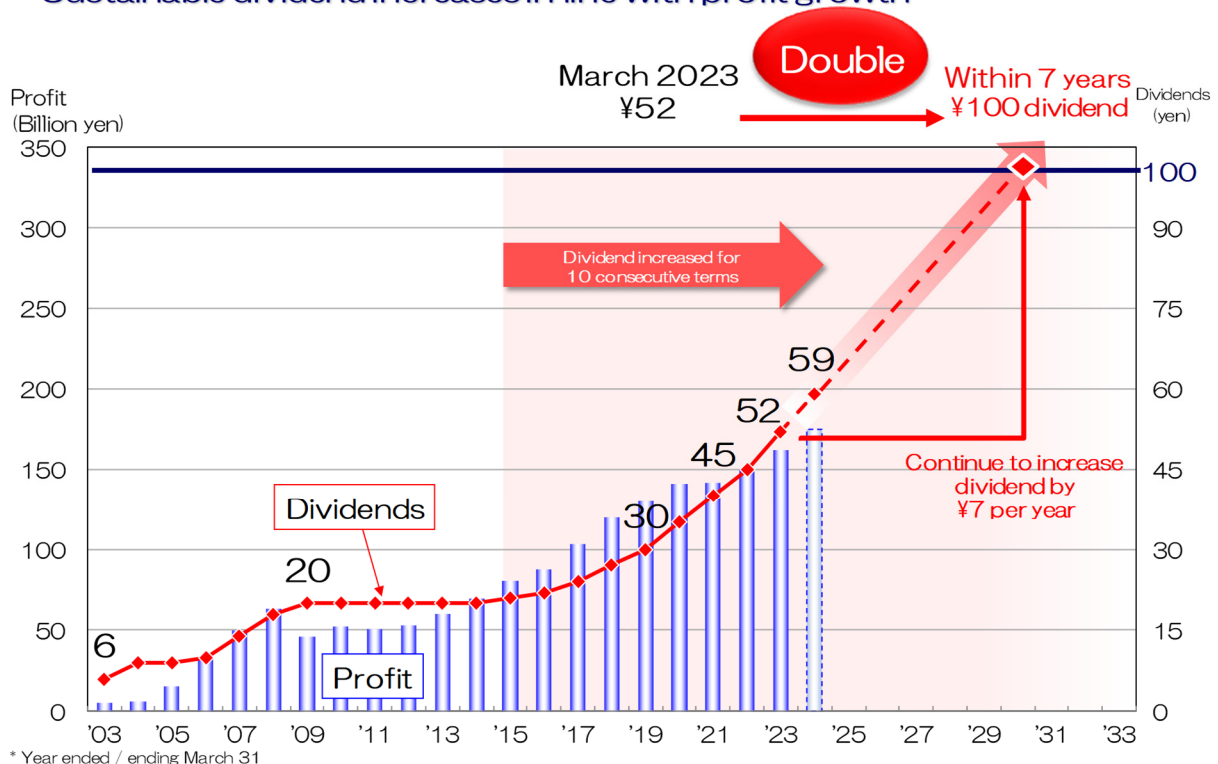
### (2) Double the dividend within 7 years to ¥100 per share, and continue sustainable dividend increase in line with profit growth

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

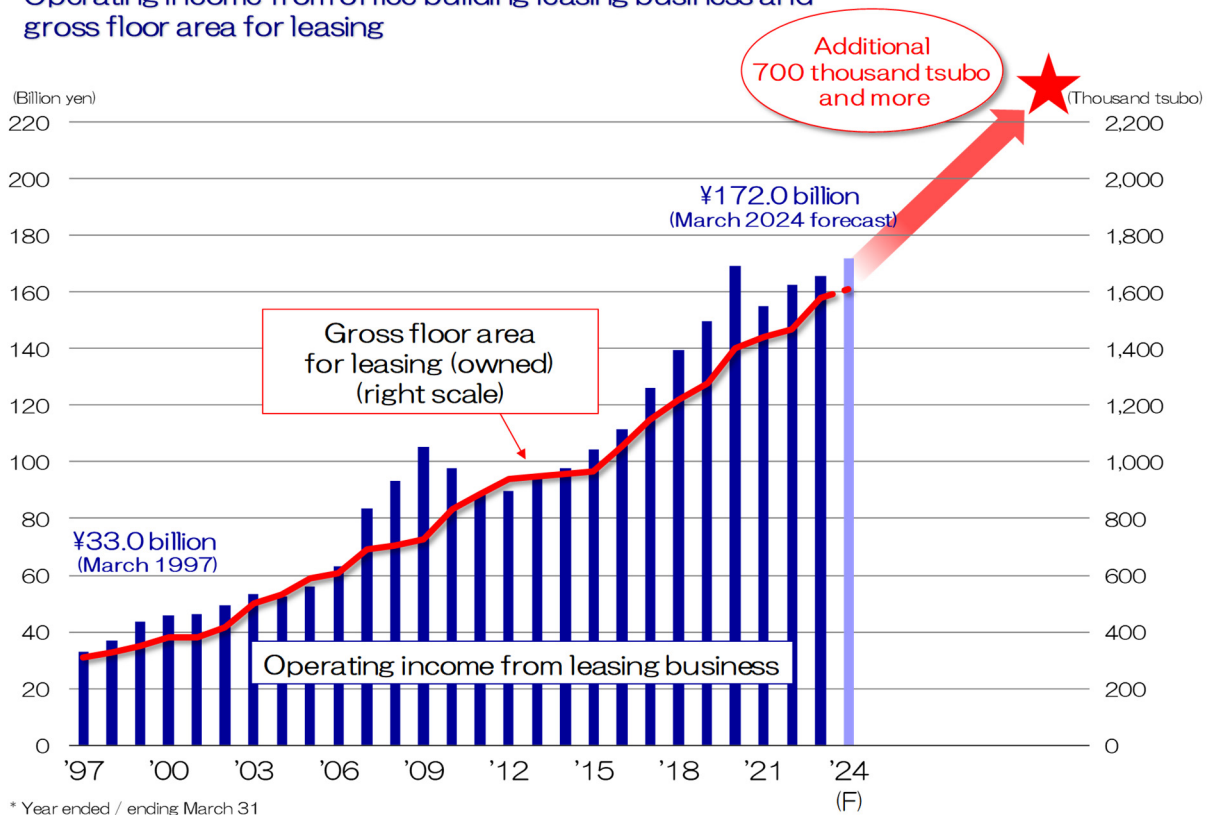


### 3. Investments for Growth

#### (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)			
	6th Plan	7th Plan	8th Plan	9th Plan
(Fiscal year ended/ending March 31)	2014 - 2016	2017 - 2019	2020 - 2022	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 m<sup>2</sup>) 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	<b>9th Plan</b>	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	<b>9th Plan</b>
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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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

< CO<sub>2</sub> emissions reduction targets for the Ninth Management Plan >

(Thousand tons of CO <sub>2</sub> )	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"

(Appendix)

**Business Report**  
(April 1, 2022 - March 31, 2023)

**I. Overview of the Corporate Group**

**1. Business Progress and Results, and Issues to be Addressed**

**(1) Overview of consolidated results**

**Record-high ordinary profit for the second consecutive year, and record-high profit for the tenth consecutive year**

The financial results for the consolidated fiscal year under review are as shown in the table below. Revenue from operations, operating income, ordinary profit and profit all increased from the previous year. Ordinary profit achieved a record high for the second consecutive year, while profit attributable to owners of parent achieved a record high for the tenth consecutive year.

**With the comprehensive strength of the Group, achieving higher operating income in all four major segments**

Looking at each segment, the steady progress in the mainstay office building business underpinned the achievement, and the decline due to COVID-19 in commercial facility business such as hotels and event halls shrank, resulting in increased revenue and profit in the leasing business. In addition, the construction business including Shinchiku Sokkurisan remodeling, as well as the brokerage business with good performance in brokerage of existing homes, both contributed to overall performance with their record high profits. In the sales business primarily for condominium sales, even though revenue decreased owing to a decline in the number of units delivered, it achieved higher operating income by improved profit margins.

Non-operating loss recorded ¥4.6 billion (an improvement of ¥4.1 billion year-on-year) due to increase in dividend income and decrease in interest expense. Extraordinary loss recorded ¥6.3 billion (an improvement of ¥0.1 billion year-on-year), almost the same as the previous year.

As a result, revenue from operations for the fiscal year under review was ¥939.9 billion (up 0.1% year-on-year), operating income was ¥241.2 billion (up 3.2% year-on-year), ordinary profit was ¥236.6 billion (up 5.1% year-on-year) and profit attributable to owners of parent was ¥161.9 billion (up 7.6% year-on-year).

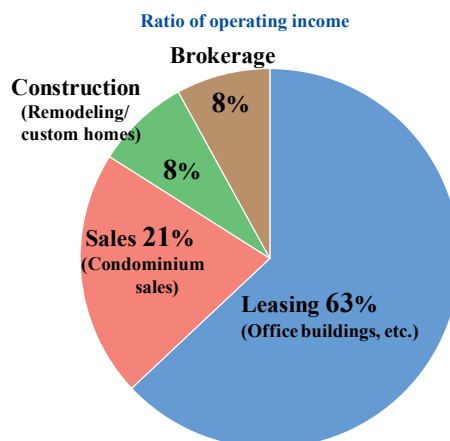
	<b>Fiscal 2022</b> <b>(Apr. 1, 2022 – Mar. 31, 2023)</b>	<b>YoY change</b>
<b>Revenue from operations</b>	¥ 939.9 billion	+¥ 0.4 billion
<b>Operating income</b>	¥ 241.2 billion	+¥ 7.3 billion
<b>Ordinary profit</b>	¥ 236.6 billion	+¥ 11.5 billion
<b>Profit attributable to owners of parent</b>	¥ 161.9 billion	+¥ 11.4 billion

Business results by segment are as follows.

Revenue from operations	Fiscal 2022	YoY change
Leasing	¥ 425.3 billion	+¥ 0.2 billion
Sales	¥ 222.0 billion	(¥ 11.7 billion)
Construction	¥ 213.5 billion	+¥ 9.2 billion
Brokerage	¥ 75.1 billion	+¥ 1.6 billion

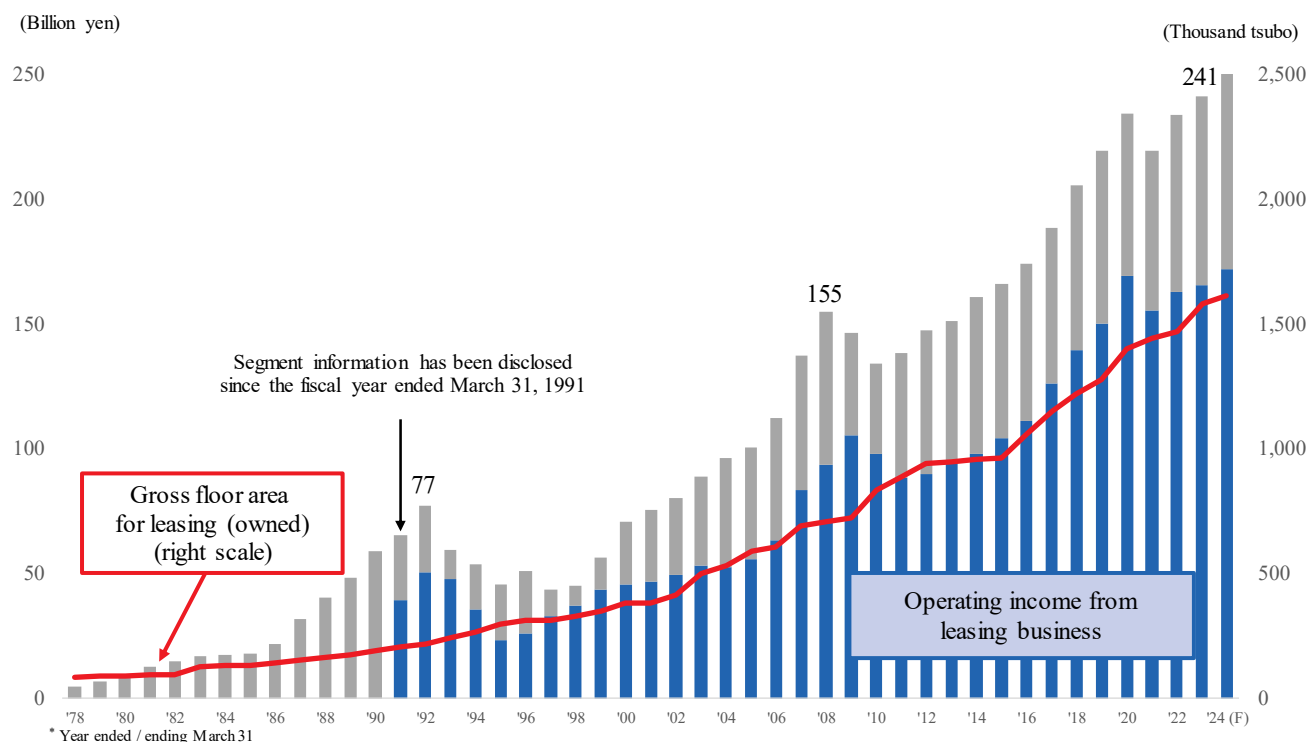
Operating income	Fiscal 2022	YoY change
Leasing	¥ 165.6 billion	+¥ 3.0 billion
Sales	¥ 53.9 billion	+¥ 3.4 billion
Construction	¥ 21.4 billion	+¥ 2.8 billion
Brokerage	¥ 20.0 billion	+¥ 2.0 billion



Note: Percentage is calculated from figures before elimination and/or corporate for the fiscal year ended March 31, 2023.

### Consolidated operating income and gross floor area for leasing (owned)

The office building business has shown “sustainable growth” alongside the growth in owned gross floor area



## (2) Outlook for next fiscal year

Forecasts for the next consolidated fiscal year (year ending March 31, 2024) are as shown below. With comprehensive strengths of the Group, we intend to achieve increased revenue and profit in all four major segments, and record-high ordinary profit for the third consecutive year and record-high profit attributable to owners of parent for the eleventh consecutive year.

	<b>Fiscal 2023 Forecast</b> <b>(Apr. 1, 2023 – Mar. 31, 2024)</b>	YoY change
<b>Revenue from operations</b>	<b>¥ 970.0 billion</b>	+¥ 30.0 billion
<b>Operating income</b>	<b>¥ 255.0 billion</b>	+¥ 13.7 billion
<b>Ordinary profit</b>	<b>¥ 250.0 billion</b>	+¥ 13.3 billion
<b>Profit attributable to owners of parent</b>	<b>¥ 175.0 billion</b>	+¥ 13.0 billion

### (Outlook by segment)

	<b>Fiscal 2023 Forecast</b>	YoY change
<b>Revenue from operations</b>		
<b>Leasing</b>	<b>¥ 445.0 billion</b>	+¥ 19.6 billion
<b>Sales</b>	<b>¥ 225.0 billion</b>	+¥ 2.9 billion
<b>Construction</b>	<b>¥ 220.0 billion</b>	+¥ 6.4 billion
<b>Brokerage</b>	<b>¥ 77.0 billion</b>	+¥ 1.8 billion

	<b>Fiscal 2023 Forecast</b>	YoY change
<b>Operating income</b>		
<b>Leasing</b>	<b>¥ 172.0 billion</b>	+¥ 6.3 billion
<b>Sales</b>	<b>¥ 54.0 billion</b>	+¥ 0.0 billion
<b>Construction</b>	<b>¥ 23.0 billion</b>	+¥ 1.5 billion
<b>Brokerage</b>	<b>¥ 22.0 billion</b>	+¥ 1.9 billion

### (3) Progress of the Ninth Management Plan

The Company has been operating under the “Ninth Management Plan” since April 2022. In the fiscal year under review, the first year of the plan, ordinary profit achieved a record high for the second consecutive year, while profit attributable to owners of parent achieved a record high for the tenth consecutive year, as described in the above “(1) Overview of consolidated results.”

As a result, we achieved approximately one-third of our three-year cumulative targets for revenue from operations, operating income, ordinary profit, and profit, as shown in the table below, making a steady start toward consecutive achievement of record-high Management Plan performance.

(Billion yen)

	<b>Three-year Cumulative Targets*</b> (Apr. 1, 2022 – Mar. 31, 2025)	<b>Fiscal 2022 Results</b> (Apr. 1, 2022 – Mar. 31, 2023)	<b>Achievement Rate</b>
<b>Revenue from operations</b>	3,000.0	939.9	31%
<b>Operating income</b>	770.0	241.3	31%
<b>Ordinary profit</b>	750.0	236.7	32%
<b>Profit</b>	500.0	161.9	32%

\*Announced on May 12, 2022



#### (4) Overview of each segment for the fiscal year under review

##### Leasing

	Revenue from operations		Operating income	
Fiscal 2022 (YoY change)	¥425.3 billion	+¥ 0.2 billion	¥165.6 billion	+¥ 3.0 billion
Fiscal 2023 forecasts (YoY change)	¥445.0 billion	+¥ 19.6 billion	¥172.0 billion	+¥ 6.3 billion

##### Steady progress in office building business with higher revenue and profit

In the consolidated fiscal year under review, although administrative expenses including utility increased due to soaring energy prices, full-year operation of buildings completed in the previous fiscal year, such as Sumitomo Fudosan Tamachi Building East and Sumitomo Fudosan Kanda Izumicho Building, as well as strong leasing of the “La Tour” series of premium leasing residences contributed to the Company’s performance.

The decline due to COVID-19 in commercial facility business such as hotels and event halls shrank, and as a result for this segment, both revenue and profit increased.

##### High occupancy rates maintained, and positive demand grown for increasing floor areas, etc.

Vacancy rates in existing buildings remained stable at the same level as the end of the previous year, maintaining a high occupancy rate of over 90% even amid the COVID-19 pandemic. Currently, as the normalization of economic activity has led to a recovery in the percentage of people working at office, there has been a positive demand, such as office relocations for more comfortable working environment and increases in floor space for recruiting more human resources. Tenant-seeking activities are also making steady progress for new large-scale redevelopment properties completed during the fiscal year under review, including Sumitomo Fudosan Tokyo Mita Garden Tower and Sumitomo Fudosan Shinjuku First Tower, and Nakano 2-chome Project scheduled for completion in the next fiscal year.

##### Vacancy rate in existing buildings

End of Fiscal 2021 (March 31, 2022)	End of Fiscal 2022 (March 31, 2023)
5.8%	6.0%

## Sales

	Revenue from operations		Operating income	
<b>Fiscal 2022 (YoY change)</b>	<b>¥222.0 billion</b>	(¥ 11.7 billion)	<b>¥53.9 billion</b>	+¥ 3.4 billion
<b>Fiscal 2023 forecasts (YoY change)</b>	<b>¥225.0 billion</b>	+¥ 2.9 billion	<b>¥54.0 billion</b>	+¥ 0.0 billion

### Maintaining high level of profit, resulting in increased operating income

In the consolidated fiscal year under review, a total of 2,961 condominium units, detached houses, and land lots were delivered (down 643 units year-on-year), including properties of which we started delivery such as Grand Hills Minami Aoyama, City Tower Osaka Honmachi, Umeda Garden Residence, and City House Koganei Koen. Although the segment's revenue decreased due to the decline in the number of units delivered compared with the previous year, operating income increased with improved profit margin by the delivery of a number of highly profitable condominium units, primarily in central Tokyo.

### Steady progress in condominium contracting, securing 90% of units to be delivered in the next fiscal year

In the consolidated fiscal year under review, the number of condominium units sold made good progress, and increased by 20% from the previous year to 3,702 units (up 655 units). As a result, approximately 90% of the 3,000 units planned to be delivered in the next fiscal year were already sold at the beginning of the fiscal year (approximately 80% in the previous year).

	Fiscal 2022	YoY change
<b>Number of condominium units sold</b>	<b>3,702 units</b>	+ <b>655 units</b>
<b>Number of units delivered</b>	<b>2,961 units</b>	( <b>643 units</b> )
Condominiums/detached houses	2,886 units	( 683 units)
Land lots	75 units	+ 40 units
<b>Revenue from operations</b>	<b>¥ 222.0 billion</b>	<b>(¥ 11.7 billion)</b>
Condominiums/detached houses	¥ 200.4 billion	(¥ 17.8 billion)
Land lots/others	¥ 21.5 billion	+¥ 6.0 billion

## Construction

	Revenue from operations		Operating income	
<b>Fiscal 2022 (YoY change)</b>	<b>¥213.5 billion</b>	+¥ 9.2 billion	<b>¥21.4 billion</b>	+¥ 2.8 billion
<b>Fiscal 2023 forecasts (YoY change)</b>	<b>¥220.0 billion</b>	+¥ 6.4 billion	<b>¥23.0 billion</b>	+¥ 1.5 billion

### Achieved record-high profit with increased revenue and profit despite decreased orders

In the consolidated fiscal year under review, the number of units contracted decreased to 7,796 units in the Shinchiku Sokkurisan remodeling business (down 566 units year-on-year) and 2,071 units in the custom home construction business (down 548 units year-on-year), compared with the previous year. We have raised prices against a backdrop of increasing timber and other material costs, followed by a reactionary decline from the rush immediately prior to the price raise. In addition, orders from customers newly acquiring land for custom homes have declined due to rising land prices for detached houses, and these are the main reasons for the decline in orders.

However, both revenue and profit increased in this business segment and achieved record-high profit for the first time in three years, as a result of increased revenues due to price increases in both businesses and rigorous cost control, including the use of domestic timber.

	Fiscal 2022	YoY change
<b>Number of units contracted</b>	<b>9,867 units</b>	<b>( 1,114 units)</b>
Shinchiku Sokkurisan remodeling	7,796 units	( 566 units)
Custom Homes	2,071 units	( 548 units)
<b>Number of units delivered</b>	<b>10,658 units</b>	<b>+ 76 units</b>
Shinchiku Sokkurisan remodeling	8,136 units	+ 165 units
Custom Homes	2,522 units	( 89 units)
<b>Revenue from operations</b>	<b>¥ 202.7 billion</b>	<b>+¥ 8.5 billion</b>
Shinchiku Sokkurisan remodeling	¥ 110.7 billion	+¥ 5.0 billion
Custom Homes	¥ 91.9 billion	+¥ 3.5 billion

## Brokerage

	Revenue from operations		Operating income	
<b>Fiscal 2022 (YoY change)</b>	<b>¥75.1 billion</b>	+¥ 1.6 billion	<b>¥20.0 billion</b>	+¥ 2.0 billion
<b>Fiscal 2023 forecasts (YoY change)</b>	<b>¥77.0 billion</b>	+¥ 1.8 billion	<b>¥22.0 billion</b>	+¥ 1.9 billion

### **Achieved record-high profit for the second consecutive year with increased revenue and profit**

In the consolidated fiscal year under review, in the mainstay brokerage business primarily for existing condominiums, revenue increased compared to the previous fiscal year by increased transaction unit price, although the number of transactions decreased to 34,906 (down 3,238 year-on-year).

As a result, both revenue and profit increased in this segment, with revenue from operation and operating income reaching record highs for the second consecutive year.

“STEP Auctions,” a fair and highly transparent brokerage service we introduced first in the industry last year, has been well-accepted by many sellers. In the fiscal year under review, the Company continued its efforts to further deepen its “Customer First” policy, such as the discontinuation of sending direct mail in January which had been sent to customers using registered information from the perspective of protecting personal information, and shifting our focus to an advertising strategy utilizing the Internet.

	<b>Fiscal 2022</b>	<b>YoY change</b>
<b>Number of transactions</b>	<b>34,906</b>	<b>( 3,238)</b>
<b>Transaction value</b>	<b>¥ 1,396.1 billion</b>	<b>(¥ 57.2 billion)</b>
<b>Average price per transaction</b>	<b>¥ 39.9 million</b>	<b>+¥ 1.8 million</b>

## (5) Promotion of ESG and contributions to SDGs

The Company has been practicing sustainable management inheriting the business philosophy of Sumitomo Group with a history of over 430 years, and aims to maximize its corporate value while contributing to solving social issues through business activities. Our major ESG-related initiatives for the fiscal year under review are listed below.

### Major initiatives in Fiscal 2022 (fiscal year ended March 31, 2023)

		E: Environmental	S: Social	G: Governance	
April 2022	• Shinchiku Sokkurisan started offering SUMIFU × ENEKARI, a new solar power generation service through renovating existing detached houses		E	S	
	• Launched “SUMICA” detached houses with thermal insulation and energy-saving performance exceeding the latest ZEH standards		E	S	
May 2022	• Establishment of CO <sub>2</sub> emissions reduction targets (Ninth Management Plan target and interim target by Fiscal 2030)		E	G	
	• Signed a comprehensive collaboration agreement with Susono City for forest cultivation		E		
June 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”		E	S	
	• Released the result of joint research with The University of Tokyo and Musashino University on the decarbonization effect of “Shinchiku Sokkurisan” building renovation		E		
	• Included in “MSCI Japan ESG Select Leaders,” the ESG Indexes		E	S	G
	• Signed a comprehensive collaboration agreement with Daikin for decarbonization of air conditioning systems Phase 1: Regeneration and reuse of recovered refrigerants		E		
September 2022	• Conducted a visiting lecture on SDGs, “Development of Environmentally Friendly Housing” at Shishibone-higashi Elementary School (Edogawa Ward, Tokyo)		E	S	
October 2022	• 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)		E	S	
January 2023	• Held a “PET Bottle Horizontal Recycling Event” encouraging waste separation at Shinjuku Sumitomo Building		E	S	
February 2023	• Disclosed our Multi-Stakeholder Policy and Declaration of Partnership Building			S	G
	• Announced a new female outside director (formally elected June 2023)			S	G
	• Held a disaster drill for operation of temporary evacuation facility as a member of an association for disaster prevention in Shinjuku Station area			S	
March 2023	• Recognized as a 2023 Certified Health & Productivity Management Outstanding Organization under the large enterprise category			S	



These initiatives also contribute to achieving the Sustainable Development Goals (SDGs) of the United Nations.

### **Sumitomo Fudosan Tokyo Mita Garden Tower certified as “ZEB Ready” (E, S)**

The office building (42 floors above ground and 4 floors below ground), the core of the Mita 3 & 4-Chome District Type 1 Redevelopment Project, was certified as “ZEB Ready” under the Building-Housing Energy-Efficiency Labeling System (BELS) as an office building with a high level of environmental performance that reduces primary energy consumption by 50% compared with current energy-saving standards.

### **Held a PET Bottle Horizontal Recycling Event at Shinjuku Sumitomo Building (E, S)**

As an event in the TOKYO Kids Festa 2023 held at Sankaku Hiroba (triangular plaza) of Shinjuku Sumitomo Building, we held an event to further promote horizontal PET bottle recycling by providing opportunities to watch, understand, and learn it. The Festa attracted over 32,000 visitors, and we introduced our initiatives to many of them.

### **Released the result of joint research on Shinchiku Sokkurisan building renovation: reducing CO<sub>2</sub> emissions by 47% compared to rebuilding (E)**

We released the results of a joint research project with The University of Tokyo and Musashino University to establish an environmental evaluation method for the renovation of existing detached houses. In one case of Shinchiku Sokkurisan remodeling with significantly improved building performance, the research results found that the amount of new materials used were dramatically reduced compared to rebuilding the entire buildings, and cut CO<sub>2</sub> emissions by 47%.

### **Conducted a visiting lecture on SDGs, “Development of Environmentally Friendly Housing” (E, S)**

As part of “SDGs to living life” project of the Yomiuri Shimbun, we conducted a visiting lecture on the theme of “Think of Long-life Housing” for fifth graders at Shishibone-higashi Elementary School in Edogawa Ward, Tokyo.

### **Recognized as a 2023 Certified Health & Productivity Management Outstanding Organization under the large enterprise category (S)**

The Company has been recognized by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Japan Health Council) as a 2023 Certified Health & Productivity Management Outstanding Organization under the large enterprise category.

## 2. Status of Capital Investments

In the fiscal year under review, the Company made capital investments totaling ¥463.7 billion, primarily in the development of new office buildings.

## 3. Status of Financing

In the fiscal year under review, the Company conducted corporate bond issuances, as shown below, and obtained necessary funds through borrowings from financial institutions, etc. and commercial papers.

Issuing company	Details of issuance	Date of issue	Maturity	Total amount issued
Sumitomo Realty & Development Co., Ltd.	111 <sup>th</sup> Series of Domestic Unsecured Corporate Bonds (Green Bonds)	March 30, 2023	Fiscal year ending March 31, 2029	¥30.0 billion

## 4. Principal Business (as of March 31, 2023)

Business	Description of main businesses
Leasing	Leasing/management of office buildings, rental apartments, etc. Operation/management of hotels, event halls, retail facilities, etc.
Sales	Sales of condominium units, detached houses, etc.
Construction	Construction/remodeling of detached houses, condominiums, etc.
Brokerage	Brokerage of real estate sales, sales agent of residential properties
Other	Fitness clubs, restaurants, etc.

## 5. Status of Major Subsidiaries (as of March 31, 2023)

Name	Capital (million yen)	Percentage of voting rights	Description of main businesses
Sumitomo Real Estate Sales Co., Ltd.	2,970	100.0%	Brokerage of real estate sales and leasing; and sales agent of residential properties, etc.
Sumitomo Fudosan Tatemono Service Co., Ltd.	300	100.0%	Management service of condominiums, etc.
Sumitomo Fudosan Syscon Co., Ltd.	70	100.0%	Interior designing and sales, display suite construction
Sumitomo Fudosan Villa Fontaine Co., Ltd.	50	100.0%	Operation of business hotels and resort hotels
Sumitomo Fudosan Bellesalle Co., Ltd.	50	100.0%	Leasing of event halls, conference rooms, etc.
Sumitomo Fudosan Retail Management Co., Ltd.	50	100.0%	Operation of retail facilities
Sumitomo Fudosan Esforta Co., Ltd.	50	100.0%	Operation of fitness clubs

## 6. Status of Employees (as of March 31, 2023)

Number of Consolidated Employees	Change from the End of Previous Fiscal Year
12,957	(83)

Note: The number of employees of the Company is 5,757 (up 25 from the end of the previous fiscal year).

## II. Matters regarding Shares of the Company (as of March 31, 2023)

### 1. Number of Shares

Total number of authorized shares:	1,900,000,000
Total number of issued shares:	473,938,547 (excluding 2,147,431 treasury shares)

### 2. Number of Shareholders

16,986  
(of which 15,526 holding share unit)

### 3. Major Shareholders

Name	Number of shares held (Thousands of shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	71,324	15.05
Custody Bank of Japan, Ltd. (Trust account)	25,477	5.38
Custody Bank of Japan, Ltd. (Trust account 4)	10,952	2.31
Sumitomo Mitsui Banking Corporation	10,000	2.11
Taisei Corporation	9,550	2.02
Daikin Industries, Ltd.	8,367	1.77
Obayashi Corporation	8,090	1.71
SSBTC CLIENT OMNIBUS ACCOUNT	7,744	1.63
Shimizu Corporation	7,500	1.58
Maeda Corporation	7,244	1.53

Notes: 1. Numbers of shares have been rounded down to the nearest thousand shares.

2. Percentage of shares held has been calculated by excluding treasury stock.



### III. Corporate Officers

#### 1. Names and Other Details of Directors and Corporate Auditors (as of March 31, 2023)

Name	Position	Responsibilities and significant concurrent positions
Kenichi Onodera	Director - Chairman of the Board	
Kojun Nishima	Representative Director - President	Head of Office Leasing Business Division
Masato Kobayashi	Representative Director - Deputy President	Head of Condominium Sales Business Division
Yoshiyuki Odai	Representative Director - Deputy President	Head of Corporate Planning Division
Nobuaki Takemura	Director - Senior Managing Executive Officer	Group Compliance Supervisor Representative Director - President of Sumitomo Real Estate Sales Co., Ltd.
Hiroshi Kato	Director - Senior Managing Executive Officer	Head of Remodeling Business Division In charge of Custom Homes Business
Hisatoshi Katayama	Director - Senior Managing Executive Officer	Head of Commercial Property Development Division
Yozo Izuhara	Director	
Nobumasa Kemori	Director	Outside Director of JFE Holdings, Inc.
Yoshifumi Nakamura	Full-time Corporate Auditor	
Toshikazu Tanaka	Full-time Corporate Auditor	
Yoshiyuki Norihisa	Corporate Auditor	
Chiyono Terada	Corporate Auditor	President and CEO of Art Group Holdings Chairperson Emeritus of Art Moving Company Co., Ltd.

- Notes:
- Messrs. Yozo Izuhara and Nobumasa Kemori are Outside Directors as provided for in the Companies Act.
  - Mr. Yoshiyuki Norihisa and Ms. Chiyono Terada are Outside Corporate Auditors as provided for in the Companies Act.
  - There are no special conflict of interest between the Company and any of the companies at which the Outside Directors and Corporate Auditors hold significant concurrent positions.
  - The Company has registered Messrs. Yozo Izuhara, Nobumasa Kemori, and Yoshiyuki Norihisa and Ms. Chiyono Terada as independent officers with Tokyo Stock Exchange, Inc.
  - With the introduction of an executive officer system, Mr. Ryuzo Amemiya has been elected as a Senior Managing Executive Officer, Messrs. Ichiro Wada, Hiroyuki Hashizume, Makoto Nakano, and Kenichi Kawai have been elected as Managing Executive Officers, and Messrs. Dai Miyamoto, Tokiyuki Okada, Takeo Kojima, Takeshi Endo, Takuto Fujinuma, Kenji Tsumura, Toshiyuki Masui, and Takayuki Miyagawa have been elected as Executive Officers.
  - The Company has concluded a director and officer liability insurance policy with Directors and Corporate Auditors as the insured, as provided for in Article 430-3, paragraph 1 of the Companies Act. Excluding cases that fall under the grounds for exemption set forth in the insurance agreement, this agreement covers any damages, etc., for which Directors and Corporate Auditors are liable in relation to the execution of their duties, as well as those that arise as a result of claims related to the pursuit of such liability, and the Company bears the full amount of any insurance premiums associated with this insurance agreement.
  - As of the conclusion of the 89th Ordinary General Meeting of Shareholders held on June 29, 2022, Director Koji Ito has retired.

## **2. Officers' Compensation, etc.**

### **(1) Resolutions of the General Meeting of Shareholders concerning officers' compensation, etc.**

At the Ordinary General Meeting of Shareholders held on June 29, 2004, a resolution was passed to set the total annual compensation for directors at just 1% of consolidated ordinary profit for the previous consolidated fiscal year. The number of directors as of the conclusion of that General Meeting of Shareholders was 12.

On April 1, 2020, the Company introduced an executive officer system, which enables the appointment of officers comparable to directors necessary for business expansion, with the aim of the further broadening the scope of business and enhancing employee morale. Accordingly, with the agreement of all directors, the compensation of executive officers is also to be paid from the aforementioned total amount of compensation for directors (hereinafter, directors and executive officers are collectively referred to as "directors, etc.").

The monetary compensation for corporate auditors is determined to be within ¥6.5 million per month, in accordance with the resolution made at the Ordinary General Meeting of Shareholders held on June 29, 1999. The number of corporate auditors as of the conclusion of that General Meeting of Shareholders was five.

### **(2) Policies related to the determination of the content of compensation, etc., for individual directors, etc., and authorization for the determination thereof**

The policy for the determination of the content of compensation, etc. for individual directors, etc. (hereinafter referred to as the "determination policy") is established by resolution of the Board of Directors. Under the determination policy, compensation for each director, etc., consists only of fixed compensation, and the specific content (payment amount, timing of payment, payment method, etc.) of the compensation for individual directors is determined by agreement between the Chairman of the Board and Representative Directors, based on a resolution of authorization by the Board of Directors. When making this agreement, each director's duties and level of contribution to performance are considered.

Whereas the total annual amount of directors' compensation is set at 1% of ordinary profit for the previous consolidated fiscal year, the full amount is not paid to the individual directors, etc., in the current fiscal year, and part of directors' compensation is retained without fixing the amount per director, etc., for future use as retirement benefits for directors, etc., and supplementation of declines in the compensation of directors, etc., due to downturns in business performance, etc.

With regard to compensation for directors, etc., in the fiscal year under review, based on authority resolved by the Board of Directors at a meeting held on June 29, 2022, the specific content (payment amount, timing of payment, payment method, etc.) of the compensation for individual directors was determined by agreement between Mr. Kenichi Onodera (Director - Chairman/Chairman of the Board), Mr. Kojun Nishima (Representative Director and President/Head of Office Leasing Business Division), Mr. Masato Kobayashi (Representative Director and Deputy President/Head of Condominium Sales Business Division), and Mr. Yoshiyuki Odai (Representative Director and Deputy President/Head of Corporate Planning Division).

These four directors are, respectively, the Chairman of the Board, Representative Director and President, Representative Director and Deputy President in charge of the Business Division, and Representative Director and Deputy President in charge of the Management Division, and as these persons received this authorization based on the judgment that they would be able to agree upon and comprehensively examine and appropriately assess the duties and contributions to performance of each director from their respective viewpoints, the Board of Directors has judged that the content of the compensation of individual directors, etc., for the fiscal year under review is in line with the determination policy.

**(3) Total amount and other details of compensation, etc., for officers, etc.**

Of officer compensation, etc., in the fiscal year under review, amount paid for each position in the fiscal year under review

Position	Amount paid (million yen)	Amount paid per type (million yen)			Number of eligible officers (persons)
		Basic compensation	Performance-based compensation, etc.	Non-monetary compensation, etc.	
Directors (of which, Executive Officers (Note 2))	1,198 <sup>(Note 1)</sup> (420)	1,198 (420)	–	–	19 (9)
(of which, Outside Directors)	(48)	(48)			(2)
Corporate Auditor (of which, Outside Corporate Auditors)	59 (26)	59 (26)	–	–	4 (2)
Total (of which, Outside Officers)	1,257 (74)	1,257 (74)	–	–	23 (4)

- Notes: 1. Whereas the total annual amount of directors' compensation for the fiscal year under review is fixed at ¥2,213 million, the full amount has not been paid to the individual directors, etc., in the fiscal year under review, and ¥1,014 million, the difference with the amount paid as stated above, has been retained without being paid, to prepare for use as retirement benefits for directors, etc., and supplementation of declines in the compensation of directors, etc., due to future downturns in business performance, etc.
2. The amount paid to directors, etc., and the number of directors, etc., includes nine executive officers who do not serve concurrently as directors.
3. The total amount of compensation, etc., for corporate auditors is the amount paid as stated above.

### 3. Matters regarding Outside Officers

#### (1) The status of main activities in the fiscal year under review

Position	Name	Main activities	Meeting attendance
Director	Yozo Izuhara	Mr. Izuhara expressed his opinions necessary for the deliberation of agenda, etc. as appropriate, in meetings of the Board of Directors. He also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value through such forums as briefings for outside directors and meetings of the Committee of Outside Directors and Auditors.	Board of Directors meetings 7/7 (100%)
Director	Nobumasa Kemori	Mr. Kemori expressed his opinions necessary for the deliberation of agenda, etc. as appropriate, in meetings of the Board of Directors. He also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value through such forums as briefings for outside directors and meetings of the Committee of Outside Directors and Auditors.	Board of Directors meetings 7/7 (100%)
Corporate Auditor	Yoshiyuki Norihisa	Mr. Norihisa expressed his opinions necessary for the deliberation of agenda, etc. as appropriate, in meetings of the Board of Directors and meetings of the Board of Corporate Auditors. He also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value through meetings of the Committee of Outside Directors and Auditors, etc.	Board of Directors meetings 7/7 (100%) Board of Corporate Auditors meetings 14/14 (100%)
Corporate Auditor	Chiyono Terada	Ms. Terada expressed her opinions necessary for the deliberation of agenda, etc. as appropriate, in meetings of the Board of Directors and meetings of the Board of Corporate Auditors. She also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value through meetings of the Committee of Outside Directors and Auditors, etc.	Board of Directors meetings 7/7 (100%) Board of Corporate Auditors meetings 14/14 (100%)

#### (2) Overview of limited liability agreement

The Company enters into agreements with all outside officers that limit their liability toward the Company. Under the agreements, their liabilities are limited to the minimum limit stipulated by laws and regulations.