



February 6, 2025

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 Expansion of the Scope of the Stock Compensation Plan (Stock Delivery Trust) to Reward Long Service and Dedication for Employees of the Sumitomo Realty Group

Sumitomo Realty & Development Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it has resolved to expand the scope of the stock compensation plan to reward long service and dedication (announced on December 16, 2024, hereinafter referred to as the “Plan”), which is scheduled to be introduced for employees of Sumitomo Fudosan Housing Co., Ltd., to the entire Sumitomo Realty Group, as outlined below.

1. Reason for expanding the scope of the Plan

The Plan is a form of human capital investment aimed at encouraging the employees to actively drive the enhancement of corporate value through sustainable growth, which is our fundamental policy. We expect the Plan to foster 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.

In December of last year, we decided to introduce the Plan 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.

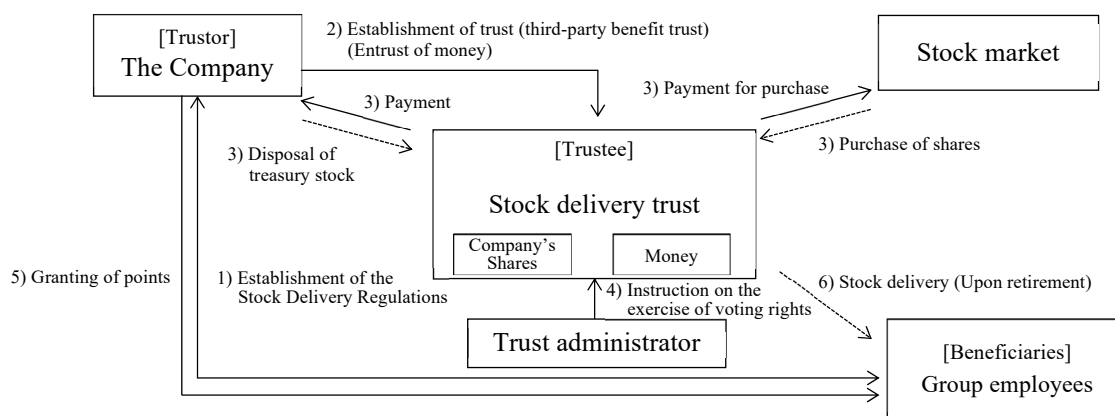
In order to strongly promote integrated group management, the Company has implemented various measures to eliminate barriers between Group companies. These efforts include standardizing personnel and welfare systems that previously varied across Group companies, as well as integrating health insurance unions. In this context, to ensure that Group employees work together as one to enhance the corporate value, we have decided to expand the scope of the Plan to include employees of the Group, excluding employees of the Company and Group companies which are covered by the retirement benefit system.

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 (hereinafter referred to as “Eligible Employees”).

These points are granted to Eligible 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 Group employees (hereinafter referred to as “Eligible Employees”).
- 2) The Company establishes a stock delivery trust (third-party benefit trust) with Eligible Employees 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 Eligible Employees each year based on the Stock Delivery Regulations.
- 6) Eligible Employees 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	Eligible Employees 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) Scale of trust	10 billion yen (estimated)
(9) Date of trust agreement	To be determined
(10) Trust term	For 10 years from the date of trust agreement
(11) Purpose of trust	To deliver the Company’s Shares to the beneficiaries in accordance with the Stock Delivery Regulations