



Society

Updated on February 16, 2024

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Contribution to Local Communities

Issue Awareness and Action Plans

The business of developing and operating real estate properties can only be possible through cooperation with people in the local community. In order to build solid, lasting relationships with local communities and contribute to the

development of regions, the Sumitomo Realty Group engages in a variety of activities that contribute to local communities and society in cooperation with each stakeholder through its business activities.

Initiatives

Redevelopment Business and Community Investment

With the fundamental mission of “Create even better social assets for the next generation,” the Sumitomo Realty Group places creating high quality assets and holding them for a long-term at the core of its business strategies. In particular, we focus on redevelopment, and actively invest in local communities to address local issues such as disaster prevention, the environment and the liveliness of the community. As our current Medium-term Management Plan targets to advance the development of office buildings of over

700 thousand tsubo in gross floor area, we will work on achieving sustainable development for the Company and local communities by building solid relationships with the members of the community.

IZUMI GARDEN redevelopment project, which comprises two redevelopment areas, one surrounding Izumi Garden Tower and the other surrounding Sumitomo Fudosan Roppongi Grand Tower, is a typical example of such projects.



IZUMI GARDEN (left: Sumitomo Fudosan Roppongi Grand Tower, right: Izumi Garden Tower)

➤ Izumi Garden Tower Redevelopment

The western area of Roppongi 1-chome was not used as a business district because of a lack of geographical continuity due to differences in elevation reaching up to 20 meters. The area used to be a densely built-up area with old wooden houses on slope and step-like ground, and required improvement from the aspect of living environment and disaster prevention.

Key points of the redevelopment

Providing spaces for community members to encounter greenery and culture in central Tokyo

Creating a spacious square, underground but full of light, connected to the subway station by developing the area together with the Roppongi-itchohme station

Creating a terrace square by utilizing the difference in elevation and placing characteristic shops, where people can feel liveliness of the city

This project realized flexible land use that takes account of characteristics of each urban block and harmony with the surrounding areas under the concept of an “Open Town Development,” achieved through discussions with about 100 landowners and administrative officials from Tokyo metropolitan and Minato Ward governments.

Contribution to Local Communities

Initiatives

Redevelopment Business and Community Investment

➤ Sumitomo Fudosan Roppongi Grand Tower Redevelopment

The urban block centered around Sumitomo Fudosan Roppongi Grand Tower, which is adjacent to previous urban redevelopment of "Izumi Garden Tower" across the Roppongi-itchohome station, had been inconveniently situated without a train station exit directly connected to it and had pedestrian

safety concern due to narrow roads.

The Sumitomo Fudosan Roppongi Grand Tower Redevelopment project solved these issues by redeveloping the district to make it a station front hub that is highly convenient with disaster-prevention features.

Solution for the challenges facing the community

A lack of good access to the Roppongi-itchohome station making the area inconvenient



- Improving pedestrian flows in the area by redeveloping the district and the area in front of the station together, and creating a west exit to the station*
- Enhancing convenience through a new station square measuring 1,280m² and introducing a commercial complex
- Installing multiple elevators to address differences in elevation and as a barrier-free measure

Little surrounding greenery



- Creating a new 2,400m² square rich in greenery with a walkway allowing pedestrians to enjoy greenery even in central Tokyo

Had pedestrian safety concern due to narrow roads



- Widening the sidewalks from 6m to 12m, and underground installation of power transmission cables, to ensure that pedestrians can walk safely and comfortably

*As seen above, Sumitomo Realty considers access to public transportation at all developments it undertakes.

➤ Town Management of the IZUMI GARDEN District

Sumitomo Realty manages "IZUMI GARDEN," an approximately 6 hectare large urban block consisting of two redevelopment areas; "Izumi Garden Tower" and "Sumitomo Fudosan Roppongi Grand Tower" at their core respectively.

We are working on town management to make the district

attractive to workers, residents and visitors in each season to increase the value of the district and give it a lively atmosphere. The initiatives include events held jointly with operators of nearby buildings and those held with TV Tokyo and BS Japan, which are our tenants.

Example of past events

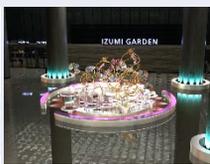
Cherry Blossom Festival



Disaster-Prevention Fair



Christmas Illumination



Summer Festival



Marché Event



Contribution to Local Communities

Initiatives

Revitalization of Nishi-shinjuku Area

➤ “Sankaku Biru” — Adding to the Liveliness of Nishi-shinjuku

Since its completion in 1974, Shinjuku Sumitomo Building, nicknamed “Sankaku Biru” (triangular building) for its shape, has been a familiar symbol of the Nishi-shinjuku area, creating a lively atmosphere in the district that is one of Japan’s leading business hubs. Sankaku Biru was a harbinger of a commercial complex — a property that is designed not only for office-use but also incorporating multifaceted functions, such as restaurants, retail shops, culture and sports. Since its opening, it has been a center of liveliness visited by many people of the area and tourists.

A variety of events have been held in the open space of the site, which provides a bright and lively social space for people to visit, walk around and engage in conversation.

In June 2010, the Shinjuku Subcenter Area Environmental Improvement Commission was created. As a member of the commission, Sumitomo Realty has been contributing to the revitalization of the Nishi-shinjuku area by holding cross-sectional events at the buildings we own in the vicinity.



Events held in the area surrounding Shinjuku Sumitomo Building

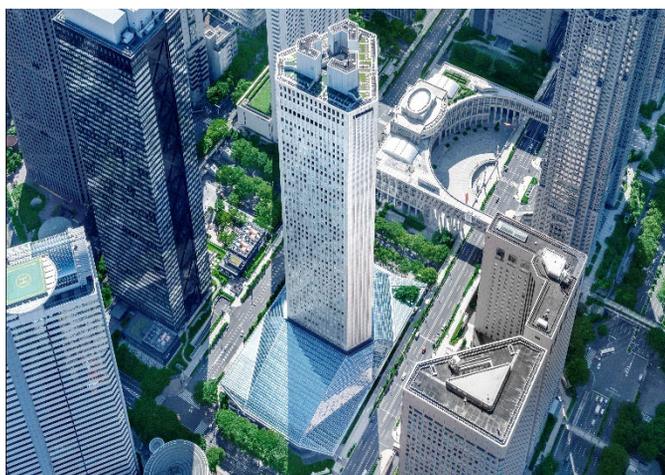
➤ The All-Weather Atrium Event Space “Sankaku Hiroba” — Adding to the Liveliness of the Area

Sankaku Biru, which has long added to the liveliness of the area, underwent a major renovation and was reborn in June 2020 with the new “Sankaku Hiroba” (triangular plaza). Sankaku Hiroba is a large space with a capacity of about 2,000 people. Its all-weather atrium has the feel of an outdoor venue while protecting the plaza from the effects of the weather and temperature. Taking advantage of its ceiling height, which is level with the sixth floor of the building, Sankaku Hiroba can accommodate various activities, such as sports and large-scale events. It also contributes to urban

disaster prevention by serving as a facility for stranded commuters and as a disaster prevention base in the event of the disaster. In addition to Sankaku Hiroba, the international conference center has been newly developed, and it provides new venues for business exchanges and large-scale international events in the area around Shinjuku Station, the world’s busiest station.

Through this project, we continue to promote Sankaku Biru as a vibrant hub of the town, contributing to the further revitalization of Shinjuku.

* In August 2017, this project received certification from the Ministry of Land, Infrastructure, Transport and Tourism as a private-sector city revitalization project plan as well as from the Prime Minister of Japan as a specific project under the national strategic special zone plan. It has been commended as a project that contributes to enhancing the city’s attractiveness as an international business center and tourist destination while also strengthening its urban disaster prevention capabilities.



Shinjuku Sumitomo Building after renovation



Dinosaur exhibition held in Sankaku Hiroba

Contribution to Local Communities

Initiatives

Revitalization of Ariake Area

➤ Ariake Garden — A Large-scale Mixed-use Development in Tokyo Waterfront Area

The bayside Ariake area, where Ariake Garden is located, has flourished as a bustling site for events, with a growing supply of high-rise residences and a notably high level of population growth in Tokyo. In order to further increase the value of this bayside area, we developed Ariake Garden, a large-scale complex that helps address the area's housing shortage and the lack of convenience for visitors during their stay, and leverages the area's features to provide it with even greater liveliness and energy.

Featuring a large retail facility with about 200 shops at its core, it includes a theater-style hall with a maximum capacity of 8,000 people, equipped with facilities to host international conventions, an exclusive theater for the Shiki Theatre Company, a high-grade hotel with a large spa, and a triple-tower condominium with over 1,500 units. This complex contributes to adding new vibrancy to the Tokyo Bay area.

As a facility positioned in the area central to bayside vitalization, we will promote continuous urban development so that it will become the heart of community building for local residents, and contribute to the further advancement of the entire waterfront and bayside area.



ARIAKE GARDEN

➤ Town Management of the Ariake Garden District

Sumitomo Realty Group is striving to establish Ariake Garden as a new hub in Ariake district with both liveliness and convenience. In order to achieve this, we are holding various events in collaboration with the community members and our tenants, utilizing the vast open spaces within the district.

Example of past events

Date	Name	Outline
Dec 2021	Emergency Food Restaurant "LIFE PLATE" in Tokyo	Food event offering a taste of emergency food prepared using a portable power source
Apr 2022	Ariake Car Tourism Festa 2022	Outdoor event of camper van and car tourism
Aug 2022	Cypress Crafting Workshop with Warmth	Event using cypress wood produced by forest thinning
Apr 2023	A special dance showcase by D.LEAGUE CHAMPIONSHIP "Ariake Garden Stage"	Admission free dance stage by a professional dance league launched in Japan
Jun 2023	Ariake Garden 3rd anniversary event "DeepRiverMarket"	Popular shops and performers in the Fukagawa area showcased the charm of Fukagawa
Jul 2023	Cool Summer Festival — skating & curling	"Let's cool off the hot summer!" in the central atrium of the mall

Collaboration with the KOMOGOMO Exhibition

The KOMOGOMO Exhibition is an art event organized by young graduates from Tokyo University of the Arts. The event aims to provide a place of creative expression for young artists with their art works and musical performances. These activities also aim to create a forum for lifelong learning in which artists and visitors can interact and learn from each other.

In August 2020, the KOMOGOMO Exhibition held a spin-off event at Ariake Garden. It provided an opportunity for a wide range of visitors, from adults to children, to experience artwork and music.

In addition, the Ariake Minna-no KOMOGOMO Concert 2021 (concert for everyone) took place in June 2021, in cooperation with the KOMOGOMO Exhibition Activity Committee. Aimed to convey the joy and inspiration of classical music to children, the concert was free and open for the whole family to enjoy, including children from the age of zero. Its two performances were attended by people from a wide area, reaching a total audience of about 4,200 people.

The Great East Japan Earthquake Disaster Reconstruction Support Event

In March 2021, Sumitomo Realty Group held an event entitled "Ten Years after the Great East Japan Earthquake: How each of us can support recovery effort." The event featured a symposium screening and photo exhibition with the support of the Reconstruction Agency, as well as lectures and panel discussions by disaster victims. The event saw a large attendance, thanks to the cooperation of the broadcasting stations in Tohoku, as well as companies and organizations that kindly supported the event's purpose.



Contribution to Local Communities

Initiatives

Together with the Stakeholders

➤ Promotion of Education, Research, Culture and the Arts

Sumitomo Realty, together with its various stakeholders, is committed to supporting activities promoting education, research, culture and the arts.

Donations through the Sumitomo Foundation

The Sumitomo Foundation was established in 1991 to mark the 300th Anniversary of the opening of the Besshi Copper Mine, which became the cornerstone of Sumitomo's various businesses.

In the area of academic research, the Foundation provides funding mainly for basic scientific research that faces inadequate funds, research by new and promising researchers, research that contributes to solving environmental issues and Japan-related research by Asian researchers.

In the field of culture and the arts, the Foundation provides funding for the maintenance and restoration of cultural properties in Japan and abroad, thereby contributing to the passing down of unique culture and mutual cultural understanding between nations.

As a founding member, Sumitomo Realty has worked with the Foundation in various ways, including participation in its management and contributing funds.

➤ Resolving Local Issues through Dialogue with Local Communities and Tenants

Sumitomo Realty goes beyond pursuing its own initiatives and engages in collaboration with local communities and tenants by creating opportunities for dialogue so that all stakeholders can work together to solve local issues.

One example of this is in the area of disaster prevention, a common issue of concern of the community. Rather than limiting disaster drills to building managers, we periodically conduct large-scale drills together with tenants and members of the local community.

In addition, in order to create liveliness in the community, our employees participate in various activities, such as festivals and volunteer cleanup activities, in the communities where our office buildings are located. This provides opportunities for interaction and dialogue and helps foster a lively local atmosphere.



A disaster drill using the plaza in Ariake Garden

➤ Providing Development Support and Relationship-building Assistance to Next Generation Companies

Since January 2023, Sumitomo Realty has been hosting the Toranomon Summits, an event that matches more than 1,500 of the tenant companies in our buildings with start-up companies to help create next-generation unicorn companies. Each of these summits has a theme, such as real estate, construction, the environment, or finance, and 10 start-ups in these fields give presentations to the audience, which comprises roughly 200 representatives from major corporations and venture capital companies. The summits also provide opportunities for interacting with other participants through social gatherings.

In addition, in May 2023, we opened Growth Toranomon, a furnished office that companies can move into without the need for major up-front expenses. We offer a wide lineup of buildings and diverse offices to match the business growth of tenants. Through these efforts, we are supporting the growth of next generation companies, and establishing new and stronger relationships.



The reception at the event



Growth Toranomon entrance hall

Contribution to Local Communities

Initiatives

Together with the Stakeholders

➤ Cooperation with Local Enterprise, and Local Hiring Activity

The Sumitomo Realty Group is actively hiring employees locally. Especially in the Shinchiku Sokkurisan remodeling business, our offices across the country hire many local residents, as well as use business partners who understand

the characteristics of their respective regions so that they can improve customer satisfaction by offering products and services best suited to the region.

➤ Participating in Supply Chain Initiatives

In order to contribute to solving social issues, Sumitomo Realty participates in GREEN × GLOBE Partners, a group made up of companies that work together to solve environmental and social issues. It promotes co-creation among member companies and spreads awareness and opportunities for solving environmental and social issues. In this manner, the

initiative aims to create a starting point for the entire supply chain to tackle major issues that cannot be solved by individual companies. The Sumitomo Realty Group will continue to contribute to solving environmental and social issues through collaboration with stakeholders in the supply chain.

[GREEN × GLOBE Partners website](#)

Creating Opportunities to Appreciate Art and Culture

The Sumitomo Realty Group is engaged in a variety of activities aimed at supporting artistic and cultural activities and creating opportunities to appreciate art and culture.

➤ Shinjuku Creators' Festa

Shinjuku Creators' Festa is an initiative by the Shinjuku Ward office with the goal of making the ward more attractive through art, adding liveliness and revitalizing it.

In support of this goal, the Company has supported the event as a member of its executive committee since 2016. In this event, many artists put their work on show in wide-ranging art events held in public spaces and facilities, as well as privately owned facilities, surrounding Shinjuku Station.



©Yoichiro Kawaguchi

➤ Art Exhibition Using Temporary Enclosure for Construction Site

In July 2021, Sumitomo Realty participated in the Higashi-Ginza Area Management Project, which has been promoted by Shochiku Co., Ltd. since 2020.

As its first initiative, an art exhibition using temporary enclosure for construction site was held at the Tsukiji 1-chome demolition site.

Higashi-Ginza is richly steeped in Japanese tradition and history, which is palpable even in the modern lifestyles of the people. The art exhibition presented the area in an "iki (chic)" style, with designs associated with each of its local communities.

In March 2022, as the second initiative, we held the "HIGASHIGINZA Art Gallery," displaying traffic-safety posters painted by elementary school students. In January 2023, as the third initiative, we held the "HIGASHIGINZA Art Gallery 2", with the theme of fire and disaster prevention campaign.



Contribution to Local Communities

Initiatives

Creating Opportunities to Appreciate Art and Culture

The Sumitomo Realty Group is engaged in a variety of activities aimed at supporting artistic and cultural activities and creating opportunities to appreciate art and culture.

➤ Charity Concert

Since 1987, we have been hosting Step Concert, a series of classical concerts for families, as part of our charity/volunteer activities. The concert, which has invited a cumulative total of over 250,000 people, has been designated a child welfare cultural asset recommended by the Social Security Council of the Ministry of Health, Labour and Welfare since 1996, which recognized it as particularly outstanding as a series of concerts for improving children’s welfare.

The concert also runs fundraising drives at its venues from which donations have been made to the Japanese Red Cross Society to support earthquake-affected regions across Japan and the Japan Service Dog Association to raise service dogs. Since starting donations in 1995, we have donated a cumulative total of more than 17 million yen to NPOs and other organizations.



	FY2019	FY2021	FY2022
Number of visitors	6,983	4,519	7,521
Total amount of donations (thousand yen)	1,006	664	680

* The event was not held in fiscal 2020 to prevent the spread of COVID-19. In fiscal 2021, we held the event by limiting the number of people due to the same reason.

Certified as Mecenat Activity

The STEP Concert held each year by Sumitomo Realty Group has been certified as an outstanding mécénat activity since its initial certification in “This is MECENAT” in 2021, which is run by Association for Corporate Support of the Arts.

“This is MECENAT” is certification system founded in 2014 by Association for Corporate Support of the Arts in order to demonstrate the social significance and presence of diverse activities implemented in all regions around the country by corporations for the purpose of promoting social creativity through arts and culture.



Social Contribution Activities

The Sumitomo Realty Group continues to contribute to local communities and society through various activities.

	FY2020	FY2021	FY2022
Social contribution activity expense (thousand yen)	15,406	68,767	98,286

* For fiscal 2020, some activities were not held due to the spread of COVID-19.

Disaster Prevention

Issue Awareness and Action Plans

The Sumitomo Realty Group considers that creating social assets, such as office buildings and condominiums, and firmly handing them over to the next generation are central to the fulfillment of our mission. In recent years, awareness of disaster prevention has increased amid concerns about the risk of an earthquake occurring directly under the Tokyo metropolitan area, as well as the effects of climate change. We aspire to develop safe and secure communities, not only for the residents but also for everyone in the neighborhood, through our focus on buildings that can prevent or withstand damage in the event of disaster, including a fire and an

earthquake, as well as on regional disaster preparedness as a communal function. In office buildings and condominiums, we are actively working to introduce advanced earthquake resistance performance through technologies such as seismic isolation and damping systems. We are also working to enhance our BCP. In addition, we are contributing to disaster prevention in detached wooden houses with our Shinchiku Sokkurisan remodeling and custom homes.

The Sumitomo Realty Group actively continues working to build safe and secure communities.

Initiatives

Disaster Prevention for Office Buildings

➤ Contribution to Regional Disaster Preparedness

Sumitomo Realty has contributed to disaster prevention in local communities through its redevelopment projects, which are mainly in central Tokyo.

Sumitomo Fudosan Iidabashi First Building and Sumitomo Fudosan Iidabashi First Tower are located in the Koraku 2-chome district in Bunkyo Ward. This area used to have extremely brittle ground and its streets were lined with old wooden houses, causing concern that the area would be severely damaged in the event of an earthquake or fire. Through our redevelopment projects, these areas have been rebuilt with robust, fire-resistant buildings. At the same time, they have been transformed into disaster-resistant areas through the construction of roads and public open spaces.

Disaster prevention in the community does not stop at development, but continues afterwards from the perspective of building management.

Sumitomo Fudosan Iidabashi First Tower jointly holds annual disaster drills with the Koraku Community Association,

a certified organization of the Tokyo Disaster Prevention Neighborhood Association. On March 19, 2019, a total of approximately 1,500 people participated in an evacuation drill that simulated an earthquake directly under Tokyo with a seismic intensity of 6 upper on the Japanese scale and with resulting fires. In addition, the Koishikawa Fire Station and local fire brigade conducted a fire hose demonstration drill, and the Tomisaka Police Station cooperated in a disaster prevention demonstration drill. Tenant companies and members of the local community were able to experience a variety of demonstration drills, such as an earthquake simulation vehicle, a smoke house, a *machikado* (street corner) disaster drill vehicle, emergency first aid exercises, as well as a demonstration of serving pork miso soup by members of the Koraku Community Women's Association.

Through its redevelopment projects, the Sumitomo Realty Group will work together with tenants and local communities to contribute to disaster prevention in the community.



Earthquake simulation vehicle



Fire hose demonstrations with a *machikado* disaster drill vehicle



Smoke house



AED practice area

Disaster Prevention

Initiatives

Disaster Prevention for Office Buildings

➤ Adapting Fire and Disaster Drills to the COVID-19 Pandemic

Fire and disaster drills conducted remotely

In September 2021, Sumitomo Realty conducted a remote drill at Sumitomo Fudosan Shibuya Garden Tower, in cooperation with the Shibuya Fire Station of the Tokyo Fire Department.

Given the shift toward diversification in work styles as well as the need to maintain social distancing, it has become increasingly difficult to conduct conventional fire and disaster drills, which require all tenants to evacuate simultaneously. In addition, there is the possibility that members of the volunteer fire brigade may not be at the office in the event of an emergency, due to working from home or other reasons. As such, we conducted conventional fire and disaster drills with a small group, while those who were unable to participate on the day of the on-site drills attended remotely through online video streaming.

Individual disaster drill for each tenant

Sumitomo Realty requested that all of its tenants conduct individual fire drills, in order to adapt to the various changes to their attendance systems that have arisen due to the COVID-19 pandemic.

We are working to build a fire and disaster prevention management system that is better suited to actual conditions through fire and disaster prevention management meetings to share issues that arise during individual fire drills.

➤ Support for Commuters Stranded after Disasters

Sumitomo Realty has collaboration agreements with wards of Tokyo to accommodate approximately 10,000 stranded commuters at 18 facilities in seven wards of central Tokyo.

In the event of a major disaster, it is anticipated that people may remain in those facilities for up to three days. All 18 facilities have prepared systems for accommodating stranded commuters by stockpiling not only drinking water, portable food, simple toilets, and other supplies, but also hygiene and healthcare products to reduce the anxiety and stress after a disaster as much as possible.

In Shinjuku, where our head office is located, as a member of an association for disaster prevention in Shinjuku Station area (secretariat: SOMPO Risk Management Inc., Kogakuin University, Sumitomo Realty & Development Co., Ltd. and Shinjuku Ward), we conducted a disaster drill to practice operation of temporary site for accommodating stranded

commuters in January 2023. It was held at the Sankaku Hiroba (triangular plaza) at Shinjuku Sumitomo Building, and 63 people from 29 organizations participated. In the following week, a meeting was held to review the drill and improve the system for the future. We sorted out issues, and improvements were made to the manuals and tools prepared by the Council.



A disaster drill for operation of temporary evacuation facility

➤ Disaster Prevention Structure and Equipment

Enhanced BCP (Business Continuity Planning)

An earthquake-resistant structure providing safety and peace of mind

Sumitomo Realty was an early adopter of earthquake-resistant features, promptly introducing the seismic isolation structure in its office buildings after the Great Hanshin Awaji Earthquake of 1995. Approximately 80% of the buildings we own are structured with a seismic isolation system and/or a damping system. Highly safe structures, which can protect people working in offices and assets by reducing tremors, increase the feeling of safety among tenants.

Uninterrupted power supply

Risk of power outages is mitigated by the use of a 2-line power receiving system where an auxiliary line continues to supply power when the main line is disrupted. The Company further strengthens measures for uninterrupted power supply, such as installing emergency power generators not only for common areas but also for tenant areas. Currently, about 70% of the buildings owned by the Company, and 100% of those that have been completed since 2001, have emergency power generators.

➤ Other Disaster Countermeasures

Example of disaster countermeasures

Monitoring by Sumitomo Realty's employees around the clock throughout the year

Spaces for installing additional emergency power generators serving tenant-occupied areas

Elevators that automatically assess the situation after an earthquake and temporarily return to operation

All new buildings in areas of flooding risk equipped with tide boards

Disaster Prevention

Initiatives

Disaster Prevention for Condominiums

Sumitomo Realty's condominiums feature various disaster countermeasures in order to realize safe and secure living.

➤ Disaster Prevention Structure and Equipment

Example of disaster countermeasures

Structural frame with excellent durability

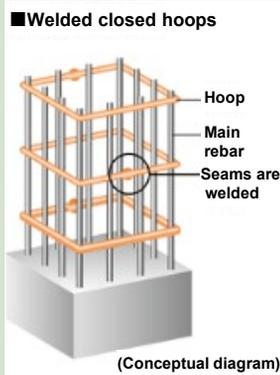
For buildings with residential units, in order to increase the durability of the structural frame, we have set a design standard strength (Fc) that meets a certain level for major structural parts such as columns, beams, and floors.

Welded closed hoops

Adopting welded closed type of hoops, in which the connections of the hoops are welded to the main column sections, ensures consistent strength.

This prevents the main rebar from buckling during an earthquake and increases the restraining force of the concrete.

* Excluding columns and beam joints



Water-cement ratio

In order to increase the durability of concrete, the ratio of the weight of water to cement is set at 50% or less for major structural parts. Generally the lower the water-cement ratio is, the greater the durability tends to be.

Seismic isolation/damping structures

Sumitomo Realty's condominiums feature seismic isolation and/or damping structures depending on the scale of the building, to prevent deformation and alleviate shaking during an earthquake.

Seismic isolation structure: By absorbing the shaking and reducing the transmission of seismic energy to the upper floors, it reduces the risk of furniture being overturned.

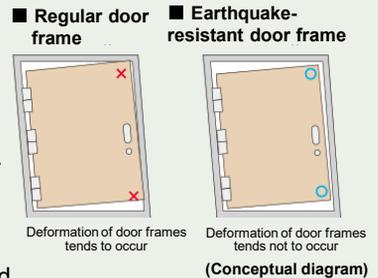
Seismic damping structure: The use of damping devices to absorb seismic energy reduces the deformation of the building overall and mitigate damage to the building structure.

Elevator safety device

If the earthquake control system detects a preliminary tremor (P-wave) or secondary tremor (S-wave) of an earthquake that exceeds a certain value during elevator operation, the elevator will stop immediately at the closest floor. In the event of a power failure, the elevator will stop once and then automatically stop at the closest floor by using the automatic elevator landing device.

Earthquake-resistant door frame

We adopt earthquake-resistant door frames to ensure that even if the frame of the front door becomes distorted in the event of an earthquake, a wider gap between the frame and the door will allow the door to be easily opened.



➤ Disaster Prevention in Property Management

Sumitomo Realty distributes a disaster prevention handbook and an emergency backpack to all units to prepare for emergencies.

The handbook includes emergency contact information and evacuation routes. The emergency backpack contains drinking water, canned bread, dust masks and work gloves.

These preparations help ensure the safety and security of residents in the event of a disaster.



Disaster prevention handbook



Emergency backpack (Image photo)

Disaster Prevention

Initiatives

Disaster Prevention for Shinchiku Sokkurisan

➤ Products Developed in Response to the Great Hanshin Awaji Earthquake

In response to the Great Hanshin Awaji Earthquake, Sumitomo Realty developed its own unique system of Shinchiku Sokkurisan remodeling in 1996 as a new construction method, which is alternative to rebuilding with reliable seismic reinforcement. Now it boasts the industry's foremost track record for large-scale remodeling.

In 2018, we announced a proprietary method, which uses damping reinforcement for further safety. We introduced this

technology after observing that even relatively new houses that had met conventional earthquake resistance standards had collapsed in the Kumamoto Earthquakes of 2016. In addition, in 2019 we developed a damping reinforcement method for three-story wooden houses and platform wood-frame construction houses, making it possible to convert almost all of Japan's wooden houses to an earthquake-resistant structure with damping.

Shinchiku Sokkurisan Example



Before



After

➤ Damping Reinforcement Method for Houses with New Earthquake Resistance Standards after 2000

Houses built to the new earthquake resistance standards that took effect from 2000 have load-bearing features installed in the walls, thus eliminating installation space for a seismic control device. This was an obstacle to additional damping reinforcement. However, the new method enables the

installation of MAMORY, a compact seismic control device for wooden homes, on the dead spaces such as hanging walls above windows and doors, while leaving the load-bearing walls intact. This reduces shaking by approximately 40% compared with buildings that only have seismic reinforcement.

Construction method using MAMORY

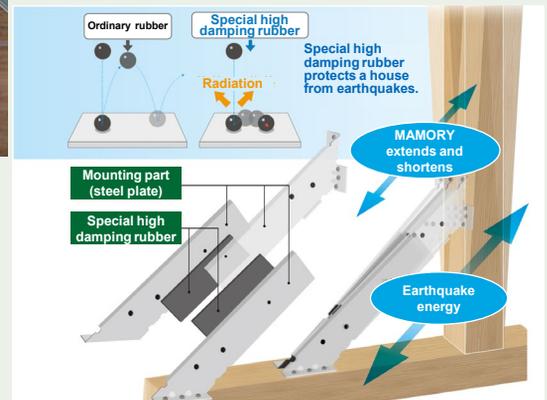
MAMORY is a seismic control device for wooden homes, developed by Sumitomo Rubber Industries, Ltd. Using special high damping rubber, it absorbs seismic energy instantly and prevent deformation of the building. In particular, it has proven effective in a series of powerful tremors such as the Kumamoto Earthquakes. It has been demonstrated that buildings do not collapse even after three consecutive shocks with three-dimensional shaking.

When this device is installed on the columns of existing houses using the Shinchiku Sokkurisan Bar* with a method jointly developed by Sumitomo Realty and Sumitomo Rubber Industries, Ltd., it is possible to obtain seismic control functions without damaging the columns.

* A special metal reinforcement bar developed by Sumitomo Realty that prevents column breakage



↑ MAMORY Seismic Control Device



↑ MAMORY structure

Disaster Prevention

Initiatives

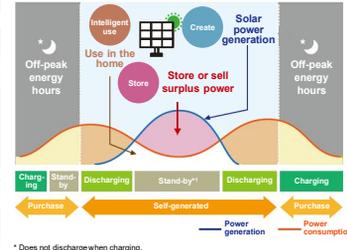
Disaster Prevention for Custom Homes

➤ “SUMICA” – A House that Protects the Environment and Living

The "SUMICA" is a custom home package product with equipment that protects the environment and supports daily living.

By leveraging SUMIFU × ENEKARI (please refer to page 9 of our Environment Report), it installs solar power generation equipment and storage batteries at a "zero initial cost," and provides support including equipment repairs and upgrades for the entire period of residency. In addition, with IoT utilizing AI-HEMS, which analyzes the data such as living patterns and the next day's forecast for solar radiation, it realizes efficient use of electricity and energy saving. Moreover, by combining the "potable water storage system" and the "rainwater storage tank," it secures electricity, drinking water and water for daily use for about three days even when the lifeline is suspended in the event of a disaster.

Through offering these facilities as a package, we contribute not only to realization of carbon-neutral society but also to securing people's living in face of the increase in natural disasters due to climate change.



For always clean water Potable water storage system

This system stores potable water in the under-floor water supply route and allows easy access to water in the event of an outage. Since the system is installed in the piping space beneath the floor, there is no need to secure an installation location within the living space itself. It is also hygienic as it is constantly replaced with fresh tap water through daily water supply use.

Collecting water from the rain gutter: Rainwater storage tank

Storing rainwater secures water for daily use, such as for laundry and toilets, when the water supply is cut off in earthquakes and other emergency circumstances. Its capacity is a reliable 100 liters. It can also be used in the initial extinguishing of fires, giving residents a great sense of security through the availability of water.

(Note: This is not potable water.)

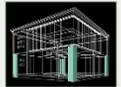
➤ Earthquake Resistance Performance for Custom Homes

Sumitomo Realty's custom homes are built to a standard specification that uses platform wood-frame construction that qualifies for earthquake resistance grade 3, which satisfies the long-life quality housing standard. We ensure a high level of safety by employing following earthquake-resistant technologies according to customer needs.

Earthquake-resistant technologies

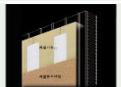
New Power Column

This construction method increases the earthquake resistance of platform wood-frame construction by about 30% by installing a column in each of the four corners of a structure to reinforce them. The method was developed by Sumitomo Realty with cooperation from Kogakuin University professor emeritus Kenji Miyazawa, Dr. Eng., and Arup, a comprehensive engineering consultancy. (Patent No.4875721)



Super Power Wall Structure

This construction method adds single-ply walls to platform wood-frame structures to increase earthquake resistance performance of outer walls by about 30%.



Seismic Damping System

The system reduces tremor by about 50% by using rubber that has unique viscoelasticity in dampers to absorb seismic energy without resisting it. It also makes homes sturdy against aftershocks.



Disaster Prevention for Hotels

Sumitomo Fudosan Villa Fontaine Co., Ltd., managing hotel operations, has established a system to respond swiftly to minimize damage in the event of a disaster, in collaboration with the central management center for Sumitomo Realty's office buildings that can respond 24 hours a day, 365 days a year. For our foreign guests, we have prepared emergency broadcasts in four languages to ensure a safe and secure stay.

In addition to this system development, Sumitomo Fudosan Villa Fontaine Co., Ltd. conducts fire and earthquake drills at all their hotels every month, not just the twice a year that is legally required, to ensure practical implementation. The company also holds its own contests to improve each staff member's awareness, knowledge and skills, and provides evaluations and guidance. These efforts are part of our commitment, and we are working daily to create an environment where our guests can feel safe and secure.



Respect for Human Rights

Issue Awareness and Action Plans

The Sumitomo Realty Group recognizes that respect for human rights is one of the most important issues in conducting its businesses. We protect the universality and inviolability of liberty rights, social rights and related rights under the International Bill of Human Rights and other human rights covenants. We also promote our business activities together with our suppliers and other stakeholders while ensuring

compliance with labor standards and realizing diversity.

Moreover, we have established the policy above as a basic policy that applies to all employees of the Group and are thoroughly implementing it. For our suppliers, we request cooperation with our policy through our Sustainable Procurement Guidelines.

Basic Policy on Human Rights

The Sumitomo Realty Group has established a basic policy regarding human right that applies to all officers and employees of the Group.

The policy is based on UN Guiding Principles on Business & Human Rights.

1. Compliance with norms and decrees related to human rights

- We endorse and respect international norms regarding human rights, including the International Bill of Human Rights.
- We comply with laws and regulations of the regions in which we conduct our business activities, prohibiting child labor and forced labor, and paying proper wages above the minimum standard.
- We pursue methods that respect international principles in the event a conflict regarding human rights arises between international standards and local laws and regulations.

2. Respect for human rights in the whole business

- Through education and enlightenment, we prohibit discrimination and harassment for any reason, including race, nationality, religion, gender, sexual orientation and gender identity, disability, social status, age or medical history.
- We take measures such as improving working environment, to prevent overwork and occupational accidents.

3. Scope of application

- The policy is applied to all officers and employees of the Sumitomo Realty Group.
- We expect our business partners to endorse this policy and our Sustainable Procurement Guidelines, and to promote the respect for human rights.

4. Implementation of human rights due diligence

- We conduct human rights due diligence to prevent and mitigate negative impacts on human rights.
- We conduct continuous monitoring, and will take appropriate measures for improvement should any issues arise within the system.

5. Education and training

- We conduct appropriate education and awareness building for all officers and employees, to ensure that this policy is reflected in all of our business activities.

6. Remedial and corrective action

- In the event we detect a negative impact on human rights, we will take appropriate remedial and corrective measures for the victims.

7. Dialogue with our stakeholders

- We review human rights risks and issues as appropriate, through dialogue with our stakeholders.

Respect for Human Rights

Management Structure

In order to promote sustainability across the Group, Sumitomo Realty has established the Sustainability Committee chaired by the Company's President to manage status of progress towards the targets regarding sustainability. Its subordinate organization, the Sustainability Promotion Council chaired by the Head of Corporate Planning Division, works to identify and solve issues related to human rights.

Important issues are conferred with the Sustainability Committee, and reported to the Board of Directors as necessary.

In addition, the Internal Control Meeting (hosted by the Company's Internal Audit Department), which is also a subordinate organization of the Sustainability Committee, monitors compliance promotion activities of the Group, such as human rights, labor standards, etc. The Board of Directors oversees the risk management in a system in which each risk is monitored and addressed by the respective departments and subsidiaries properly, and important matters are discussed and determined at important meetings such as meetings of the Board of Directors.

Initiatives

Human Rights

➤ Implementation of Human Rights Due Diligence

Sumitomo Realty Group is implementing its basic policy on human rights described on the previous page and conducts human rights due diligence to prevent negative impacts on human rights through our business activities.

By assessing the human rights risks that exist in the value chain of its business activities, the Group has identified the following human rights issues on which we need to focus our effort. We will conduct appropriate reviews regarding these issues as necessary, through continuous monitoring.

1. Working environment for employees

We maintain an environment where employees can work in a healthy and safe condition, under strict standards that exceed legal requirements.

2. Prohibition of discrimination and harassment in workplaces

We thoroughly implement measures to prevent any kind of discrimination and harassment in workplace.

3. Working environment for suppliers

We protect the health and safety of our suppliers' employees through training and other means, and request that our suppliers maintain an appropriate working environment.

4. Customers' health and safety

We conduct thorough quality control of the products and services we provide, so that customers can use them in a healthy and safe condition.

➤ Stakeholders and Human Rights

The Sumitomo Realty Group is committed to respecting the human rights of all stakeholders involved in its business activities. We not only educate our employees, but also request all our stakeholders, including business partners, to respect human rights through our Sustainable Procurement Guidelines and other means.

In all office buildings we manage, our employees directly monitor the operations of suppliers to prevent human rights violations. In addition, as part of an ongoing assessment of the human rights impact of our business activities, the Internal Audit Department periodically checks the legal compliance status of each business department.

➤ Engagement with Business Partners

The Sumitomo Realty Group is committed to promoting respect for human rights in collaboration with our various business partners, and we regularly engage with them to this end.

In December 2022, we once again requested cooperation of our major business partners with the "Sustainable Procurement Guidelines" established in 2020. Additionally, we conducted a survey on each company's status of investigating

and assessing their human rights risks.

We found that many business partners were promoting sustainable management in accordance with our guidelines, and we confirmed their intent to make even greater efforts to investigate and assess human rights risks.

We continue engaging with our business partners, and promote respect for human rights throughout the supply chain.

Respect for Human Rights

Initiatives

Human Rights

➤ Initiatives for Foreign Technical Interns

The Sumitomo Realty Group recognizes the importance of protecting the human rights of foreign technical interns.

At Sumitomo Fudosan Villa Fontaine, a number of technical interns are engaged in work such as hotel room maintenance.

We have confirmed that the contractors who are their direct employers pay appropriate wages and maintain a good working environment. In addition, we have been engaged in the following initiatives.

Local gatherings

In collaboration with the contractors, Sumitomo Fudosan Villa Fontaine held gatherings in Hanoi and Ho Chi Minh City in February 2023 with the families of its foreign technical interns.

At these events, which were attended by roughly 200 guests, we provided explanations regarding our Group, their job duties, the environment of the dormitory, etc. We also showed video messages from each intern. We will continue working to create an environment where technical interns can work with peace of mind.

Consultation desk

At the request of Sumitomo Fudosan Villa Fontaine, the contractors have set up a consultation desk as a precautionary measure, in case harassment or discrimination incidents against foreign technical interns arise. The desk caters to specific needs of the technical interns by offering consultation in their native languages. In addition to accessing the whistleblowing desks available to all employees of the Sumitomo Realty Group, this allows them to seek advice on various concerns without having to worry about the language barrier.

➤ LGBT Considerations

In its Basic Policy of Human Rights, the Sumitomo Realty Group prohibits any discrimination based on sexual orientation or gender identity. In order to prepare for potential incidents of discrimination, we have built a system that enables prompt action by establishing an anonymous harassment consultation desk.

➤ Human Rights Training

The Sumitomo Realty Group works to raise awareness of human rights as it carries out its business activities. We provide all employees with training on human rights and other issues when they join the Group and then once every year. Human rights training including harassment prevention is provided separately for managerial personnel who require this for roles overseeing business operations.

In addition, in order to be thoroughly acquainted with legal compliance and respect to human rights, a compliance handbook, which summarizes a set of procedures for dealing with each situation in a Q&A format, is posted on the Intranet at all times for employees to check anytime.

➤ Whistleblowing System for Employee and Stakeholder

The Sumitomo Realty Group has established a whistleblowing system for the entire Group, business partners, and customers, which aims to enable early detection of compliance violations and appropriate response. In order to encourage active consultation and reporting, we have designed the system to provide strict legal protection for those who report violations as well as to allow them the option of anonymous reporting. In this system, we respond to not only clear compliance violations but also potential violations. When a report is received, we have a system in place where the relevant departments and the Internal Audit Department work together to respond towards resolution.

We have established a compliance system by preparing two points of contact for reporting; the Internal Audit Department, which is independent of business divisions or other internal organizations, serves as the internal point of contact, and an external law firm, which is independent of the management, serves as the external point of contact.

In addition, we have established consultation hotlines in each Group company's Human Resources Department to provide consultation on harassment and other issues related to the working environment.

The personal information of whistleblowers is kept confidential with strict legal protections, so they do not suffer any negative consequences by contacting the consultation hotlines.

Should a compliance violation be identified, we take appropriate action and then work to prevent a similar situation from reoccurring by alerting our employees through the intranet and other means. In addition, remedial measures are provided for victims.

➤ Participation in "UN Global Compact"

The Sumitomo Realty Group signed the "UN Global Compact" on October 2020. It is working to ensure human rights, endorsing and respecting the 10 principles of the UN Global Compact such as "Human Rights," "Labour," etc.



Utilization of Human Capital

Initiatives

Human Capital

➤ Our Unique Human Resource Investment Strategy that Underpinning the Sustainable Growth

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.

For some time, we have been actively promoting diversity 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. Through efforts such as securing personnel through career hires, implementing evaluation systems based solely on ability and achievements rather than seniority, and creating a salary system with multiple job-specific wage structures, we have created a unique personnel system in Japan for realizing a highly diverse and resilient organization.

➤ Reforming Our Personnel System to Transform Our Business Structure during the Business Reconstruction Period

We launched our First Medium-term Management Plan (1997 to 2001) as a reconstruction plan following the bursting of Japan’s bubble economy. At that time, we faced a major decline in profitability along with bad debts and excessive interest-bearing debt.

In that reconstruction plan, we sought to diversify our financing, such as real estate securitization, and worked to develop land that was not in active use, which represents raw material for the real estate industry, into products. At the same time, we discovered business channels such as our new built-to-order Shinchiku Sokkurisan remodeling business, where revenue was generated by people without requiring up-front investment. Through these efforts, we aimed to restore our profitability.

During this transformation of our business structure, it was necessary for us to hire a large number of skilled experts from outside. We abolished the former seniority-based personnel system and reformed our personnel system so that it is focused on ability and achievements, such as by instituting a commission-based payment system with high commissions. These initiatives contributed significantly to the growth of revenue in our Shinchiku Sokkurisan remodeling and custom

home businesses.

We later expanded the application of this personnel system to other businesses, such as condominiums, rental apartments, hotels, and multipurpose halls, which create synergies by combining physical and human capital. We created a personnel system referred to as a “job-specific career path system,” in which each business has multiple specialist career path systems, based on its specific requirements. The skilled experts we obtained through mid-career hires helped us provide even greater added value in each business segment.

This personnel system has supported our business expansion. We have established a stable long-term growth foundation underpinned by revenue from the office building leasing business which primarily involves redevelopment in the central Tokyo area, while at the same time, establishing unique business styles in leasing-related businesses such as rental apartments, hotels, and multipurpose halls as well as mainstay businesses such as condominium sales, Shichiku Sokkurisan remodeling, custom home construction, and brokerage. To date, we have been enhancing our corporate value through sustainable growth in this manner.

➤ Our Unique “Job-Specific Career Path System”

Given the effectiveness of this personnel strategy, we have expanded our career hires of experts from sales and engineering positions to include internal corporate operations positions. For our major job categories alone, we have created a personnel system, in which we currently have roughly 30 types of job-specific wage structures. The percentages of compensation, which consist of fixed and variable wages,

wage raise tables, and the like, are set based on the characteristics of the businesses and duties that are involved in each job. For all jobs, our fair salary system performs evaluations based solely on the abilities (job responsibilities) and achievements of individual employees, regardless of their age, gender, or level of seniority. This system promotes the sustainable growth of our employees.

➤ Ongoing Usage, Further Expansion, and Development of Our Personnel System

As part of our management strategy for achieving sustainable growth, our current personnel system is effective not only for contributing to the growth of our existing businesses, but also for securing and fostering personnel who have the skills that will be necessary for new businesses and the future transformation of our business structure.

In order to continue expanding and developing this personnel system, we are reviewing and revising our flexible salary standards in line with personnel markets for each

specialist job. We are also enhancing our specialized skill development education for each job so that we can develop a larger pool of essential personnel. In addition, we are promoting the further development of our personnel system through various initiatives, such as by providing career development support via the Sumitomo Realty Group Challenge System, which offers talented personnel opportunities to transfer jobs within the Company.

Utilization of Human Capital

Initiatives

Promoting Diversity

➤ Realizing a Highly Diverse Organization

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, realizing a flexible and resilient organization rich in diversity with various perspectives and values reflecting a variety of experiences, skills, and attributes.

In addition, for increasing employees' motivation, we believe that equal opportunity in promotion to managerial positions is the most important factor, 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.

➤ Female Participation and Career Advancement

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 employees to be promoted in the future by increasing the ratio of women 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. As of the end of fiscal 2022, the ratio of female employees in managerial position was 9.4%. We are also actively working to engage female officers. As of the end of January 2024, we have two female officers.

Number of employees

	FY2020	FY2021	FY2022
Male (Persons)	9,445	9,042	8,941
Female (Persons)	4,085	3,998	4,016
Total (Persons)	13,530	13,040	12,957

* Consolidated figures (As of the end of each fiscal year)

Female career advancement indicator

Percentage of female employees	31.0% (As of March 31, 2023)
Percentage of female managers	9.1% (As of March 31, 2023)
Percentage of female directors & corporate auditors	15.4% (As of June 30, 2023)
Gender difference in average length of service	2.3 years (Male: 8.8 years, Female: 6.5 years)
Percentage of newly hired female employees	36.1%

* Consolidated figures (As of the end of fiscal 2022)

* The scope of data for length of service encompasses full-time employees.

Percentage of female employees in new hires

		FY2018	FY2019	FY2020	FY2021	FY2022
Sales positions	% in employment	26.5%	24.6%	23.5%	23.8%	25.6%
	% in application	21.6%	23.2%	25.8%	23.4%	22.8%
Engineering positions	% in employment	9.2%	11.3%	12.5%	12.3%	10.2%
	% in application	11.2%	12.4%	12.8%	12.0%	14.6%

* Non-consolidated figures (As of the end of fiscal years)

Utilization of Human Capital

Initiatives

Promoting Diversity

➤ Gender Pay Gap among Employees

We conduct hiring and salary increase for numerous specialized jobs (around 30 for key jobs alone), and our fair salary system performs evaluations based solely on the abilities (job responsibilities) and achievements of individual employees within each job. Reflecting this situation, we

present the gender pay gaps by classifying into four job categories: management, sales/planning, engineering, and assistant, as well as by employment type, distinguishing between regular and non-regular employees, as follows.

Gender pay gap among employees by job category

	Management	Sales/Planning	Engineering	Assistant
Sumitomo Realty & Development Co., Ltd.	77.7	86.3	86.2	96.3
Sumitomo Real Estate Sales Co., Ltd.	89.3	75.2	-	96.5
Sumitomo Fudosan Tatemono Service Co., Ltd.	-	96.6	87.8	123.0
Sumitomo Fudosan Villa Fontaine Co., Ltd.	89.0	94.7	-	111.3
Sumitomo Fudosan Esforta Co., Ltd.	91.8	99.5	-	99.2
Izumi Restaurant Co., Ltd.	86.5	77.3	-	-

* Figures for fiscal 2022

* Figures are for companies with more than 300 employees.

* "-" indicates either no applicable data, male only, or female only.

Gender pay gap among employees by employment type

	All employees	Regular employees	Nonregular employees
Sumitomo Realty & Development Co., Ltd.	59.7	69.5	57.8
Sumitomo Real Estate Sales Co., Ltd.	46.3	46.5	79.8
Sumitomo Fudosan Tatemono Service Co., Ltd.	79.9	49.9	98.9
Sumitomo Fudosan Villa Fontaine Co., Ltd.	83.8	83.1	113.1
Sumitomo Fudosan Esforta Co., Ltd.	91.7	92.3	73.7
Izumi Restaurant Co., Ltd.	76.0	78.0	76.1

* Figures for fiscal 2022

* Figures are for companies with more than 300 employees.

Utilization of Human Capital

Initiatives

Promoting Diversity

➤ Childcare, Nursing Care Support

Sumitomo Realty has various support systems in place, such as a childcare leave system that exceeds legal requirements, in order to foster a workplace environment that is supportive for everyone, including those who give birth to a child and those with family circumstances.

Data on childcare and nursing care support

Number of employees who took childcare leave	305
Percentage of employees who returned to work after taking childcare leave	84.2
Number of employees working shorter hours	290
Number of employees who took nursing care leave	4

* Consolidated figures for fiscal 2022.

Example of support systems

Maternity leave: 6 weeks before childbirth (14 weeks in case of multiple pregnancy) and 8 weeks after childbirth

Parental leave before childbirth: 5 days from 6 weeks before the expected due date

Paternity leave: Up to 4 weeks within 8 weeks after the birth of a child

Childcare leave: Until the child reaches 3 years old (Extended from the statutory '2 years old')

Childcare support leave: Up to 10 additional days of paid leave for employees with a child under 1 year old

Shorter working hours: Until the end of March when the child is in the third grade of elementary school (Extended from the statutory 'under three years old')

Nursing care leave: Up to a total of 93 days for each family member who requires care

Flexible working hours

Work-from-home

Variable working hours

➤ Employment of People with Disabilities

The Sumitomo Realty Group actively hires people with disabilities. As of the end of March 2023, 2.37% of employees of Sumitomo Realty Group were people with disabilities, exceeding the 2.3% required under the system on employment rate of persons with disabilities.

We conduct hiring without discriminating age, gender or region. In order to make workplaces comfortable for people with disabilities, we have installed multipurpose bathrooms and barrier-free elevators.

◆ Participating in the “Kanosei Art Project”

Sumitomo Realty is participating in the “Kanosei Art Project,” which TOPPAN Holdings Inc. has been promoting since 2018, as we endorse their approach of “going beyond offering support for people with disabilities to create sustainable initiatives with them as business partners.” The project aims to showcase works by artists with disabilities in various products.

As the first project of our involvement, we displayed artists' works on the walls of a temporary enclosure surrounding the building site of Sumitomo Fudosan Osaki Twin Building East in Kita-shinagawa (Shinagawa Ward, Tokyo), from the end of 2020 until the removal of the temporary enclosure.

The second project took place from April 2021 in the entrance lobby of Sumitomo Fudosan Chiyoda Fujimi Building, which we manage in Fujimi, Chiyoda Ward.

Since June 2022, we have also displayed works in the reception area of our headquarters in Shinjuku NS Building.



<First Project > Artist: RINA
Title: Snow Leopard



<Second Project > Works displayed at entrance lobby of Sumitomo Fudosan Chiyoda Fujimi Building

Utilization of Human Capital

Initiatives

Promoting Diversity

➤ Expanding Opportunities for Elderly Employees

Sumitomo Realty is expanding opportunities for elderly employees to put their rich experience to work by hiring new employees aged 60 or older and rehiring retirees.

➤ Promoting Diversity in Each Business

The Sumitomo Realty Group takes various measures to promote diversity not just in its own organization but also in its businesses such as office buildings, hotels, multipurpose halls and others.



Example of our initiatives

- Personal boxes or small lockers for women to keep personal belongings, installed at women's bathrooms in new office buildings
- Barrier-free facilities such as slopes and multipurpose bathrooms in compliance with Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disable Persons, etc. in all properties we develop
- Day care facilities set up in some offices to support balancing childcare and work
- Floor maps and guides shown in multiple languages at large office buildings and hotels; Announcements on intercoms are delivered in multiple languages

Labor Standards

The Sumitomo Realty Group is committed to carrying out its business in accordance with the following action plans regarding labor standards.

➤ Hiring Activity

In hiring, the Sumitomo Realty Group provides fair employment opportunities without discriminating individuals based on race, religion, creed, gender, sexual orientation, origin, region, etc. For students aspiring to work for us upon graduation, we offer internship programs, in which they have opportunities to experience various types of works.

Depending on the type of employment, for jobs where it is preferable to have certain certifications, such as architects, we do not necessarily require employees to have such certifications at the time of joining the Company. Instead, we provide training as well as subsidies for the cost of acquiring such certifications after they join the Company. These initiatives contribute to expanding employment opportunities for unqualified workers and their growth.

➤ Reducing Overwork and Preventing Occupational Accidents

The Sumitomo Realty Group complies with local laws and regulations and strives to prevent overwork by reducing excessive working hours. We also implement a range of safety measures to prevent occupational accidents.

➤ Right to Collective Bargaining and Freedom of Association

The Sumitomo Realty Group complies with local laws and regulations and respects the right to collective bargaining and freedom of association.

➤ Payment of Wages above Minimum Wages

The Sumitomo Realty Group pays all employees wages above the minimum wage. The average annual salary of our employees in fiscal 2022 was ¥7,134 thousand, which is significantly higher than the living wage level in Japan.

➤ Child Labor and Forced Labor

The Sumitomo Realty Group prohibits all forms of child labor or forced labor in compliance with the Children's Rights and Business Principles and local regulations.

Working Environment

Issue Awareness and Action Plans

The Sumitomo Realty Group believes it is important for a company's sustainable growth to achieve the following two goals in its working environment, and promotes health management.

1. Create an environment where employees can stay healthy, safe and lively, as well as maximize their potential
2. Enhance human resources, which form the foundation for a company's growth, by actively working to develop employee skills

Management Structure

In order to promote sustainability across the Group, the Sumitomo Realty Group has established the Sustainability Committee chaired by the Company's President to manage status of progress towards the targets regarding improvement of working environment. Its subordinate organization, the Sustainability Promotion Council chaired by the Head of Corporate Planning Division, works to identify and solve issues related to healthy and safe working environment.

Important issues are conferred with the Sustainability Committee, and reported to the Board of Directors as necessary.

➤ Setting Up Safety and Health Committees

The Industrial Safety and Health Act requires a workplace with 50 employees or more to set up a safety and health committee. The Sumitomo Realty Group has a stricter standard than this statutory standard that requires each workplace with smaller numbers of employees to set up a safety and health committee. The committee conducts surveys and deliberations on safety and health in a process attended by members recommended by employee representatives.

Initiatives

Health and Safety

➤ Health Management and Promotion

The Sumitomo Realty Group takes following initiatives for employees' health management and promotion.

Annual health checkup or comprehensive medical examination (expense subsidies) for all our employees;	A discount system for employees to use the fitness clubs operated by Sumitomo Fudosan Esforta in support of their health promotion;
Free-of-charge influenza vaccination at our affiliated clinic;	Medical checks and interviews by industrial physicians for employees who work overtime more than a certain amount;
Free-of-charge consultancy with medical specialists about mental and physical health;	In order to ensure that our employees have peace of mind as they work during the COVID-19 pandemic, we have established a system for providing PCR testing exclusively for our employees and conducted workplace COVID-19 vaccinations for employees and their families.

➤ Quantitative Performance Management regarding Health and Productivity

Sumitomo Realty manages employee health using third-party verification and monitoring.

We manage performance using quantitative indicators and take measures such as having employees found to have issues through stress checks receive interviews with industrial physicians. In fiscal 2022, we achieved our numerical targets for health management.

Health management indicators

	FY2020	FY2021	FY2022	Targets
Percentage of employees who received health checkup (or comprehensive medical examination)	100%	100%	100%	100% (All employees receive either health checkup or comprehensive medical examination)
Percentage of employees who received stress checks*	90.0%	89.7%	88.1%	

* Verified and monitored by SB Atwork Corp.

➤ Health Promotion Using Smart Watch

Under the leadership of the health insurance association, Sumitomo Realty distributes smart watches to insured persons who have received special medical guidance based on the results of their health checkup, and provides them with health maintenance and promotion programs utilizing their exercise and sleep data.

Working Environment

Initiatives

Health and Safety

➤ Recognized in the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program

Sumitomo Realty 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.

The Certified Health & Productivity Management Outstanding Organizations Recognition Program recognizes large enterprises, SMEs, and other organizations by selecting particularly outstanding enterprises that are engaged in efforts for health and productivity management, such as engaging in initiatives to overcome health-related challenges in communities, or promoting health-conscious activities led by Nippon Kenko Kaigi.



➤ Measures to Prevent Overwork

We implement the following measures to prevent employee overwork.

- Maximum overtime set at stricter levels than standard set by Labor Standards Act
- In principle, employees' computers are shut down at 9 p.m.
- Warning about excessive overtime issued to employees and supervisors
- Requiring employees to obtain supervisor approval for use of PCs after 9 p.m. or on holidays
- Employees who have worked a certain amount of overtime are required to submit a medical questionnaire and be interviewed by an industrial physician

➤ Realizing Safe Workplaces

The Sumitomo Realty Group has set its health and safety policy as to "create a healthy, safe and energetic environment for everyone to maximize his/her potential" across our stakeholders including our contractors, and keeps working to improve working environment.

Specifically, employees dedicated to safety management regularly patrol and monitor construction sites and sites managed by the Company throughout Japan and give guidance or instruct corrections, as well as conduct safety risk assessment for both existing and new projects' operations in order to achieve safe workplaces.

Important findings from these visits are reported at the safety convention attended by all our staff engaging in

construction work and business partners, while good examples are shared so that the correct practices are thoroughly implemented.

The Construction Safety Management Section works to maintain and enhance safety, by recording numbers of occupational accidents per division and using them as quantitative indicators, and analyzing their causes in detail to send notices and guidance to prevent recurrence in the event of occupational accidents or high-risk incidents. As a result, there has been no fatal occupational accidents involving all of our employees or first-tier business partners for works we originally contracted over FY2018 to FY2022.

* As of the end of fiscal 2022, none of our offices had received certification for OHSAS 18001 (an international standard for occupational health and safety management systems).

➤ Health and Safety Training and Dialogue with Employees

The Sumitomo Realty Group provides training on health and safety for our employees, contractors, and other suppliers.

In addition, in order to improve our occupational health and safety environment by reflecting the opinions of front-line

employees in management, the Company's President visits company sites throughout Japan to engage in dialogue with front-line employees.

Working Environment

Initiatives

Enhancing Human Resources

In our personnel system, we have roughly 30 types of job-specific wage structures for our major job categories alone. The percentages of compensation, which consist of fixed and variable wages, wage raise tables, and the like, are set based on the characteristics of the businesses and duties that are involved in each job. For all jobs, we regularly perform fair evaluations based solely on the abilities (job responsibilities) and achievements of individual employees, regardless of their age, gender, or level of seniority. Combined with sufficient dialogue, we are aiming to further enhance employee motivation. Moreover, we are implementing initiatives to

➤ On-the-job Training

We work to expand employees' knowledge and experience through instructions by supervisors and communication with colleagues in the process of carrying out duties.

➤ Training

We work to expand the knowledge of employees by conducting training programs in a variety of fields, and inform them of the code of conduct suitable for employees of the Sumitomo Realty Group and ensure their compliance.

promote growth of each employee, such as expanding specialized skill improvement education aimed at enhancing abilities, and supporting the formation of new careers by providing opportunities for internal transfers to competent personnel.

We believe that our unique personnel system is effectively functioning in improving productivity for sustainable growth. With this understanding, we are striving to maximize added value through the enhancement of human resources, along with further development and expansion of the system.

➤ The Sumitomo Realty Group Challenge System

We provide a system in which its employees can volunteer to take up the challenge of a new job. The system provides opportunities for growth to highly motivated employees and helps assign the right individuals to the right positions.

Training conducted by the Sumitomo Realty Group in fiscal 2022 and details of the content (excerpt)

Name	Participants	Purpose	Contents (Excerpt)
Human resources training	All employees	To raise awareness of health and safety, compliance, etc., once per year	<ul style="list-style-type: none"> Work style reform Preventing harassment Ensuring compliance, whistleblowing system, etc. ESG and occupational health
Managerial position training	Managerial personnel	To raise awareness of harassment prevention, etc., when managing subordinates	<ul style="list-style-type: none"> Training on how to appropriately handle labor management of subordinates, harassment, compliance violations, etc. using case examples
Job-specific training	Engineering, sales and customer center employees	To acquire the necessary knowledge and skills for each job	<ul style="list-style-type: none"> Technical guidance, risk assessment methods and construction methods (for engineering employees) Sales training (for sales employees) Customer service manners training, customer complaint handling training (for customer center employees)
New employee training	All new graduates and mid-career employees	To acquire the manners, knowledge, compliance, etc., required as an employee of the Sumitomo Realty Group	<ul style="list-style-type: none"> Company history Business manners training Human rights training Compliance training Occupational health training Job-specific training
Occupational safety training	All engineering employees and suppliers (contractors)	To increase safety awareness by sharing examples of hazards and good practices at construction sites, etc., once per year	<ul style="list-style-type: none"> Explanation of the Basic Plan for Occupational Safety Lecture by the head of the Labour Standards Inspection Office Sharing and commendation of good safety practices Safety training
Advertising compliance training	All employees in charge of advertising-related operations	To periodically raise awareness of advertising compliance	<ul style="list-style-type: none"> Announcement of the number of cases rejected in the previous fiscal year for compliance reasons Sharing and educating using examples of rejected cases * Conducted by employees of the Advertising Section of the Public Relations Department, which is responsible for internal auditing of internal advertising.
Skill development training	All employees	To acquire and/or improve skills according to each employee's needs	<ul style="list-style-type: none"> Management Accounting Languages Digital Transformation
Certifications training	Employees eligible for acquiring certifications	To assist in the acquisition of certifications necessary for work and to improve skills as a professional	<ul style="list-style-type: none"> Providing the necessary training and subsidies for acquiring certifications relevant to business. These include certifications such as real estate broker, architect, financial planner, building environmental hygiene management engineer and redevelopment planner.

Product Safety & Quality

Issue Awareness and Action Plans

The Sumitomo Realty Group engages in business that is closely related to people's daily lives encompassing office building leasing, sales and leasing of condominiums, real estate brokerage, custom homes and remodeling. We recognize that product safety and quality is one of the most important aspects of our business in terms of how it directly affects people's lives and property. We have thus far maintained high levels of product safety and quality

underpinned by its fundamental mission to "Create even better social assets for the next generation" under the corporate slogan, "Integrity and Innovation." With the aim of further enhancing the levels of product safety and quality, we take on business initiatives that entail cooperation with its suppliers, design and construction companies and business partners involved in building management.

Initiatives

Architectural Quality

➤ Managing Architectural Quality in the Contracting Business

Sumitomo Realty, as a lead contractor, implements the following initiatives to enhance the quality of design and construction in collaboration with suppliers in the housing construction business (custom homes and Shinchiku Sokkurisan remodeling) and other contracting businesses such as tenant construction.

- Using products and components that align with the Company's product safety and quality standards as a general rule and updating product lists each time in conjunction with suppliers
- Engaging in construction quality control at each phase of work and inspection upon completion, on the basis of construction standards for each projects
- Performing periodic follow-up inspections after completion
- Sharing problems and points of concern for construction management in a prompt manner through the use of a dedicated internal information sharing tool to provide guidance as necessary from employees who manage the process
- Holding a monthly safety meeting attended by our employees and all contractors to share the previous month's case studies and customer survey results and providing guidance on appropriate construction methods
- Holding an annual safety convention attended by our employees and all contractors to share the Group's company-wide quality management policies and initiatives and thoroughly promote a high awareness of quality
- In the remodeling business, requiring new contractors to receive on-site training by experienced construction supervisors for a certain period of time, and providing overall guidance on construction operations

➤ Managing Architectural Quality in the Condominium Sales Business

In the condominium sales business, we aim to offer high-quality condominiums by engaging in the following initiatives.

- Verifying initiatives involving quality control of design and construction companies
- Ensuring that design and construction companies are familiar with and have a shared understanding of the Company's quality standards
- Front-loading* of design and construction for each phase of work, based on past experience

* Front-loading refers to the task of meticulously ensuring quality by verifying tasks involved at each phase of work extending up to completion, in conjunction with design and construction companies at the initial phase of construction.

➤ Gaining Third-party Certifications for Architectural Quality

In its condominium sales, Sumitomo Realty acquires housing performance evaluation reports whereby a third-party organization registered by the Minister of Land, Infrastructure, Transport and Tourism objectively evaluates housing performance.

Product Safety & Quality

Issue Awareness and Action Plans

Advertising Quality

The Sumitomo Realty Group strives to conduct responsible advertising activities by providing appropriate training and establishing an audit structure under the following advertising policy.

Advertising Policy

- ◆ Under the slogan “Integrity and Innovation,” which expresses its corporate attitude, the Sumitomo Realty Group places the highest priority on maintaining relationships of trust with its customers. With this in mind, we are committed to conducting responsible advertising activities.
- ◆ In our advertising and promotions, we thoroughly comply with the Act against Unjustifiable Premiums and Misleading Representations and other relevant laws and regulations. We strictly prohibit expressions that could mislead our customers or that might violate corporate ethics.

Initiatives

Responsible Advertising Activities

➤ Training and Education

The Sumitomo Realty Group provides all employees with a compliance handbook that uses specific examples to educate them of the laws and regulations concerning advertising materials.

In addition, the advertising audit section provides basic training regarding advertising regulations and examples of problematic cases to employees in charge of creating advertisements at the time of their assignment. Regular practical training is also conducted at least once per year, incorporating topical content and actual problematic cases.

Furthermore, for employees who are not involved in advertising operations, we provide extra training as necessary, for example, when they begin advertising activities that use new media such as social media.

Through these initiatives, we are working to instill an awareness of advertising compliance among all our employees.

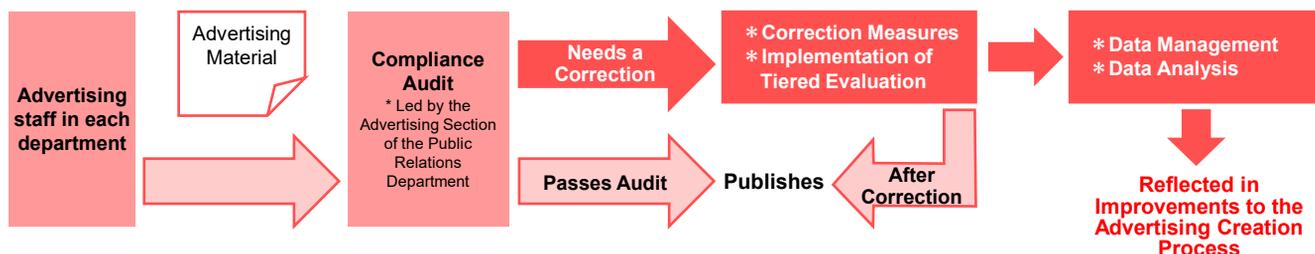


➤ Audit Structure

The Sumitomo Realty Group has established a systematic audit structure led by the Advertising Section of the Public Relations Department to ensure that advertising materials are created in accordance with its policies. We conduct strict compliance audits of all advertising materials based on our Guidelines for the Creation of Advertising Materials.

Based on the results of the audit, we take corrective measures prior to the release of any materials that are deemed to require action. We also conduct a tiered evaluation based on the degree of importance of the correction and manage this information as quantitative data. We have established a system for analyzing this data to identify cases that are likely to lead to inappropriate expression. We then reflect these cases into improvements to our advertising creation process.

Any improvements made, such as revisions or additions to rules, are shared with public relations staff in each department at annual training programs to ensure consistency in our company-wide standards.



Product Safety & Quality

Initiatives

Management Quality

➤ Quality Control of Building Management

Sumitomo Realty practices high-quality building management by leveraging the expertise it has accumulated as an office building owner. Employees of Sumitomo Realty directly control management tasks and keep issues in check by performing periodic maintenance and preventative repairs on structures and facilities. The Company also develops frameworks for uniformly improving management quality whereby information regarding incidents occurring with respect to individual buildings is shared amongst the employees for all the other buildings.

When it comes to cleaning, managers of each building and cleaning staff from the Company conduct cleaning inspections several times annually. The Company takes concrete action to improve quality which involves precisely scoring inspection results using an itemized points-based approach, clearly stating areas subject to improvement using quantitative benchmarks, and revising cleaning plans accordingly.



➤ Quality Control of Condominium Management

Sumitomo Fudosan Tatemono Service Co., Ltd. undertakes management services entrusted to it by condominium management associations. It has established a framework that enables it to quickly respond to the needs of management associations and residents through its 24-hour customer center, as well as having its employees patrol facilities on a daily basis.

Moreover, we also strive to bring about uniform managerial standards and improve those standards. To such ends, we

maintain a training center capable of holding workshops and facilitating case studies, upon having developed a detailed manual of business operations. In addition, we have set up websites exclusively for residents, and offer a swift support service for promptly addressing issues such as repairs of private areas of condominiums, and a cleaning service. These efforts to offer greater lifestyle convenience and abundance have been well-received by residents.



➤ Customer Feedback

In managing and operating its buildings and condominiums, the Sumitomo Realty Group incorporates opinions received

from its customers and opinions obtained through its customer center in its product planning and renovation work.