

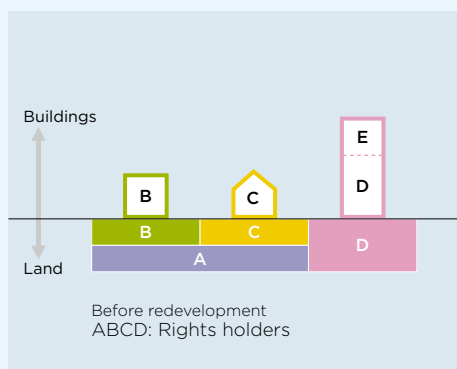
# Our Strengths

## Our Ability to Create Valuable Properties

Whether it is negotiating land purchases or forming associations to plan new projects, the honest efforts made by our employees have allowed us to accumulate a great deal of know-how on developing land. By purchasing plots of land one by one and putting together several parcels to redevelop the land on a larger scale, we will continue forward with initiatives to enhance asset value primarily in the Tokyo metropolitan area.

### Acquisition of Land for Redevelopment (Assembling Land) Is Our Building Development “DNA”

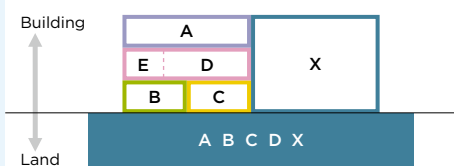
#### Before



#### After

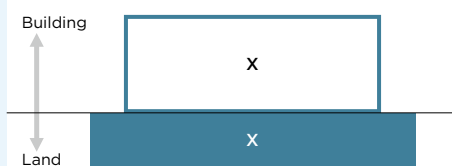
##### Equal value exchange

Through the conversion of the rights of rights holders, sites can be acquired with equal value exchanges.



##### Purchases of individual rights

(Amalgamation of rights)



Sumitomo Fudosan Shinjuku Grand Tower

\* Acquirer of property other than that received by rights holders in equal value exchange (developer)

### Characteristics of Redevelopment Projects under Urban Renewal Act

#### Merits

##### Substantial benefits in terms of investment return and profitability

- In comparison with methods where the land is first purchased, such as competitive tenders, projects are completed with small initial investments.
- Developing blocks of land enhances the convenience of the area, and makes it possible to receive government subsidies and approvals for higher utilization (ratio of total floor space to land area).

#### Demerits

##### Enormous behind-the-scenes work is required

- It is necessary to form a consensus among multiple property rights holders, and there are also consultations with administrative bodies, resulting in longer development times. (The government is currently promoting shorter development periods through simplified approval procedures and other measures.)

## 60% of the Office Buildings Are Redevelopment Projects

Approximately 60% of the office buildings we develop are redevelopment projects. We have the highest level of track record in “redevelopment” among developers. Using the expertise we have cultivated to date, we will continue to grow by building a pipeline focused on redevelopment projects.



Sumitomo Fudosan Roppongi Grand Tower & Izumi Garden Tower

Shinjuku Central Park City

Chiyoda First Building West

### Major Flagship Buildings

Name	Location (Tokyo CBD)	No. of floors (above ground/ below ground)	Completion	Gross floor area (m <sup>2</sup> )
1. Izumi Garden Tower	Minato Ward	43/4	Oct 2002	204,444
2. Sumitomo Fudosan Roppongi Grand Tower	Minato Ward	43/2	Oct 2016	202,525
3. Sumitomo Fudosan Osaki Garden Tower	Shinagawa Ward	24/2	Jan 2018	177,822
4. Shinjuku Sumitomo Building	Shinjuku Ward	52/4	Mar 1974	177,467
5. Sumitomo Fudosan Shinjuku Grand Tower	Shinjuku Ward	40/3	Dec 2011	168,329
6. Sumitomo Fudosan Shinjuku Garden Tower	Shinjuku Ward	37/2	Mar 2016	143,372
7. Shinjuku Central Park City	Shinjuku Ward	44/2	Feb 2010	130,519
8. Shinjuku Oak City	Shinjuku Ward	38/2	Jan 2003	117,606
9. Tokyo Nihombashi Tower	Chuo Ward	35/4	Apr 2015	105,837
10. Shiodome Sumitomo Building	Minato Ward	25/3	Jul 2004	99,913
11. Sumitomo Fudosan Mita Twin Building West	Minato Ward	43/2	Sep 2006	98,338
12. Tokyo Shiodome Building	Minato Ward	37/4	Jan 2005	95,128
13. Shinjuku NS Building	Shinjuku Ward	30/3	Sep 1982	75,046
14. Sumitomo Fudosan Shibakoen First Building	Minato Ward	35/2	Jun 2000	70,381
15. Sumitomo Fudosan Iidabashi First Tower	Bunkyo Ward	34/3	Apr 2010	68,514
16. Chiyoda First Building West	Chiyoda Ward	32/2	Jan 2004	61,209
17. Sumitomo Fudosan Shibuya Garden Tower	Shibuya Ward	24/3	Jun 2012	59,417
18. Sumitomo Fudosan Aobadai Tower	Meguro Ward	33/3	Aug 2009	55,773
19. Sumitomo Fudosan Iidabashi First Building	Bunkyo Ward	14/2	Mar 2000	53,322
20. Sumitomo Fudosan Iidabashi Building No. 3	Shinjuku Ward	24/2	Oct 2002	53,047

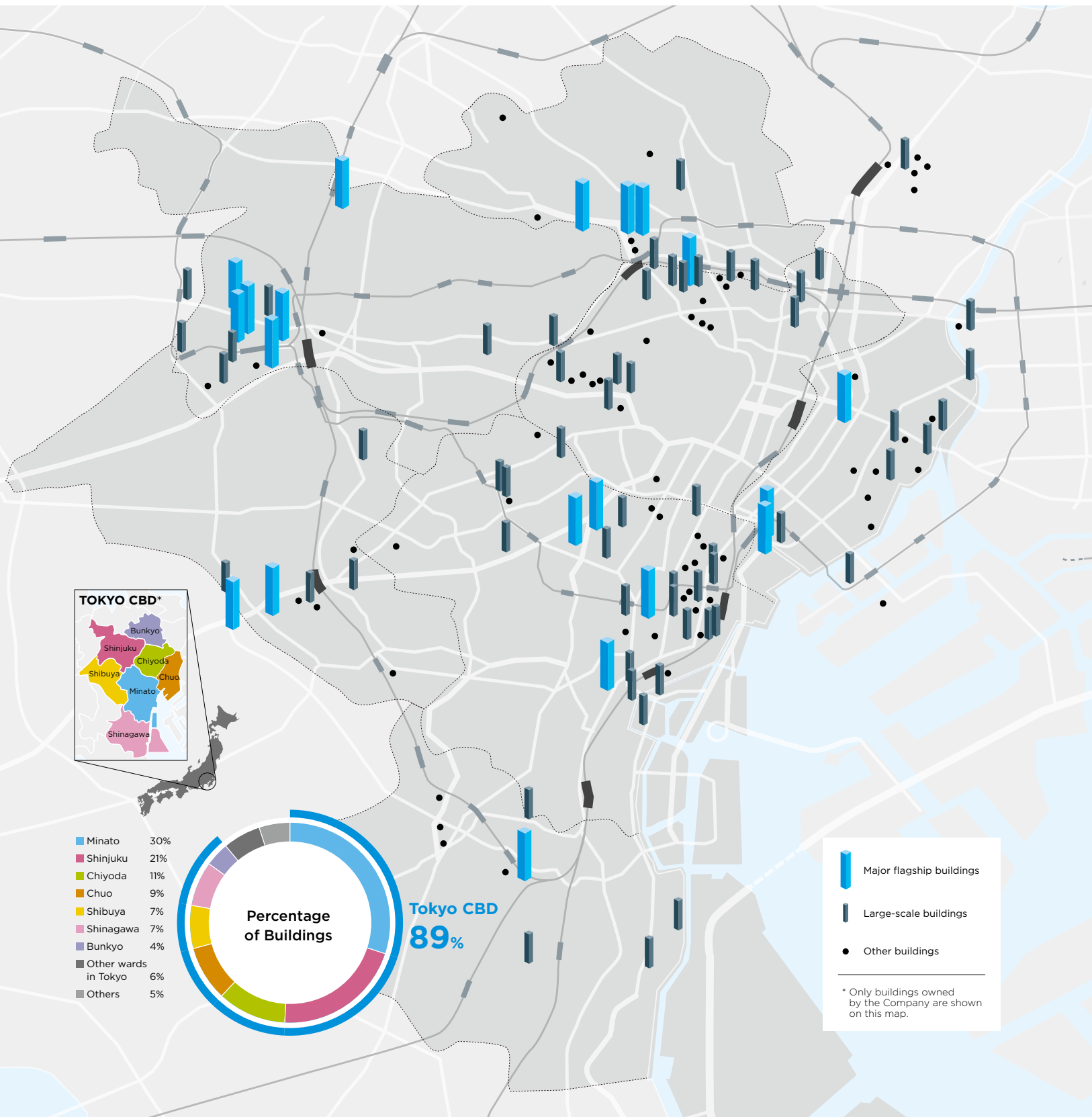
: Redevelopment projects

Note: Figures for gross floor area indicate the area managed by Sumitomo Realty.

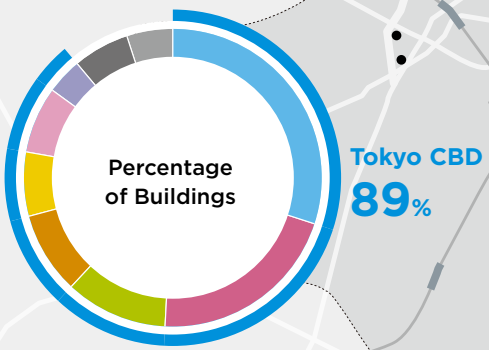
# Leasing Portfolio that Meets Diverse Needs

Tokyo's No. 1 office building owner, managing more than **220** buildings in central Tokyo's major office districts

Gross Floor Area **4.84** million m<sup>2</sup>



Minato	30%
Shinjuku	21%
Chiyoda	11%
Chuo	9%
Shibuya	7%
Shinagawa	7%
Bunkyo	4%
Other wards in Tokyo	6%
Others	5%



- Major flagship buildings
- Large-scale buildings
- Other buildings

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\* Only buildings owned by the Company are shown on this map.

## Our Portfolio's Strengths (As of March 31, 2018)

Sumitomo Realty's leasing portfolio is highly competitive in terms of the three distinct features of being "central, new and large." Going forward, we will endeavor to maintain and enhance our competitive strengths by focusing on providing high-quality office buildings with these qualities.

### Central

Tokyo CBD\* **89%** 23 Wards **95%**



#### Locations in the Tokyo CBD

Our leasing portfolio emphasizes on locations in central Tokyo; 95% of our portfolio is in Tokyo's 23 wards, and 89% is in the Tokyo CBD (Central Business District)\*. Proximity to other office buildings and major train and subway stations is a key condition for a prime property, and having been located in such areas is one of our portfolio's competitive strengths. In particular, the Tokyo CBD is designed as a district with a high concentration of office buildings, and strong and stable demand is expected in this district going forward. Therefore, we will work to enhance our competitive strengths by continuing to acquire development sites in this district.

\* Tokyo CBD (Central Business District): 7 wards, comprising Chiyoda, Minato, Chuo, Shinjuku, Shibuya, Shinagawa and Bunkyo

### New

New Quake-resistant\*1 **99%** Seismic Isolation and/or Damping System Construction **80%**\*2 Emergency Power Generators **70%**\*2

\*1 New standards that took effect in 1981  
\*2 Approx.



#### Buildings with Excellent BCP Compliance

The average age of the buildings in our portfolio is 16 years, the lowest figure among major Japanese real estate companies, and 65% of them have been completed since 2000. New buildings are capable of generating strong demand by meeting tenants' needs for facilities and design to name a few, making the relative age of the buildings in a portfolio a key factor affecting the leasing business.

As shown in the table below, our buildings are equipped with the latest facilities and features, and are popular among tenants for their functionality, comfort and safety in the event of a major disaster. 99% of our portfolio meets or exceeds earthquake-resistance standards that took effect in 1981, which are a key yardstick for earthquake safety. Further, approximately 80% of the buildings we own are structured with a seismic isolation system and/or a damping system. In recent years, emergency generators that provide electricity in the event

of a power outage have also become a feature sought by tenants as a part of their business continuity planning (BCP). Thus, emergency generators are installed in about 70% of the buildings we own, which includes all newly completed buildings after 2001.

#### State-of-the-art Facilities

	Before 1981	1982–1996	1997 and after
Earthquake protection	Previous quake-resistant structure	New quake-resistant structure	Anti-sway structure
Ceiling height*	2.5 m	2.7 m	2.9–3.3 m
Floor load	300 kg/m <sup>2</sup>	300–500 kg/m <sup>2</sup>	500–1,000 kg/m <sup>2</sup>
Air-conditioning	Central air-conditioning system	Climate control zones	Separate climate control systems
Power capacity	45 VA/m <sup>2</sup>	60–70 VA/m <sup>2</sup>	85 VA/m <sup>2</sup> and over

\* Includes raised floors

### Large

Over 10,000 m<sup>2</sup> (gross floor area) **87%**



#### Large-scale Buildings

Large-scale buildings with gross floor area of at least 10,000 square meters make up 87% of our portfolio. Consolidating multiple offices of a business on one floor helps to facilitate internal communication and reduce space redundancies, making operations more efficient. These types of needs are behind the increased demand in recent years for large-scale buildings with large amounts of floor space per floor. Being able to offer such spaces is definitely one of our strengths.



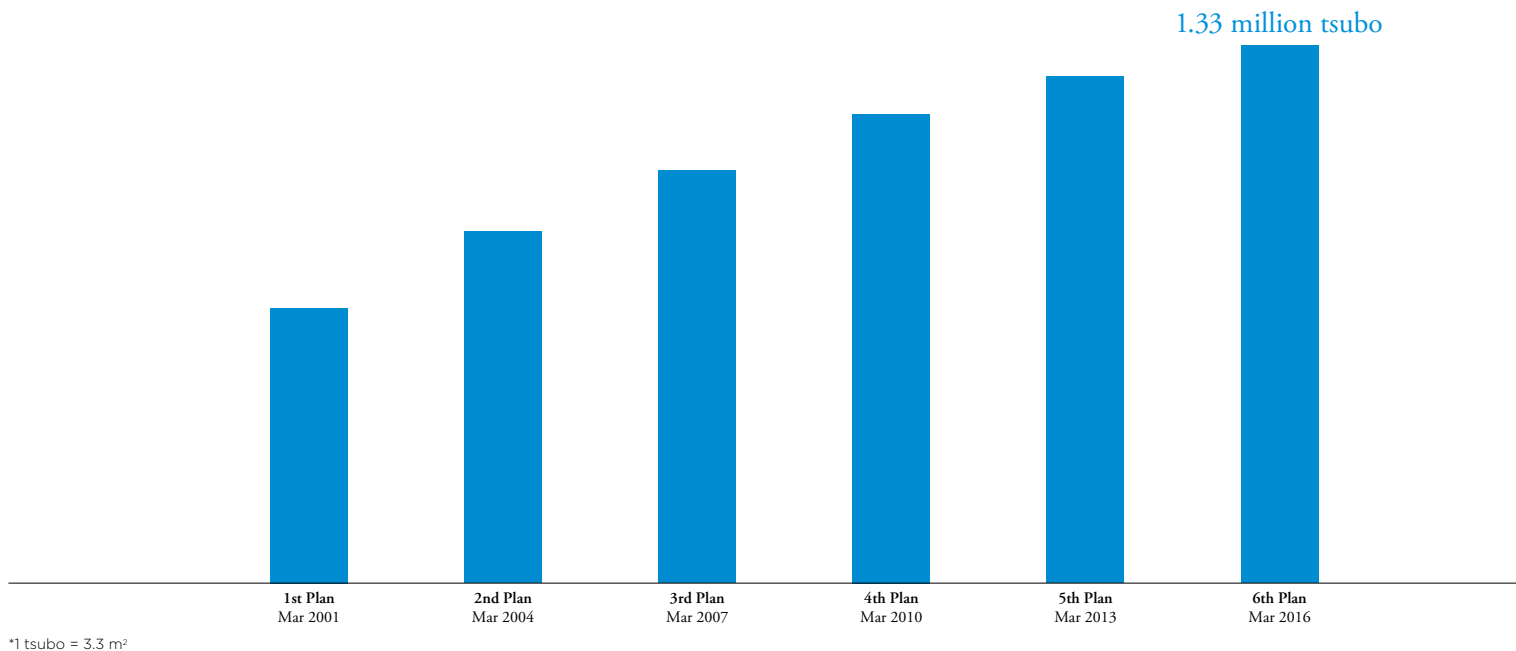
# Office Building Development Projects

## Further Promotion of Development Plans

To make our core business of office building development and leasing in Tokyo even stronger and to solidify our position as the No. 1 owner of office buildings in Tokyo, Sumitomo Realty is striving to expand its business foundation by giving the highest priority to investment for redevelopment in central Tokyo.

Specifically, we will work to accelerate the pace of office building development during and after the Seventh Management Plan. We are moving forward with development projects that target total gross floor area of more than one million tsubo. This target includes the gross floor area of 220,000 tsubo to be brought to market under the Seventh Management Plan.

### Pace of Gross Floor Area Development



Izumi Garden Tower  
Completion Oct. 2002



Shiodome Sumitomo Building  
Completion July 2004

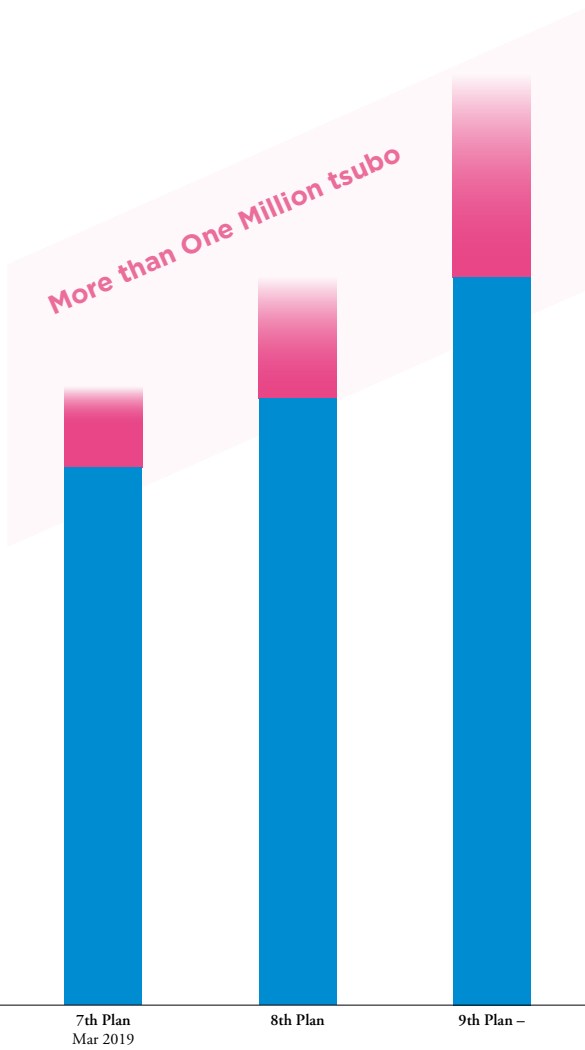


Sumitomo Fudosan  
Iidabashi First Tower  
Completion Apr 2010



Tokyo Nihombashi Tower  
Completion Apr 2015





### Major New Building Development Projects

Project	Location (Tokyo CBD)	Gross floor area (tsubo)	Expected completion
Sumitomo Fudosan Kojimachi First Building	Chiyoda Ward	4,000	Apr 2018
<b>A</b> Sumitomo Fudosan Onarimon Tower	Minato Ward	9,900	May 2018
Sumitomo Fudosan Fukuoka Hanzomon Building	Chiyoda Ward	3,500	Oct 2018
Sumitomo Fudosan Akihabara Kita Building	Taito Ward	3,500	Nov 2018
<b>B</b> Sumitomo Fudosan Shibuya Tower	Shibuya Ward	11,500	Feb 2019
<b>C</b> Akihabara Ekimae Project (Kanda Neribeicho)	Chiyoda Ward	9,300	Jun 2019
<b>D</b> Nishi Shinjuku 6-chome Project	Shinjuku Ward	18,500	Jun 2019
Higashi Ikebukuro Project	Toshima Ward	4,900	Jul 2019
Akihabara Manseibashi Project (Sotokanda 1-chome)	Chiyoda Ward	8,200	Aug 2019
Sumitomo Fudosan Kojimachi Garden Tower	Chiyoda Ward	14,500	Apr 2020

### New Building Development Projects

