

Positioning of the Ninth Medium-Term Management Plan

Ninth Medium-Term Management Plan is the first step

toward achieving ¥300 billion in ordinary profit for fiscal 2030

Achieve sustainable profit growth by focusing on further expansion of leasing assets

High social contribution of our business itself
Increasing investment capacity and flexibility
in capital strategy

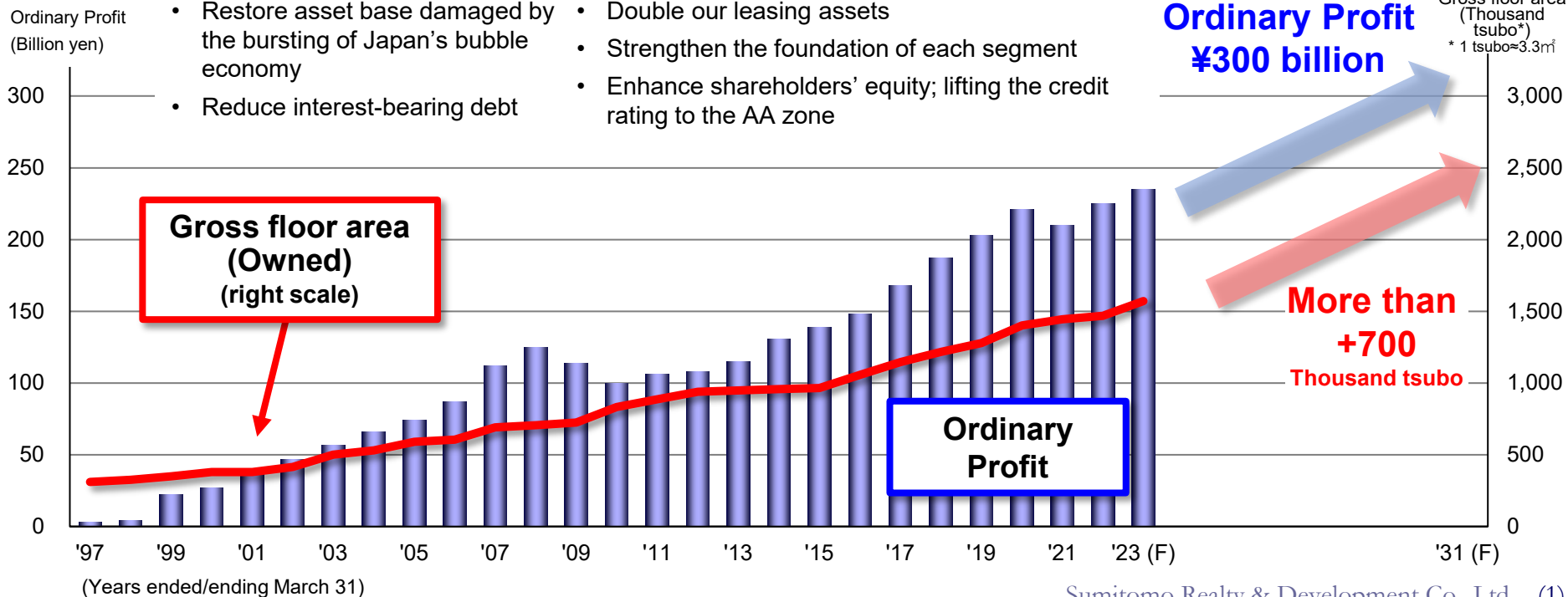


Resilient management foundation
and sustainable growth

1st - 3rd Plan
('98 - '07)

4th - 8th Plan
('08 - '22)

9th - 11th Plan
('23 - '31)



Three-year Cumulative Earnings Targets

Consecutive record profit for the period covered

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

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

Three-year cumulative earnings targets

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

(Billion yen)

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

(Years ended/ending March 31)

Performance Targets and Strategies by Segment

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

(Billion yen)

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

(Years ended/ending March 31)

Performance Targets and Strategies by Segment

Leasing

Aim to maintain the earnings foundation built through the Eighth Management Plan, and achieve profit growth for the fourth consecutive plan period

- In office building leasing, strive to maintain the profitability of existing buildings, while also securing earnings with the full-year contribution of buildings completed in the 8th Plan (180,000 tsubo GFA) and by starting operation of new buildings to be completed in the 9th Plan (190,000 tsubo GFA) *1 tsubo≈3.3m²
- In the operation of commercial facilities (hotels, event halls, retail facilities, etc.), recover the profitability to pre-COVID-19 levels and anticipate a return to growth from the 10th Plan onward

Sales

High level of profit of the Eighth Management Plan to be maintained

- Maintain our policy of controlling the pace of sales, pursuing profit rather than volume
- Rising construction costs will need to be addressed, but the impact will be limited as construction has been started on all projects to be delivered during the 9th Plan
- Maintain our policy of securing prime sites steadily amid continuing intensified competition for land acquisition

Construction

In both remodeling (Shinchiku Sokkurisan) and custom home construction, focus on controlling costs while enhancing quality, and aim to achieve consecutive record profits by expanding orders

- Expand orders by proposing products that accurately respond to customer needs, such as a high level of environmental performance and disaster preparedness
- Appropriately address spikes in prices of wood and materials, and minimize the impact

Brokerage

Further strengthen profitability as we aim to achieve record profit in a management plan with a significant increase

- Strengthen Group collaboration and further pursue customer-oriented services to expand our market share

Capital Investment Plans

(Non-current asset investment excluding sales assets, such as condominiums for sale)

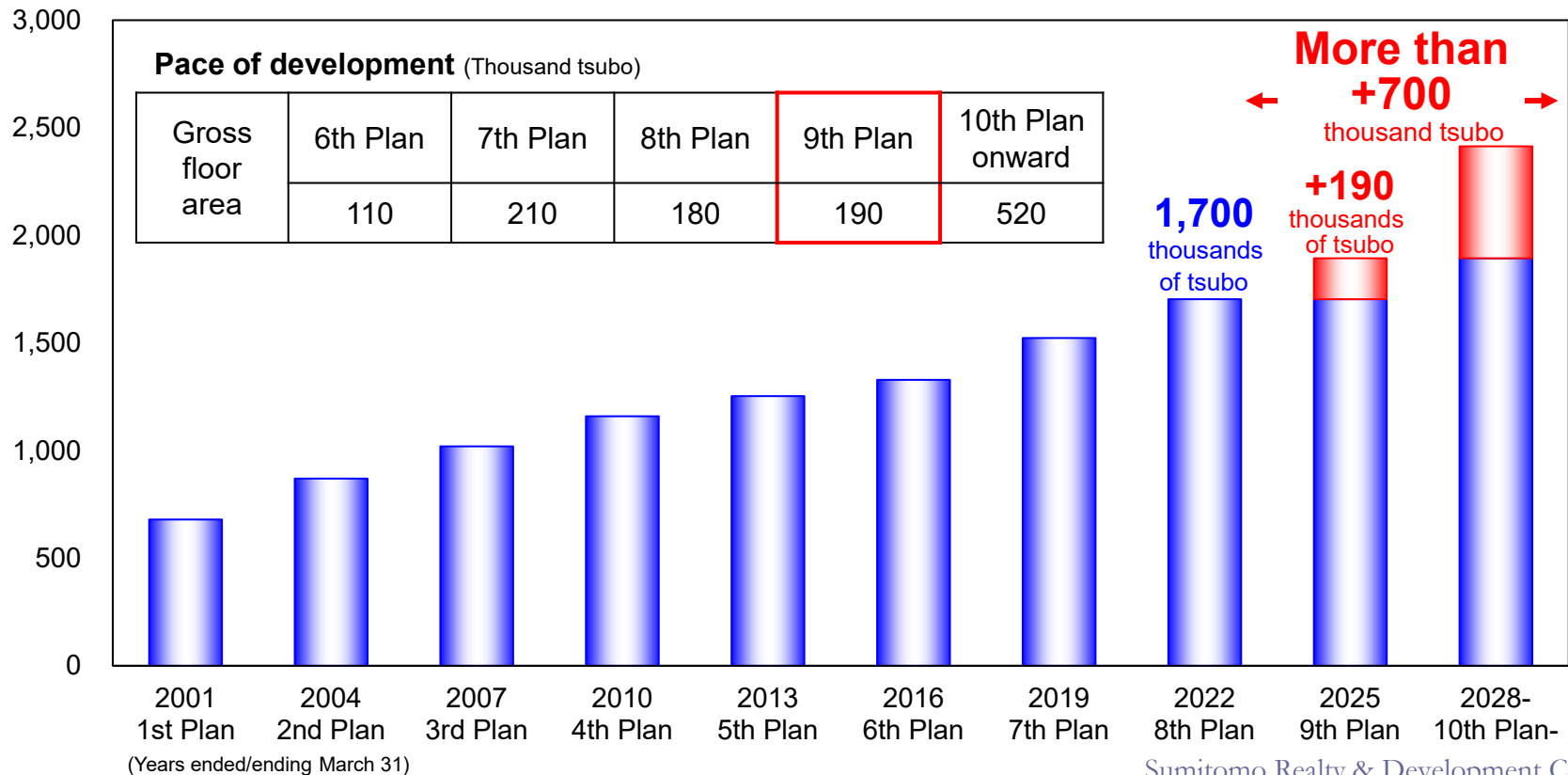
Further investment in leasing office assets in central Tokyo, strengthening our earnings base

Expect to invest ¥1 trillion over the three years of the Ninth Management Plan

- (1) Invest ¥700 billion in concrete development projects for over 700 thousand tsubo* of gross floor area, mainly comprising redevelopment projects * 1 tsubo ≈ 3.3m²
- (2) Ensure that we take advantage of opportunities that arise by securing ¥300 billion for investments in new projects

< Development Pace of Gross Floor Area for Leasing >

(Thousand tsubo)



Financing Plans

Expect to be able to cover the additional investment of ¥700 billion in properties in process with increases in cash flows from the leasing business*1

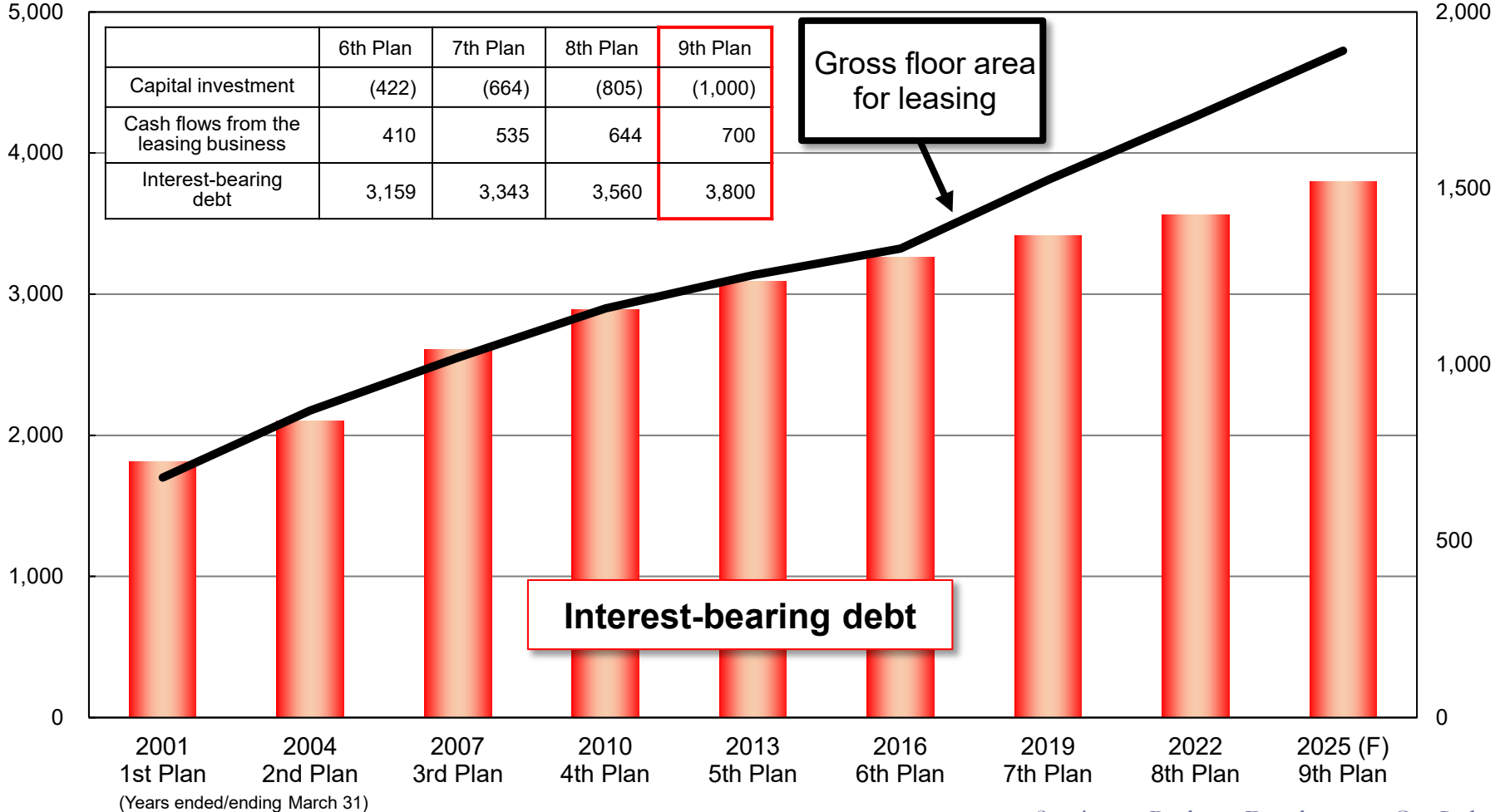
*1: Cash flows from the leasing business: Operating Income from the Leasing Business + Depreciation and Amortization

*2: 1 tsubo ≈ 3.3 m²

Interest-bearing debt
(Billion yen)

< Interest-bearing Debt and Gross Floor Area for Leasing >

Gross floor area
(Thousand tsubo*2)



Financing Plans

Introduction of green financing

Procure total long-term funding of ¥1 trillion

- ✓ Procure ¥1 trillion in funds from green financing for 12 buildings, out of 27 buildings owned by the Company that have already acquired a rating of 3 stars or above in DBJ Green Building Certification* (As of March 31, 2022)
- ✓ Principles for target properties during financing period
 - Disclose environmental performance information including CO2 emissions and energy consumption
 - Maintain at least 3 stars in the DBJ Green Building Certification
 - Prohibit selling, as this financing is to contribute to social issues such environmental improvements
- ✓ Obtain assessment of conformity with green finance from JCR and R&I

< Target Properties > *Thousand tsubo, 1 tsubo ≈ 3.3m²

Property name	Rank	Gross floor area*
Shinjuku Grand Tower	★★★★★	54
Osaki Garden Tower	★★★★★	54
Shinjuku Garden Tower	★★★★★	43
Tokyo Nihombashi Tower	★★★★★	41
Azabujuban Building	★★★★★	14
Roppongi Grand Tower	★★★★	64
Shinjuku Oak Tower	★★★★	49
Shinjuku Central Park Building	★★★★	46
Shiodome Sumitomo Building	★★★★	30
Iidabashi First Tower	★★★★	24
Shibakoen First Building	★★★★	19
Shinjuku Central Park Tower	★★★★	18
12 properties TOTAL		458

Properties that have acquired ★5 stars



DBJ Green Building



Shinjuku Grand Tower



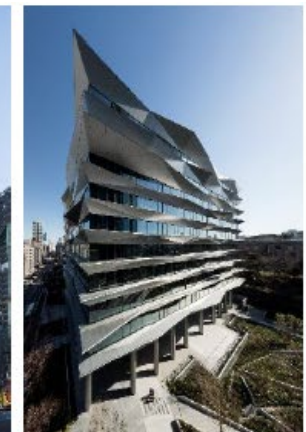
Osaki Garden Tower



Shinjuku Garden Tower



Tokyo Nihombashi Tower



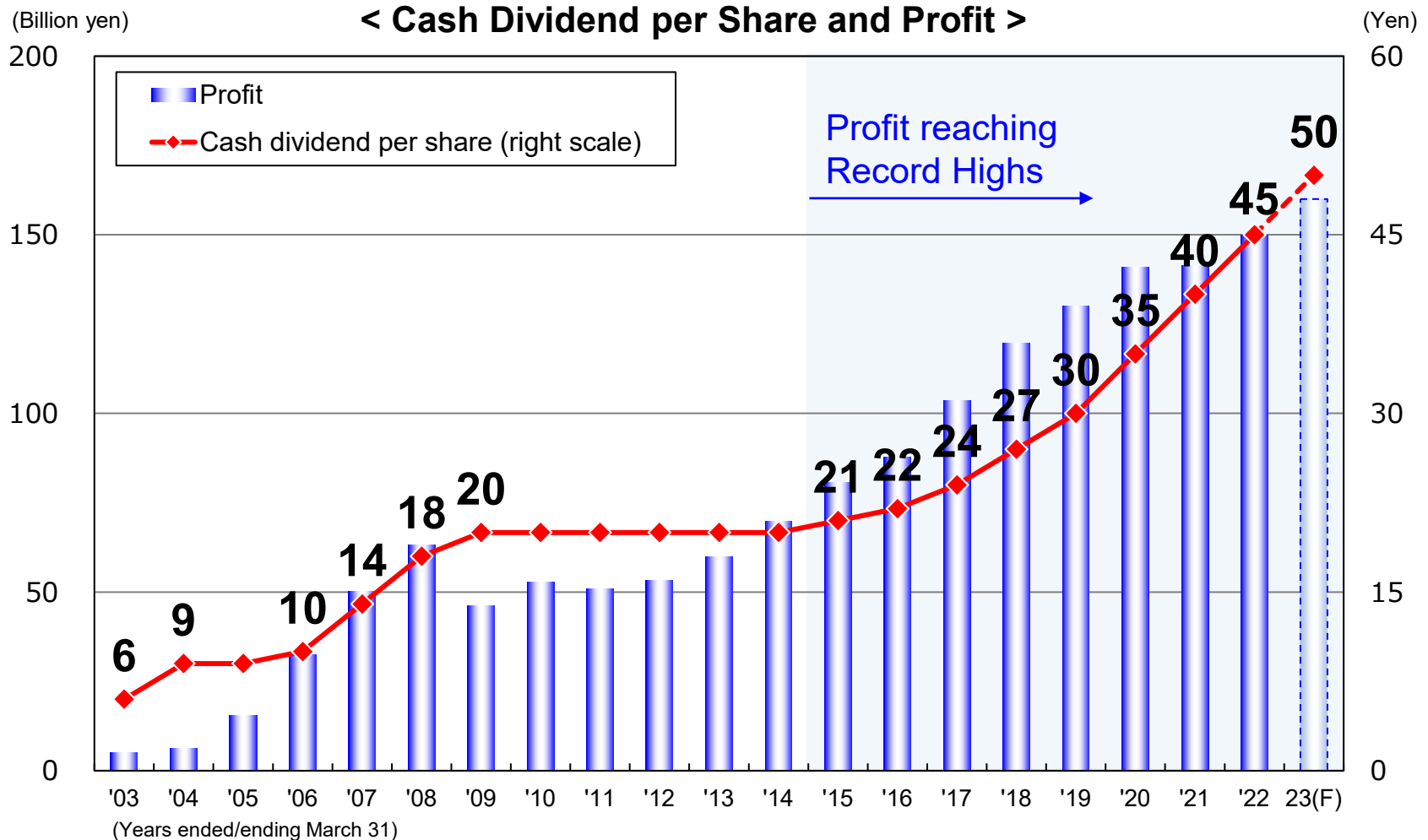
Azabujuban Building

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

Policy for Shareholder Returns

Continue “Sustainable Dividend Increase” and “Annual Dividend Increase of 5 yen” in line with profit growth

Cash flow allocation policy of prioritizing investment in leasing office assets, to be maintained

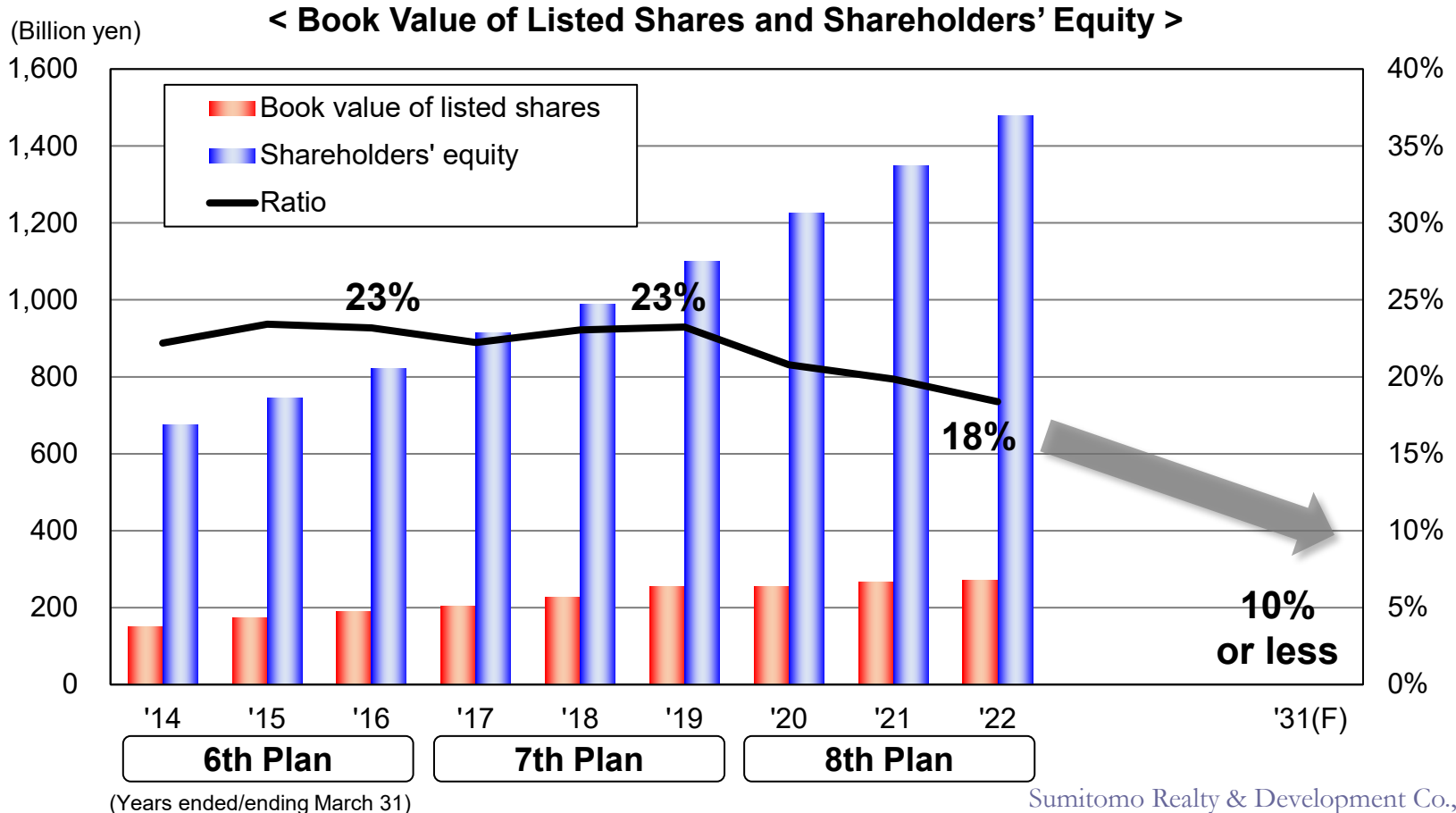


Introduction of Numerical Target for Strategic Shareholdings

Reduce the ratio of the book value of shares held to 10% or less of shareholders' equity* by fiscal 2030

- ✓ Established a numerical target for the amount of strategic shareholdings held, and certain rules
- ✓ As of the end of the fiscal 2021, the book value of listed shares held was ¥271.9 billion, accounting for approximately 18% of shareholders' equity of ¥1,479.2 billion. Going forward, we will reduce this ratio each year to 10% or less by fiscal 2030.

*Shareholders' equity = net assets - net unrealized holding gains on securities, etc.



Establishment of CO₂ Emissions Reduction Targets

50% reduction by fiscal 2030 compared with fiscal 2014, immediately prior to the Paris Agreement

- ✓ Expressed support for 2050 carbon neutrality
- ✓ Reduce total CO₂ emission by 50% compared with fiscal 2014 (5,940 thousand tons)
 - Aim to achieve the target by linking decarbonization initiatives with business expansion

Measures to reduce CO₂ emission

1. Promote energy-saving in leasing business centered on office buildings and facility management businesses

- Further pursue the introduction of highly efficient facilities for new constructions and renovations
⇒ reduce the Company's CO₂ emissions from energy consumption, etc., by 50% (per unit of floor area)
- Continue awareness-raising activities for energy-saving towards our tenants

2. Promote measures to reduce emissions in both upstream and downstream parts of main businesses

- Support tenant companies to introduce green power for their office spaces in a building
- Curb energy consumption during construction
- Enhance high-performance designs (ZEH*-M Oriented as the standard specification for condominiums) * ZEH = Net Zero Energy House
- Promote provision of the new solar power generation service, "SUMIFU × ENEKARI," which will contribute to decarbonization for detached houses
- Promote the provision of Shinchiku Sokkurisan high thermal remodeling products
- Promote spread of automobile charging stations

3. Aim to reduce total emissions by 10% in the Ninth Management Plan

Establishment of CO₂ Emissions Reduction Targets

Aim to reduce total emissions by 10% in the Ninth Management Plan

- ✓ Reductions in the condominium business, which accounts for approximately 60% of total emissions, will contribute from the 10th Management Plan onward, when the construction of properties with new design standards will be completed
- ✓ Aim to reduce emissions by 25% except for condominiums

(Thousand t-CO ₂)	FY 2014		9th Plan Reduction Target	Main numerical targets in each business Enhance business and product appeal and pursue decarbonization while expanding operations
	Emissions	Proportion		
Condominiums	3,605	61%	—	100% of condominiums to be ZEH-M Oriented designs Standardization of high-level energy-saving plan; Completion of the target properties (which contributes to reductions) will be in the 10th Plan onward
Custom Homes, Shinchiku – Sökkurisan Remodeling	1,591	27%		60% of custom home orders to be ZEH homes (already standardized) Thermal insulation and energy-saving performance that exceeds the latest ZEH standards + New solar power generation service “SUMIFU×ENEKARI” 20% of Shinchiku Sökkurisan remodeling orders to be high thermal insulation remodeling products (already introduced) Advanced energy-saving renovation to fix the poor thermal insulation of existing houses
Office Buildings	689	12%		30% of tenant office spaces to introduce green power Green Power Plan options that can be chosen by each tenant company
Others	55	1%		All of electric power used by the Group’s own offices to be green Obtain environmental value generated by solar power through “SUMIFU×ENEKARI”
Non-condominium	2,336	39%	(25)%	
TOTAL	5,940	100%	(10)%	

Promoting Decarbonization in Building Development and Operation

Office
Building

**Continue promoting high-level energy-saving
as a S-class business for 5 consecutive years**

**“Energy-saving” is a key principle of decarbonization for a developer
→ Stepping up activity to help meet targets**

**(1) Develop properties that
have high environmental
performance**

**(2) Run awareness raising
activities during
operation**

**(3) Improve environmental
performance through
renovation**

These initiatives above resulted in high third-party environmental recognitions

Certified as S-class business* (top rank for energy-saving) for 5 consecutive years

*S-class business: Certified as having reduced the 5-year average for unit energy consumption by 1% or more annually

✓ Our energy-saving track record (Fiscal 2020)

Per-unit greenhouse gas emissions	YoY	Down 12%
Per-unit energy consumption	YoY	Down 9%
	Vs. 2009	Down 37%

DBJ Green Building Certification acquired for the largest gross floor area in the industry (Office Building category)

- ✓ 26 Office Buildings with approximately 770,000 tsubo, accounting for 53% of the total floor area of properties owned by the Company
(Based on gross floor area, as of March 31, 2022, researched by the Company, 1 tsubo ≈ 3.3m²)
- ✓ The constant “environmental and social awareness” of our properties was highly recognized



DBJ Green Building

Office Building

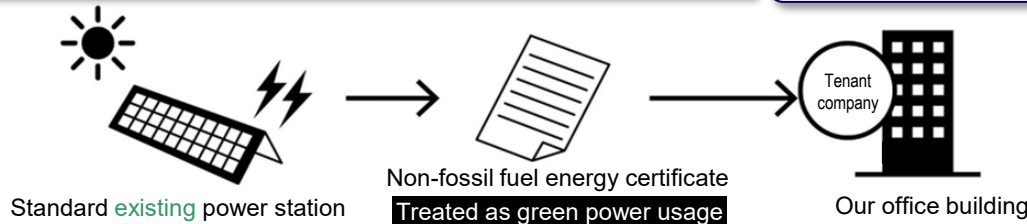
Decarbonization Support for Tenants (Options that can be chosen by each tenant company)

Newly developed methods for introducing green power to the tenant areas and began offering a set of plans

Supporting decarbonization efforts of tenant companies by accommodating the diverse needs of each company

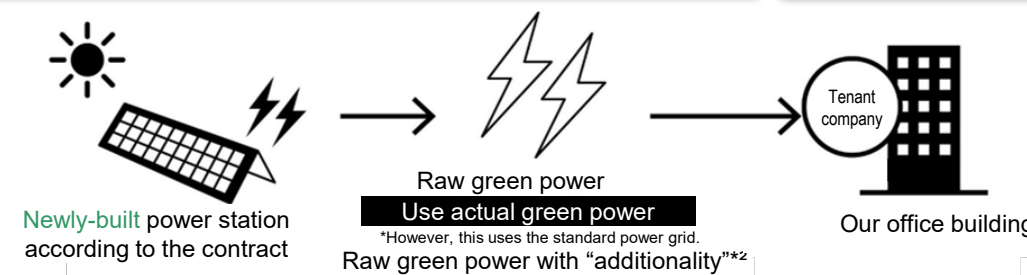
Plan 1 Non-fossil fuel energy certificate

POINT : Achieve decarbonization with no hassle



Plan 2 Raw green power*1 from newly-built power station

POINT : Directly contributing to Japan's decarbonization

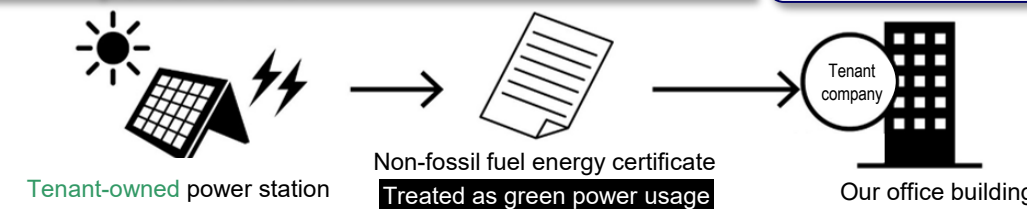


*1: Raw green power refers to green electricity considered as being directly supplied from the power plant via general-use power grids; the generation and consumption of fresh green electricity are matched in 30-minute units.

*2: Green electricity with additionality refers to green electricity obtained by developing new renewable power sources such as new solar power plants, and therefore directly contributing to raising Japan's total renewable power generation capacity. In recent years, additionality has been considered a requirement for high-value renewable electricity and used by environmentally advanced companies in Europe and the US as a standard for selecting green electricity.

Plan 3 Green power from a tenant-owned power station

POINT : Use self-generated power



Notes:

1. There are some limitations to companies that can introduce the plans.
2. We plan to continue developing new methods in response to demand.

Promoting Decarbonization in Condominiums

Condominiums

Adopting ZEH-M Oriented standards for all properties to be designed and developed from October 2021

- ✓ As a leading brand in new condominiums, we decided to offer high-level energy-saving performance*1 as a standard specification in all of our properties*2 to be designed and developed going forward
 - *1. Design standards that meet the energy-saving performance standards for new houses that the Ministry of Land, Infrastructure, Transport and Tourism aims to achieve by 2030
 - *2. Except for joint venture properties, etc.
- ✓ We will promote and request our partner construction companies to use green power for electricity used at condominium construction sites



As a leading brand in new condominiums, we will promote decarbonization in the value chain of our condominium business, from upstream to downstream



<ZEH-M Oriented Energy-saving Standards>
 Annual energy consumption of the entire residential building to be reduced by 20% or more compared with current energy-saving standards

[Example of materials and facilities adopted]

Using energy without waste [Improving thermal insulation performance] Reducing energy consumption [Introducing energy-saving equipment]

High Thermal Insulation Structure	Low-E Glass	Vacuum Glass	LED Lighting	Gas Hot Water Floor Heating	High-efficiency Ventilation

Promoting Decarbonization in Custom Homes

Custom
Homes

Launched the Home Solar Power Generation Service to address customer concerns and promote the spread of solar power

- ✓ Launched “SUMIFU × ENEKARI,” a new service that addresses the bottlenecks to solar power installation, such as initial costs and maintenance concerns, in the custom homes business



SUMIFU × ENEKARI

Solar power generation equipment and storage battery installation service for new houses

Simply pay a fixed monthly service fee and...

Incur no initial costs for installing solar power generation equipment and storage batteries

Receive support for equipment repairs and upgrades for the entire period of residency



An industry-first service of offering the benefits of solar power generation services with peace of mind

- ✓ Concluded a Decarbonization Lead Project Agreement with TEPCO Energy Partner Inc. to jointly plan and implement projects that contribute to decarbonization in line with each business, including the SUMIFU × ENEKARI project

Custom Homes

Promoting Decarbonization in Custom Homes

Started providing “Performance exceeding the latest ZEH standards + New solar power generation service” as standard

- ✓ Thermal insulation and energy-saving performance that exceeds the latest ZEH standards, established by the Ministry of Land, Infrastructure, Transport and Tourism in April 2022
- ✓ A new service “SUMIFU × ENEKARI” that addresses the bottlenecks to solar power installation

Launched “**Sumitomo-Fudosan-no-SUMICA**”, combining the two and realizing ZEH as standard

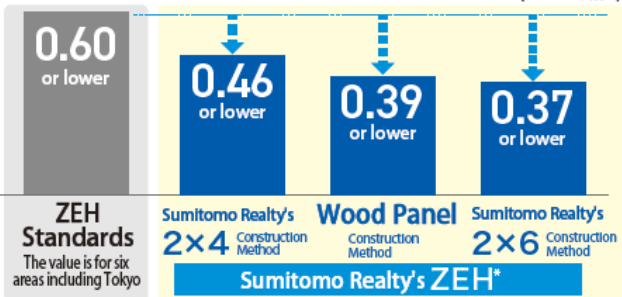
High thermal insulation and energy-saving performance that exceeds the latest ZEH standards



Solar power generation SUMIFU × ENEKARI

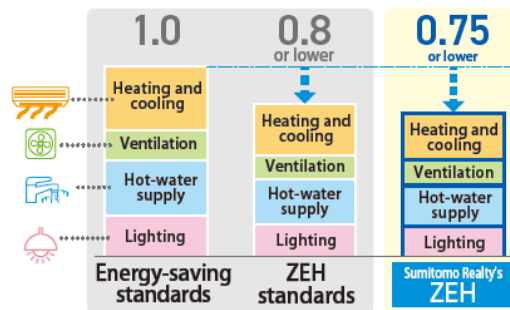
High thermal insulation exceeding the ZEH standards

□ UA value for home thermal insulation performance (Unit:W/m²K)

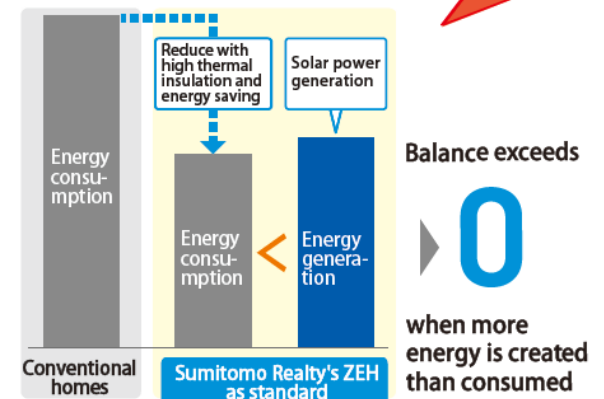


Significant energy saving with advanced equipment

□ BEI value for reduction in primary-energy use



Solar power generation equipment and storage batteries are standard features



* The figures are based on our model plan (approximately 16.2 m²), in which the opening area is reduced to curtail heat loss. The figures are not guaranteed.

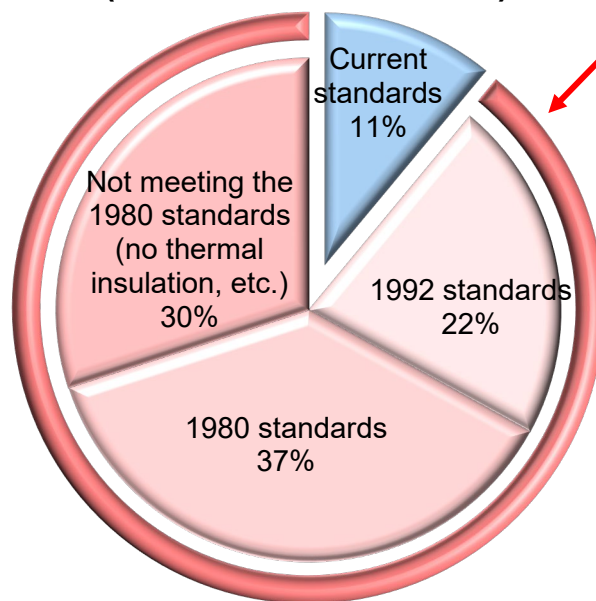
Top Runner standards for homes

Promoting Decarbonization in Existing Houses

Launched “High Thermal Insulation Remodeling Plan” that achieves a performance meeting the energy-saving standards for newly-built houses

- ✓ High thermal insulation remodeling plan will enable existing houses with low thermal insulation performance to achieve a thermal insulation performance equivalent to the energy-saving standards* for newly-built houses * Compliant with the 2016 energy conservation standards

Thermal insulation performance
of housing stock
(about 50 million units)



About 90% of housing stock falls under old energy-saving performance. To decarbonize the household sector, it is essential to promote thermal insulation retrofitting of existing houses.

High Thermal Insulation Remodeling Plan

Enabling retrofitting only where it is necessary
from a single room to the entire house

Reducing the heating and cooling load by recovering
about 50 to 80% of the heat energy

- Insulating the rooms on six sides (the floors, walls and the ceilings)
- Replacing the sashes and installing internal windows
- Installing “ductless total heat exchange ventilation system”

Contribute to the longevity of houses and decarbonization by promoting houses with high thermal insulation that ensure energy-saving, healthy and comfortable living

Promoting Decarbonization in Existing Houses

Started providing "Seismic reinforcement technology" and "New solar power generation service" for peace of mind in renovation of existing detached house

- ✓ Promoting spread of solar power generation in addition to energy saving with high thermal insulation, and contributing to achieving Japan's decarbonization target (66% reduction in household sector) through renovation of existing houses.

Shinchiku Sokkurisan × New solar power generation service



Shinchiku Sokkurisan

Seismic reinforcement construction for peace of mind

- ✓ Seismic reinforcement construction allows solar panels over 350kg to be mounted on the roof safely
- ✓ Dedicated construction supervisors ensure quality
- ✓ The industry's No.1 share with a cumulative total number of units contracted exceeding 150,000 units



すみふ × エネカリ

SUMIFU × ENEKARI

**Continuous peace of mind, zero initial cost
Solar power generation equipment
subscription service**

- ✓ 24/7 support for equipment repairs and upgrades for the entire period of residency
- ✓ Zero initial cost and virtually zero running costs
- ✓ Delivers peace of mind, as electricity will be available even during power outages



<Image of solar power generation system installed>

Principal New Office Building Projects

* 1 tsubo \approx 3.3m²

Project Name	Location (Tokyo)	Gross Floor Area (Tsubo*)	Completion (Expected)
Tokyo Mita Redevelopment Project (Mita 3- and 4-chome Project)	Minato Ward	60,400	Feb 2023
Nishi-shinjuku 5-chome Kita Project	Shinjuku Ward	41,300	Mar 2023
Sumitomo Fudosan Akihabara East Building	Taito Ward	3,000	Jan 2024
Sumitomo Fudosan Shinjuku Minamiguchi Building (Shinjuku Minamiguchi Project)	Shibuya Ward	7,200	Feb 2024
Nakano 2-chome Project	Nakano Ward	30,000	Feb 2024
Roppongi Ekimae Project	Minato Ward	9,700	Oct 2024
Sumitomo Fudosan Osaki Twin Building West	Shinagawa Ward	8,800	Oct 2024
Others		33,900	
9th Plan Total		194,300	

Principal New Office Building Projects

* 1 tsubo \approx 3.3m²

Tokyo Mita Redevelopment Project (Mita 3- and 4-chome Project)

Location	Minato Ward, Tokyo	Gross Floor Area	60,400 tsubo
Completion	Feb 2023 (Expected)	No. of Floor	42 above ground/ 4 below ground



Nishi-shinjuku 5-chome Kita Project

Location	Shinjuku Ward, Tokyo	Gross Floor Area	41,300 tsubo
Completion	Mar 2023 (Expected)	No. of Floor	Office:35 above ground/ 2 below ground Residence:35 above ground/ 2 below ground

Principal New Office Building Projects

* 1 tsubo \approx 3.3m²

Sumitomo Fudosan Shinjuku Minamiguchi Building (Shinjuku Minamiguchi Project)

Location	Shibuya Ward, Tokyo	Gross Floor Area	7,200 tsubo
Completion	Feb 2024 (Expected)	No. of Floor	18 above ground/ 1 below ground

Nakano 2-chome Project

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

Principal New Office Building Projects

* 1 tsubo \approx 3.3m²

Roppongi Ekimae Project

Location	Minato Ward, Tokyo	Gross Floor Area	9,700 tsubo
Completion	Oct 2024 (Expected)	No. of Floor	22 above ground



Sumitomo Fudosan Osaki Twin Building West

Location	Shinagawa Ward, Tokyo	Gross Floor Area	8,800 tsubo
Completion	Oct 2024 (Expected)	No. of Floor	14 above ground/ 1 below ground

Principal Condominium Projects (Scheduled Delivery in FY2022)

* Units = No. of units for sale

**Grand Hills Minami Aoyama**

Minato Ward, Tokyo

100 units

18 above ground / 2 below ground

**City House Koganei Koen**

Kodaira, Tokyo

740 units

9 above ground

**City Terrace Yachiyo
Midorigaoka Breeze Court**

Yachiyo

210 units

15 above ground

**City Tower Osaka Honmachi**

Osaka

855 units

48 above ground / 1 below ground

**Umeda Garden Residence**

Osaka

584 units

56 above ground / 1 below ground
(9th ~ 39th floors)**City Terrace Kamisugi**

Sendai

336 units

13 above ground / 1 below ground

Principal Condominium Projects (Scheduled Delivery from FY2023)*

* Units = No. of units for sale



City Terrace Nakano

Nakano Ward, Tokyo

119 units

6 above ground



City Terrace Sumiyoshi

Koto Ward, Tokyo

149 units

14 above ground

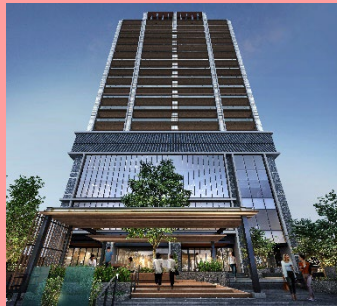


City Terrace Akabane THE EAST

Kita Ward, Tokyo

300 units

15 above ground



City House Yokohama

Yokohama

155 units

18 above ground

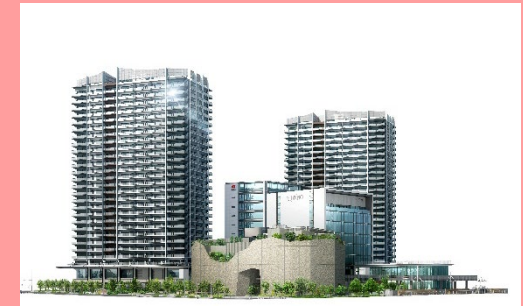


City Terrace Inagekaigan

Chiba

302 units

10 above ground



Bay City Towers Kobe WEST

Kobe

346 units

27 above ground / 1 below ground