

Supplementary Material

Second Quarter of Fiscal 2023
(April 1, 2023 - September 30, 2023)



Sumitomo Realty & Development Co., Ltd.

【Contents】

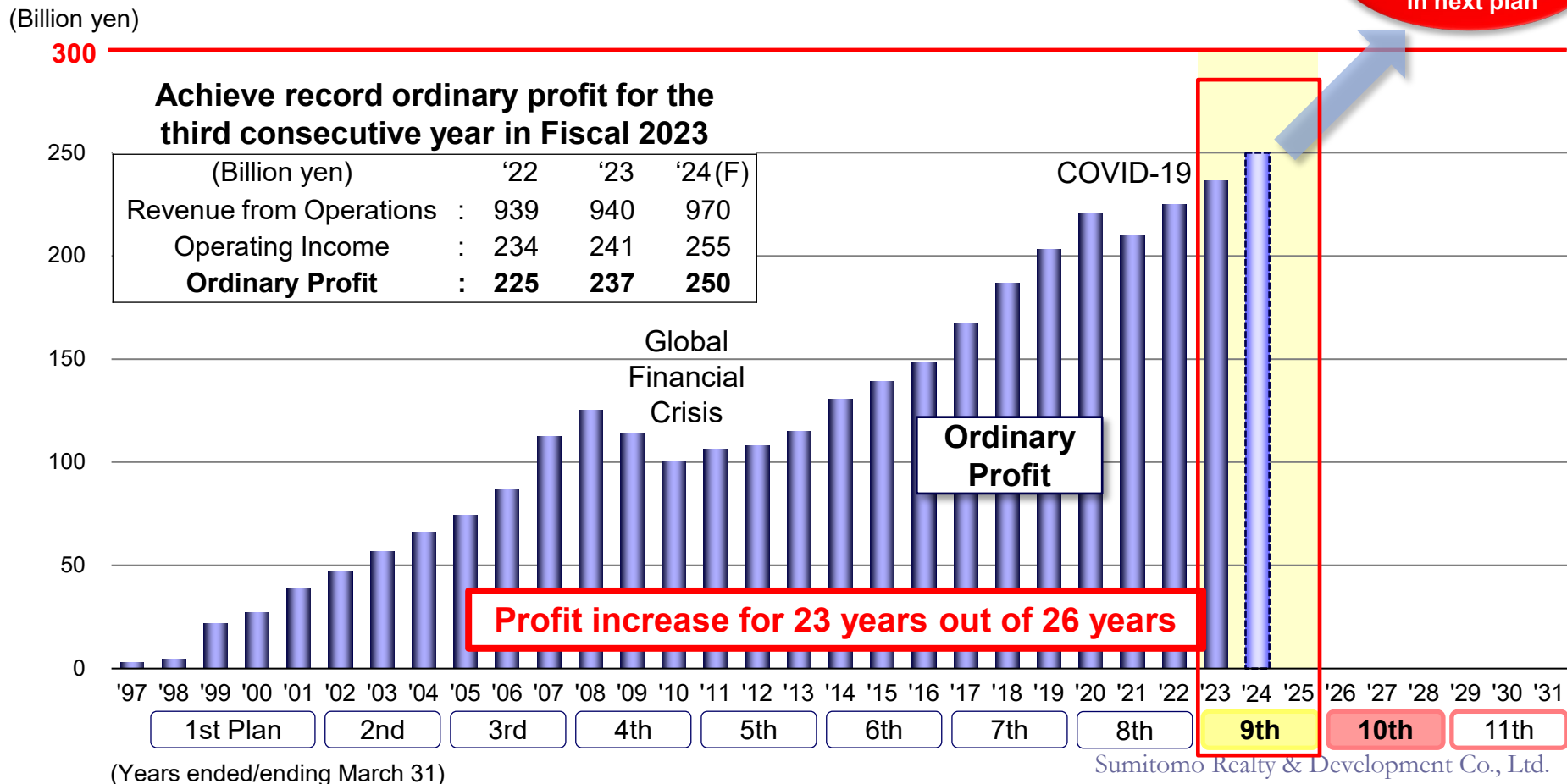
Basic Management Strategy and Medium- to Long-term Outlook for “Sustainable Growth”	3
Business in India	7
The Ninth Management Plan (Apr 1, 2022 - Mar 31, 2025)	14
Results for the Second Quarter of Fiscal 2023 (Apr 1 - Sep 30, 2023)	16
Forecasts for Fiscal 2023 (Apr 1, 2023 - Mar 31, 2024)	17
Principal New Development Projects	18
ESG Initiatives	24

Earnings Targets

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

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

Surpassing
¥300 billion
in next plan



Earnings Targets

Growth strategy by segment

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

* 1 tsubo ≈ 3.3 m²

Leasing

For office buildings, by steadily capturing the needs such as increasing floor space which is becoming apparent as economic activity normalizes, maintain and improve the profitability of existing buildings and continue on the trajectory of long-term profit growth through operation of new buildings to be completed with gross floor area of over 700,000 tsubo*

- The “La Tour” premium leasing residences series has grown to a scale of 4,000 units. Continue to improve our brand value and further extend our strong performance
- In the hotel and event hall business, strive to restore the profitability to the pre-COVID-19 levels during the current fiscal year, and aim for further growth in the next medium-term management plan and beyond with the contribution to earnings from the full-scale operation of Haneda Airport Garden with the flagship hotels

Sales

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

- More than 90% of the 3,000 units planned to be delivered in the current fiscal year were already sold, and sales activities including those for the next fiscal year and beyond are making steady progress
- Although rising construction costs continuously needs to be addressed, we have already secured the necessary amount of land for condominiums to be delivered by the next medium-term management plan
- Promote development that contributes to decarbonization with the adoption of the “ZEH-M Oriented” as the standard specifications for all condominiums we design from the Ninth Management Plan

Construction

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

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

Brokerage “STEP”

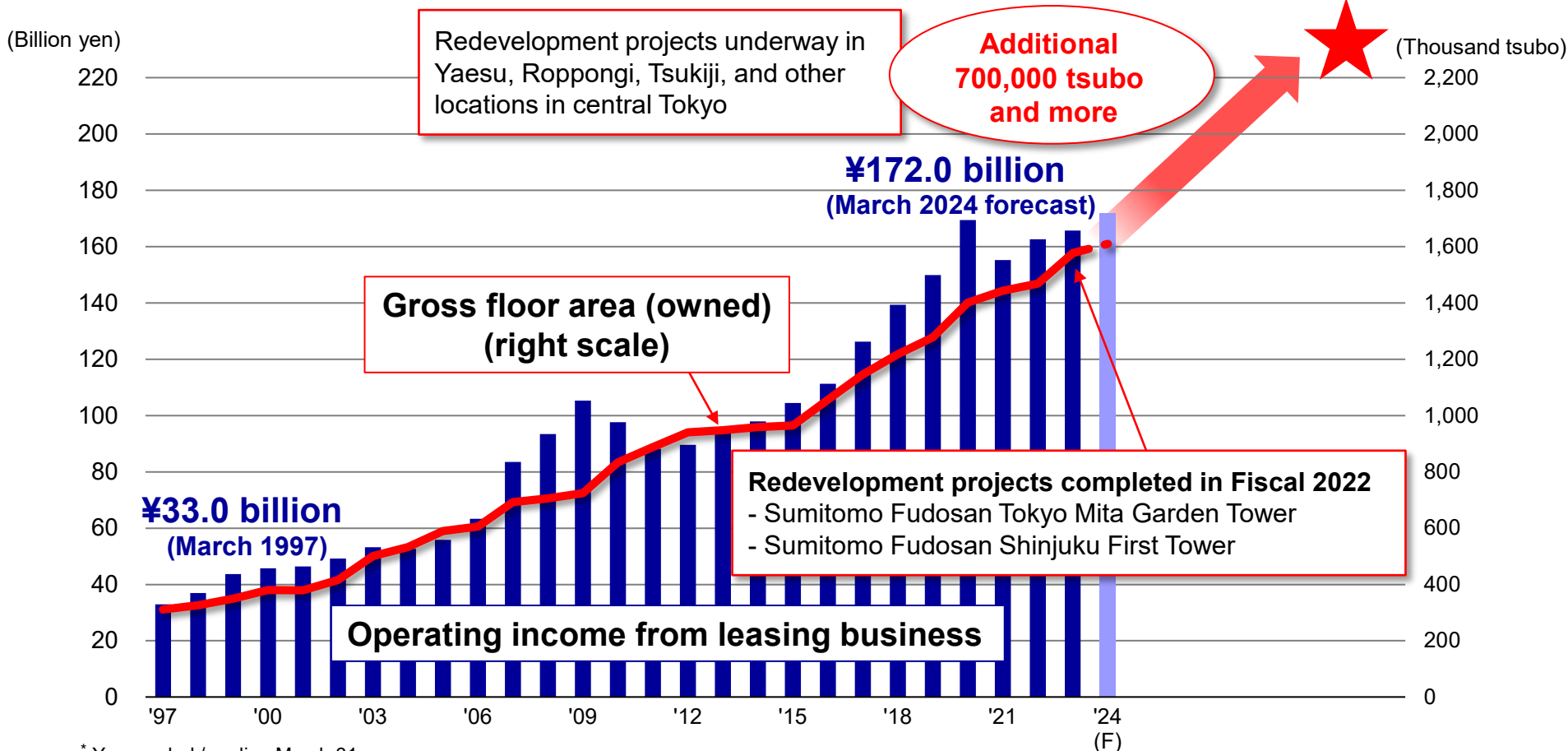
While the supply of new housing is on the decline, the existing housing market, which is being revitalized by an increase in high-quality stock, is expected to grow, and we will strive to expand our market share by strengthening Group collaboration and further pursuing customer-oriented services

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

Investments for Growth

Steady progress in investment in leasing office assets with gross floor area of over 700,000 tsubo* in central Tokyo, mainly comprising redevelopment * 1 tsubo ≈ 3.3 m²

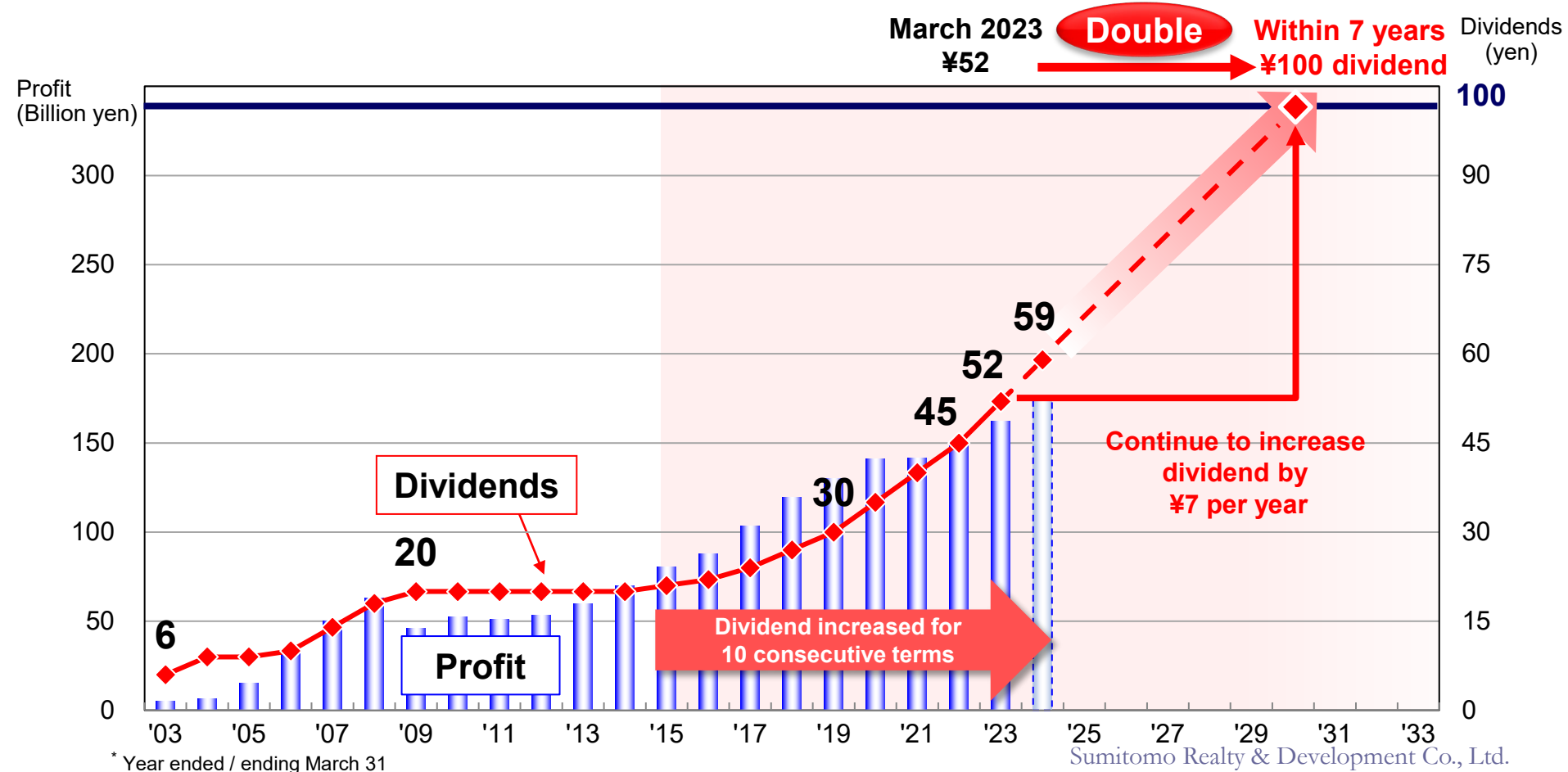
- ✓ Strive to further expand our earnings base and increase corporate value by completing and putting the development projects into operation with gross floor area of over 700,000 tsubo
- ✓ Maintain our policy of taking advantage of opportunities that arise for new properties (securing ¥300.0 billion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



Profit Distribution Policy

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

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



The Positioning of Business in India

- ✓ Actively investing in “Mumbai, India”, a growing market comparable to Tokyo
- ✓ With the expansion of businesses such as office buildings, hotels, commercial facilities, and residential development in mind, we aim to build a major base second to Tokyo

Tokyo :Existing 1.5 million tsubo (GFA, Owned, as of the end of Mar 2022)
+ additional 700,000 tsubo and more ⇒Over ¥5 trillion

Mumbai :3 properties, a total of over 380,000 tsubo
⇒Over ¥500 billion

* 1 tsubo ≈ 3.3 m²

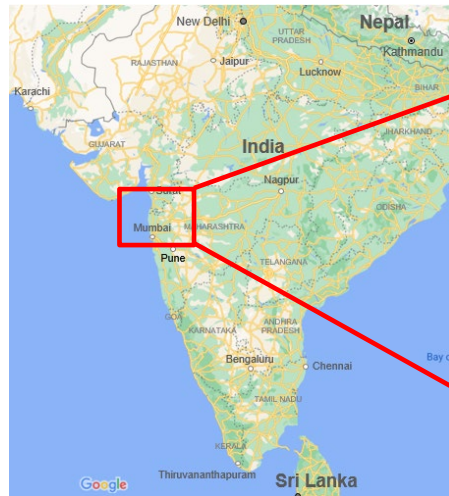
Compared to Tokyo

10% of investment

20% of GFA

	Project 1 in BKC (Acquired in Jul 2019)	Project 2 in BKC (Acquired in Nov 2022)	Project in Worli (Acquired in Oct 2023)
Location	Bandra East, Mumbai, Maharashtra State		Worli, Mumbai
Acquisition value (Yen equivalent) <small>*1 INR = 1.7 JPY</small>	22.38 billion INR (38.0 billion JPY)	20.67 billion INR (35.1 billion JPY)	46.7 billion INR (79.5 billion JPY)
Type of ownership	Leasehold for 80 years	Leasehold for 80 years	Freehold
Site area	12,486 sqm (Approx. 3,780 tsubo)	11,885 sqm (Approx. 3,595 tsubo)	80,903 sqm (Approx. 24,473 tsubo)
Building scale <small>*Gross floor area</small>	Approx. 130 thousand sqm (Approx. 40 thousand tsubo)	Approx. 130 thousand sqm (Approx. 40 thousand tsubo)	Over 1 million sqm (Over 300 thousand tsubo)
Use	Office building for lease	Office building for lease	Super high-rise mixed-use development project

3 Key Areas of Mumbai — Rapid Progress in Transportation Infrastructure



Source: Google Maps

Key office areas within Mumbai city



Indian Shinkansen (high-speed railway)

- Using Japanese Shinkansen technology
- Planned to connect the approx. 500 km distance between Mumbai and Ahmedabad in about 2 hours
- Its new station planned to open in BKC

Metro Line 3 (scheduled to open in 2024)

- Planned to connect BKC, Worli and Nariman Point from the current airport area

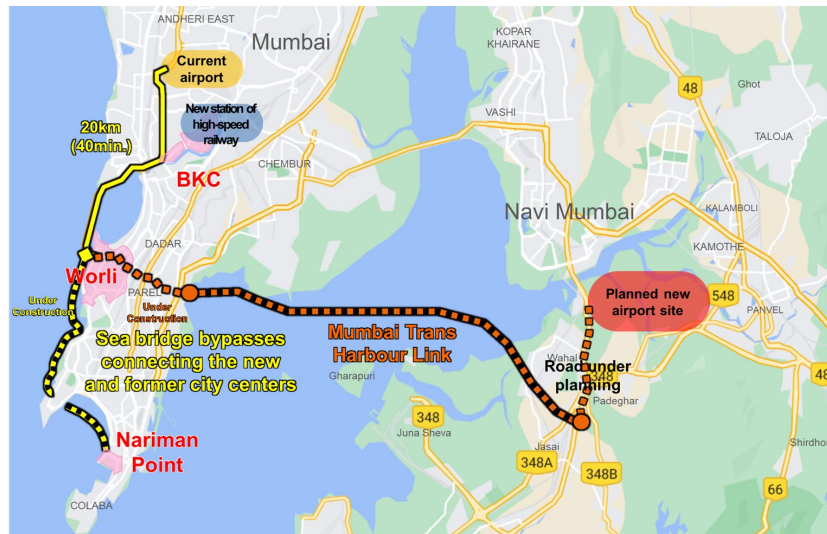
Sea bridge bypass “Sea Link” (scheduled to open in 2024)

- Planned to connect Worli and Nariman Point

Mumbai Trans Harbour Link

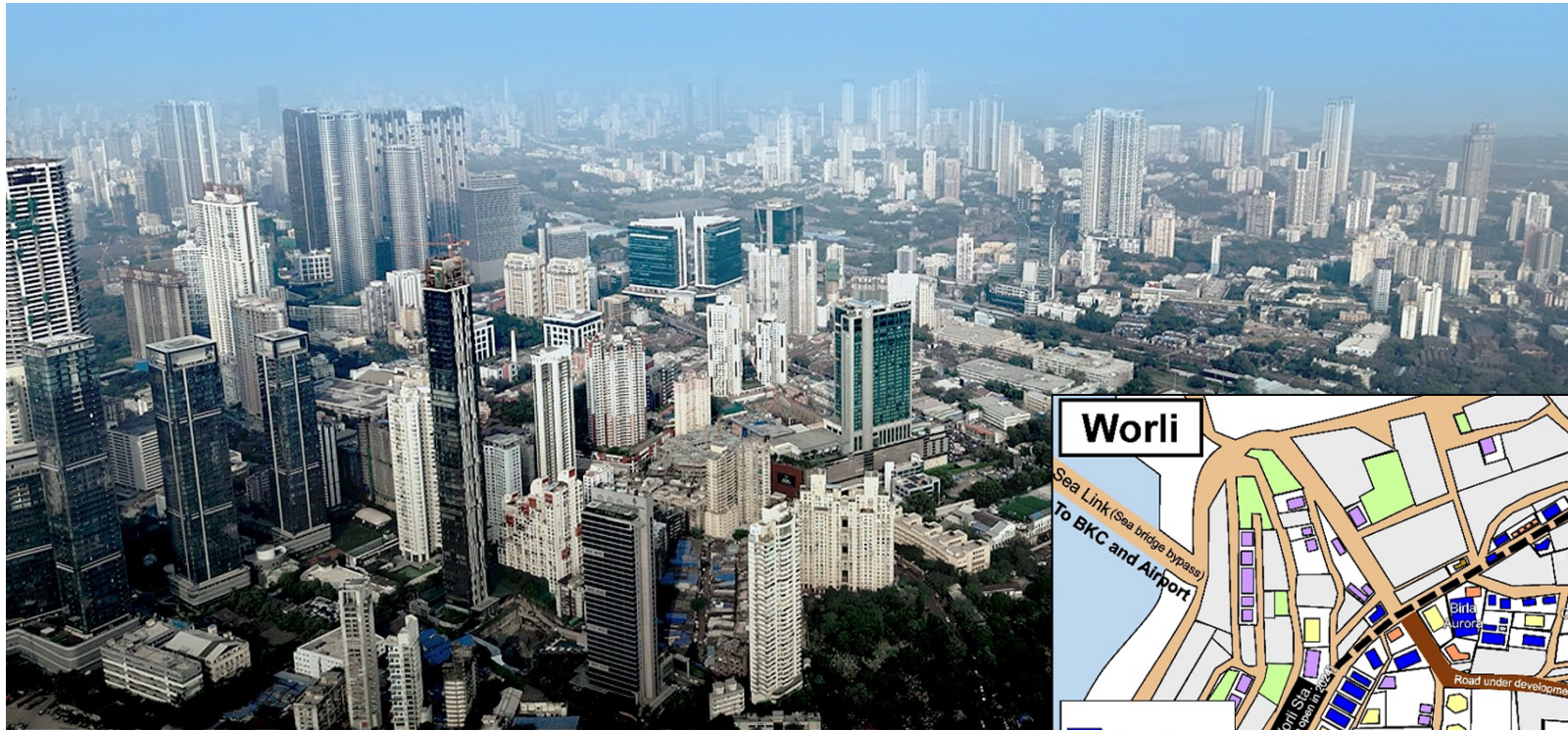
- Connecting the new airport (under construction) and the center of Mumbai
- Planned to connect to the sea bridge bypass

Sumitomo Realty & Development Co., Ltd.

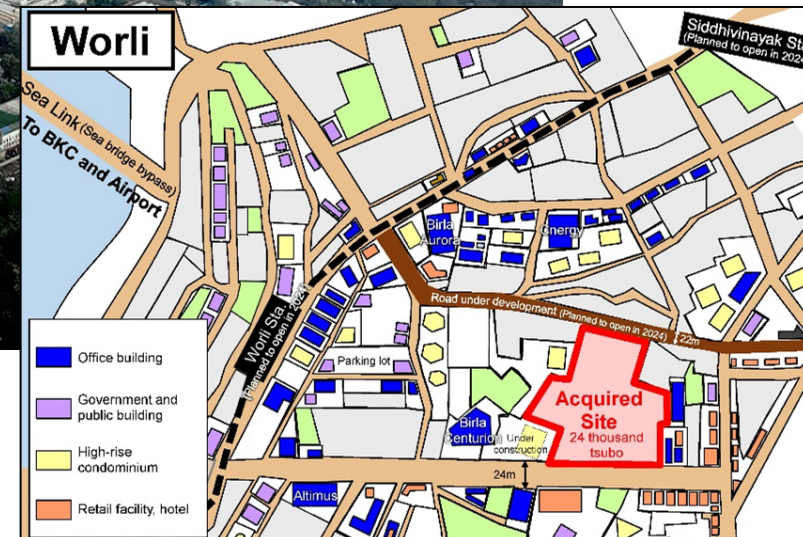


Sumitomo Realty's Business in India – Worli (1)

- ✓ Location in the heart of city center, surrounded by five-star hotels, luxury high-rise condominiums, office buildings housing top-tier foreign companies, and high-end shopping malls
- ✓ With work, living, and leisure in close proximity



Worli



Sumitomo Realty's Business in India – Worli (2)

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

- ✓ Independent acquisition of a site for a “super high-rise mixed-use urban development” exceeding one million sqm in gross floor area
- ✓ Approximately 80,000 sqm (about 24,000 tsubo) of “freehold” land with no restrictions on development use
- ✓ The largest urban redevelopment by a Japanese company in India
 ⇒ aiming for the full opening of the facilities in the 2030s



Road under development – 22m wide
(Scheduled to open in Apr 2024)

Road – 24m wide

Site area

80,903 sqm
(Approx. 24,473 tsubo)

Building scale
*Gross floor area

Over 1 million sqm
(Over 300,000 tsubo)

(i)

The land cost per floor area is expected to be reduced to almost half of the BKC properties through the acquisition of additional FAR (Floor Area Ratio).

(ii)

A freehold land without usage restrictions, allowing for large-scale mixed development

**High
Profitability**

Sumitomo Realty's Business in India – BKC (1)

* 1 tsubo \approx 3.3 m²

- ✓ Expanding our “Stand-alone” approach of Tokyo office building business on one of the largest sites in BKC
- ✓ The 1st project is currently under construction, and the 2nd project is also proceeding with permit procedures \Rightarrow Towards sequential completion after 2026

Acquiring the development site independently,
developing, leasing, managing by ourselves,
and owning for the long term

= Our “Stand-alone” approach of
Tokyo office building business

Project 1

Site area
12,486 sqm (Approx. 3,780 tsubo)
Building scale *Gross floor area
Approx. 130,000 sqm (Approx. 40,000 tsubo)



(underground excavation is underway)

Project 2

Site area
11,885 sqm (Approx. 3,595 tsubo)
Building scale *Gross floor area
Approx. 130,000 sqm (Approx. 40,000 tsubo)



(i)

BKC is being developed as a financial center, and further development as a business district is expected.

(ii)

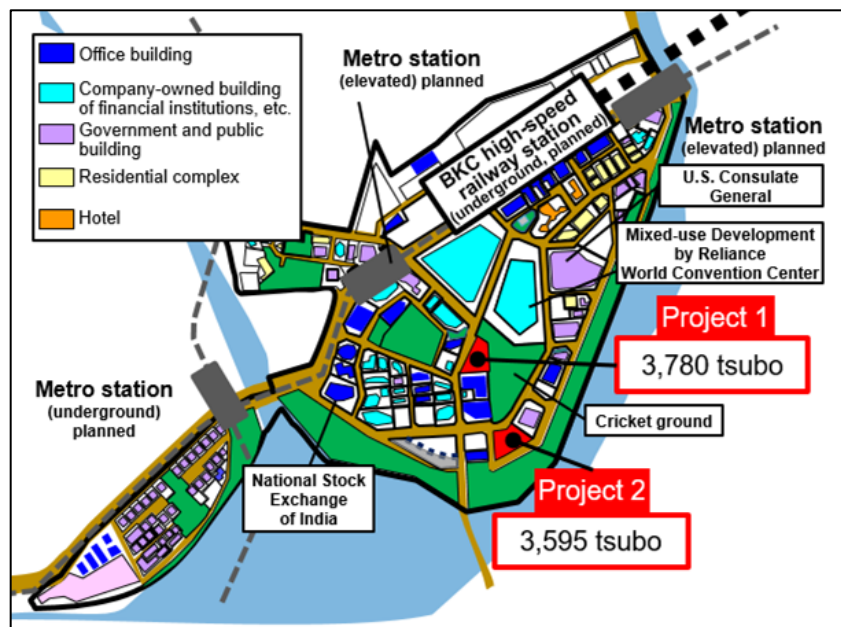
The rent for prime office buildings in BKC is on par with central Tokyo, and expected yield is more than three times that of investment properties traded in Tokyo.

**High
Profitability**

Sumitomo Realty's Business in India – BKC (2)



Panoramic view of BKC



Ranking of Office Rent in Major World Cities

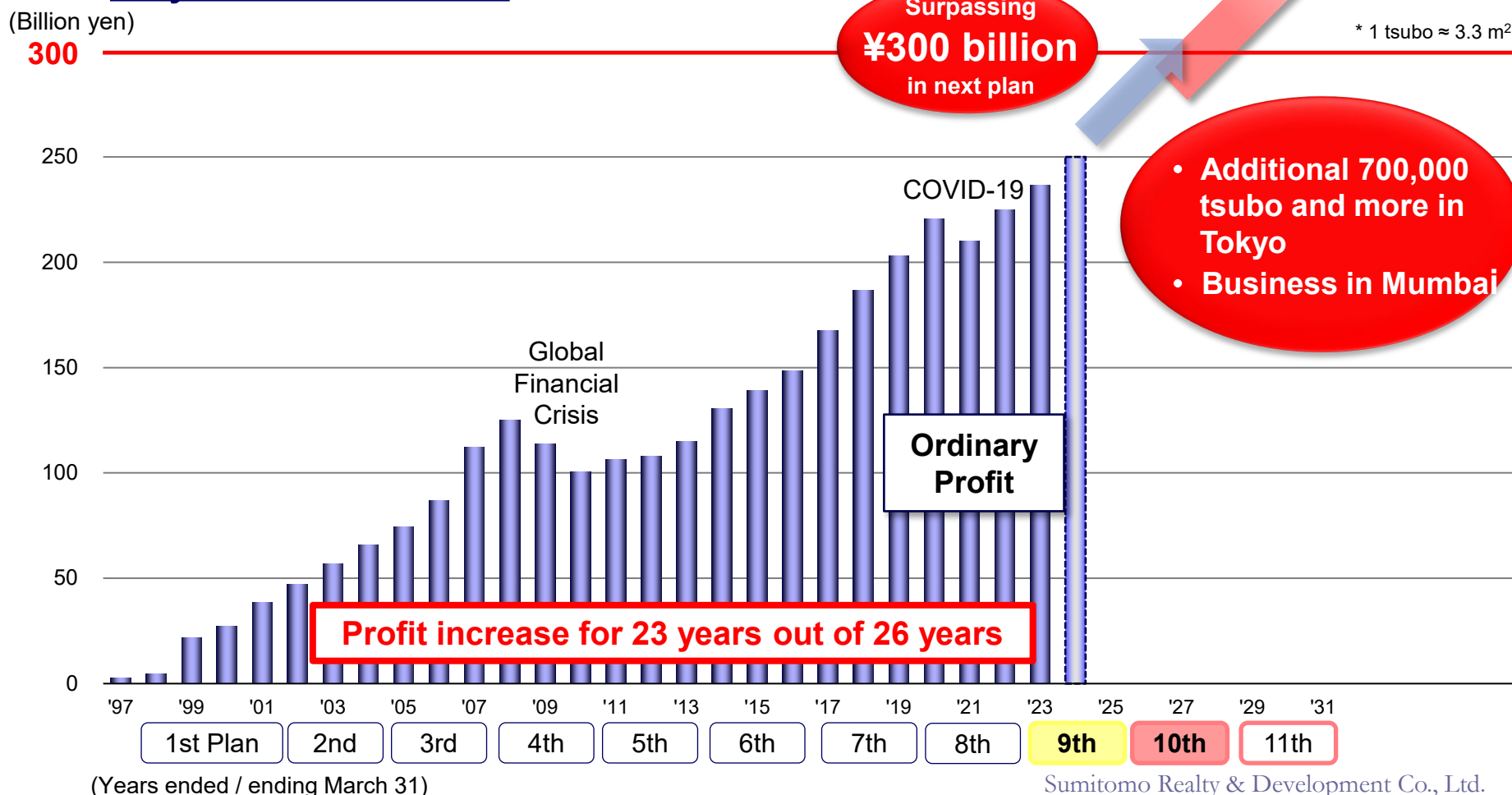
Rank	City	Occupancy cost (US \$/sq/year on NLA basis)
1	Hong Kong, Central	\$259
2	New York, Midtown	\$220
3	London, West End	\$182
10	San Francisco	\$114
11	Singapore	\$110
17	Tokyo, Marunouchi	\$103
20	Delhi, Connaught Place	\$99
21	Mumbai, SBD BKC	\$97
27	Tokyo, Shibuya	\$87
32	Paris, City	\$80
34	Tokyo, Shinjuku	\$78
37	Los Angeles	\$76
86	Bengaluru	\$47
92	Delhi NCR, Gurugram	\$42
129	Chennai	\$19
131	Hyderabad	\$18

Source: Compiled by Sumitomo Realty, based on JLL Global Premium Office Rent Tracker (Q3 2022)

Aiming Beyond the Ordinary Profit of ¥300.0 Billion

— Continuing the Investment for Growth

- ✓ Aiming to surpass ¥300.0 billion in ordinary profit in the next medium-term management plan
- ✓ As the investment for growth beyond that, actively investing in Tokyo CBD and Mumbai



Three-year Cumulative Earnings Targets

Consecutive record profit for the period covered

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

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

Three-year cumulative earnings targets

Revenue from Operations	¥	3 trillion	(Vs. 8th Plan	+ ¥ 130 billion,	+ 5 %)
Operating Income	¥	770 billion	(“	+ ¥ 83 billion,	+ 12 %)
Ordinary Profit	¥	750 billion	(“	+ ¥ 94 billion,	+ 14 %)
Profit	¥	500 billion	(“	+ ¥ 67 billion,	+ 16 %)

(Billion yen)

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

* Year ended / ending March 31

Sumitomo Realty & Development Co., Ltd.

Performance Targets and Strategies by Segment

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

(Billion yen)

Performance Targets by Segment

(Three-year cumulative totals)

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

* Year ended / ending March 31

Sumitomo Realty & Development Co., Ltd.

Results for the Second Quarter of Fiscal 2023 (Apr 1 – Sep 30, 2023)

(Billion yen)

		Sep '22 Results	Sep '23 Results	Increase/ Decrease	FY '23 Forecasts	Achieved
	Leasing	208	220	+12	445	49%
	Sales	154	171	+17	225	76%
	Construction	76	75	(0)	220	34%
	Brokerage	36	37	+1	77	48%
Revenue from Operations		475	505	+30	970	52%
	Leasing	87	89	+2	172	52%
	Sales	47	56	+9	54	103%
	Construction	3	4	+1	23	17%
	Brokerage	10	11	+1	22	48%
Operating Income		138	150	+12	255	59%
	Other income (expenses)	(2)	(0)	+1	(5)	-
Ordinary Profit		136	150	+13	250	60%
Profit attributable to owners of parent		94	106	+12	175	61%

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

(Billion yen)

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

Principal New Office Building Projects

* 1 tsubo \approx 3.3 m²

Project Name	Location (Tokyo)	Gross Floor Area (Tsubo*)	Completion (Expected)
Sumitomo Fudosan Tokyo Mita Garden Tower	Minato Ward	59,400	Feb 2023
Sumitomo Fudosan Shinjuku First Tower	Shinjuku Ward	27,000	Mar 2023
Sumitomo Fudosan Nakano Ekimae Building (Nakano 2-chome Project)	Nakano Ward	30,000	Feb 2024
Sumitomo Fudosan Akihabara East Building	Taito Ward	3,000	Mar 2024
Sumitomo Fudosan Shinjuku Minamiguchi Building (Shinjuku Minamiguchi Project)	Shibuya Ward	7,200	Mar 2024
Roppongi Ekimae Project	Minato Ward	9,700	Jan 2025
Sumitomo Fudosan Osaki Twin Building West	Shinagawa Ward	8,800	Mar 2025
Others		34,100	
9th Plan Total		179,200	

Principal New Office Building Projects

* 1 tsubo \approx 3.3 m²



Sumitomo Fudosan Tokyo Mita Garden Tower

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



Sumitomo Fudosan Shinjuku First Tower

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

Principal New Office Building Projects

* 1 tsubo \approx 3.3 m²



**Sumitomo Fudosan Nakano Ekimae Building
(Nakano 2-chome Project)**

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



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

Location	Shibuya Ward, Tokyo	Gross Floor Area	7,200 tsubo
Completion	Mar 2024 (Expected)	No. of Floor	17 above ground/ 1 below ground

Principal New Office Building Projects

* 1 tsubo \approx 3.3 m²



Roppongi Ekimae Project

Location	Minato Ward, Tokyo	Gross Floor Area	9,700 tsubo
Completion	Jan 2025 (Expected)	No. of Floor	22 above ground



Sumitomo Fudosan Osaki Twin Building West

Location	Shinagawa Ward, Tokyo	Gross Floor Area	8,800 tsubo
Completion	Mar 2025 (Expected)	No. of Floor	14 above ground/ 1 below ground

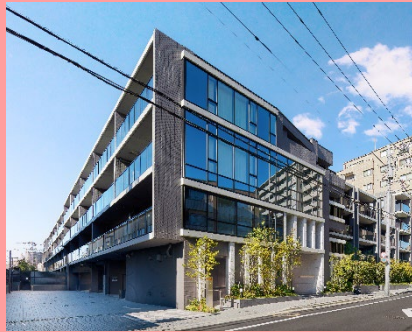
Principal Condominium Projects (Scheduled Delivery in FY2023)

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

Shinjuku Ward, Tokyo

162 units

35 above ground / 2 below ground

**City Terrace Nakano**

Nakano Ward, Tokyo

119 units

6 above ground

**City Terrace Bunkyo Koishikawa**

Bunkyo Ward, Tokyo

120 units

7 above ground / 1 below ground

**City Terrace Yokohama Hoshikawa**

Yokohama

140 units

7 above ground

**City Tower Tennoji**

Osaka

177 units

25 above ground

**Bay City Towers Kobe**

Kobe

WEST: 346 units, EAST: 344 units

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

Principal Condominium Projects (Scheduled Delivery from FY2024)

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

Nerima Ward, Tokyo

170 units

4 above ground

**City Tower Toranomon**

Minato Ward, Tokyo

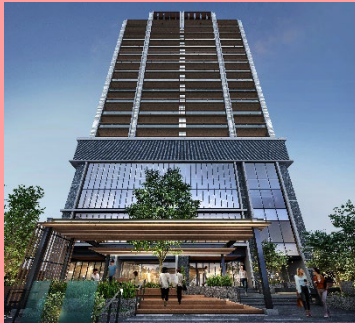
138 units

28 above ground / 1 below ground

**City Towers Itabashi Oyama**

Itabashi Ward, Tokyo

273 units

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

Yokohama

165 units

18 above ground

**City Terrace Miyagaoka**

Sapporo

97 units

9 above ground

**City Tower Aoba-Dori
Ichibancho**

Sendai

155 units

24 above ground / 1 below ground

ESG-related Certifications from Third Parties

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

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

Properties that have acquired ★5



DBJ Green Building

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



Shinjuku Grand Tower



Osaki Garden Tower



Shinjuku Garden Tower



Tokyo Nihombashi Tower



Azabujuban Building



Roppongi Grand Tower



Ariake Garden

Included in ESG Index

FTSE



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

MSCI



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

S&P



SNAM



Sampo Sustainability Index

Sumitomo Realty & Development Co., Ltd.
Investor Relations & ESG Section, Corporate Planning Department

Disclaimer

The purpose of this material is to provide information, and not to solicit investments, etc.

This material includes statements regarding future performance. These statements are based on certain assumptions deemed rational by the Company as of the date of publication. They include risks and uncertainties and do not guarantee the achievement of targets and forecasts, or future performance. The actual results of the Company's performance may differ due to various factors such as changes in the economic situation, market trends, and the management environment.

The Company has carefully prepared the information provided in this material, but does not guarantee the accuracy and completeness of the information. Moreover, this content may be changed or eliminated without notice.