



December 16, 2024

To whom it may concern:

Company: Sumitomo Realty & Development Co., Ltd.
Representative: Kojun Nishima,
Representative Director and President
Securities code: 8830 (TSE Prime Market)
Contact: Tetsuya Mogi,
Executive Officer and General Manager of
Corporate Administration Department

Announcement on the Introduction of a Stock Compensation Plan (Stock Delivery Trust)
to Reward Long Service and Dedication for Employees of Sumitomo Fudosan Housing Co., Ltd.

Sumitomo Realty & Development Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it has resolved to introduce a stock compensation plan (hereinafter referred to as the “Plan”) to reward long service and dedication for employees engaged in Shinchiku Sokkurisan Remodeling Business and Custom Homes Business (hereinafter collectively referred to as the “Housing Construction business”), which will be transferred to Sumitomo Fudosan Housing Co., Ltd. as of April 1, 2025.

1. Purpose of the introduction of the Plan

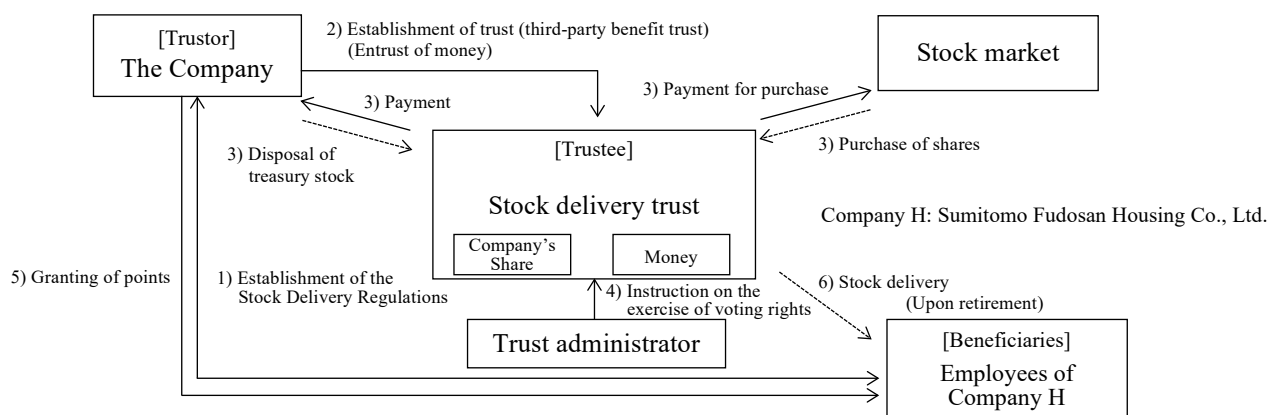
The Plan is being introduced for the employees in the Housing Construction business with the primary purposes of rewarding the many years of dedicated service and deepening their understanding of the management policy that, even after the business is spun off, this business continues to be the Group’s key division and they remain valued colleagues. By fostering their expectations that their share allocations will increase annually based on their contributions each year, and that their compensation received will further increase with the rise in the Company’s stock price, we expect that they will significantly contribute to enhancing corporate value through sustainable growth, which is our fundamental policy. This is the secondary purpose of this human capital investment.

2. Overview of the Plan

This Plan is a stock compensation plan to reward long service and dedication. A trust (hereinafter referred to as the “Trust”) is established with money contributed by the Company, and the trustee of this Trust uses these funds to acquire the Company’s common stock (hereinafter referred to as the “Company’s Shares”). The Company’s Shares are then delivered based on the points granted by the Company, upon retirement to employees who meet certain requirements.

These points are granted to employees annually based on their individual performance contributions, in accordance with the Stock Delivery Regulations established by the Company. The number of the Company’s Shares delivered to each employee upon retirement is determined by the number of points granted. Since the funds for acquiring the Company’s Shares through this Trust are fully contributed by the Company as explained above, employees bear no financial burden.

Details including the acquisition of the Company’s Shares through this Trust (such as the amount and acquisition method) will be announced once they are determined.



- 1) The Company establishes the Stock Delivery Regulations for the employees of Company H.
- 2) The Company establishes a stock delivery trust (third-party benefit trust) with the employees of Company H as the beneficiaries (the Trust). In doing so, the Company entrusts the trustee with an amount of money equivalent to the funds required for the acquisition of shares.
- 3) The trustee acquires, in a single tranche, the number of the Company's Shares sufficient for the expected delivery of shares in the future. (This acquisition shall be conducted through the disposal of treasury stock or by acquiring from the stock market, including off-auction trading.)
- 4) A trust administrator, who must be independent of the Company and its officers, is appointed to monitor the trustee to protect the interests of the beneficiaries who are covered by the Stock Delivery Regulations throughout the trust term. Regarding the Company's Shares within this Trust, the trust administrator instructs the trustee on the exercise of voting rights, and the trustee exercises these voting rights based on such instructions throughout the trust term.
- 5) The Company grants points to the employees of Company H each year based on the Stock Delivery Regulations.
- 6) The employees of Company H who meet the requirements stipulated in the Stock Delivery Regulations and the trust agreement pertaining to the Trust will receive delivery of the Company's Shares from the trustee as beneficiaries of this Trust upon retirement, corresponding to the points granted to them.

3. Overview of the Trust

(1) Name	Stock delivery trust for employees
(2) Trustor	Sumitomo Realty & Development Co., Ltd.
(3) Trustee	To be determined
(4) Beneficiaries	Employees of Company H who meet the beneficiary requirements
(5) Trust administrator	A third party that is independent of the Company and its officers is to be appointed
(6) Exercise of voting rights	The trustee exercises voting rights based on instructions from the trust administrator throughout the trust term
(7) Type of trust	Trusts involving money other than monetary trust (third-party benefit trust)
(8) Date of trust agreement	To be determined
(9) Trust term	To be determined
(10) Purpose of trust	To deliver the Company's Shares to the beneficiaries in accordance with the Stock Delivery Regulations

###