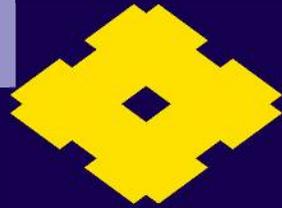


Small Meeting Material



**Sumitomo
Realty & Development**

February 14, 2020

Sumitomo Realty & Development Co., Ltd.

Performance targets for the Eighth Management Plan

Achieve consecutive record results for the three-year period covered, with cumulative ordinary profit of ¥700 billion.

Achieve record results for the ninth consecutive fiscal year under the three management plans since the Sixth Management Plan by maintaining the pace of growth attained under the Seventh Management Plan with which substantial profit increase was achieved.

Three-year cumulative earnings targets

Revenue from Operations	¥ 3,100 billion	(+ ¥ 214.2 billion,	+ 7 %)*
Operating Income	¥ 740 billion	(+ ¥ 126.8 billion,	+ 21 %)*
Ordinary Profit	¥ 700 billion	(+ ¥ 142.2 billion,	+ 25 %)*

* Compared with results for the Seventh Management Plan

«Reference» Comparison of Management Plan results (Years ended/ending March 31) (Billions of yen)

Three-year Cumulative totals	5th Plan 2011-2013	6th Plan 2014-2016	7th Plan 2017-2019	8th Plan 2020-2022
Revenue from Operations	2,170	2,442	2,886	3,100
Operating Income	437	501	613	740
Ordinary Profit	329	418	558	700

Financial results for March 2019 fiscal year and the 7th plan have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

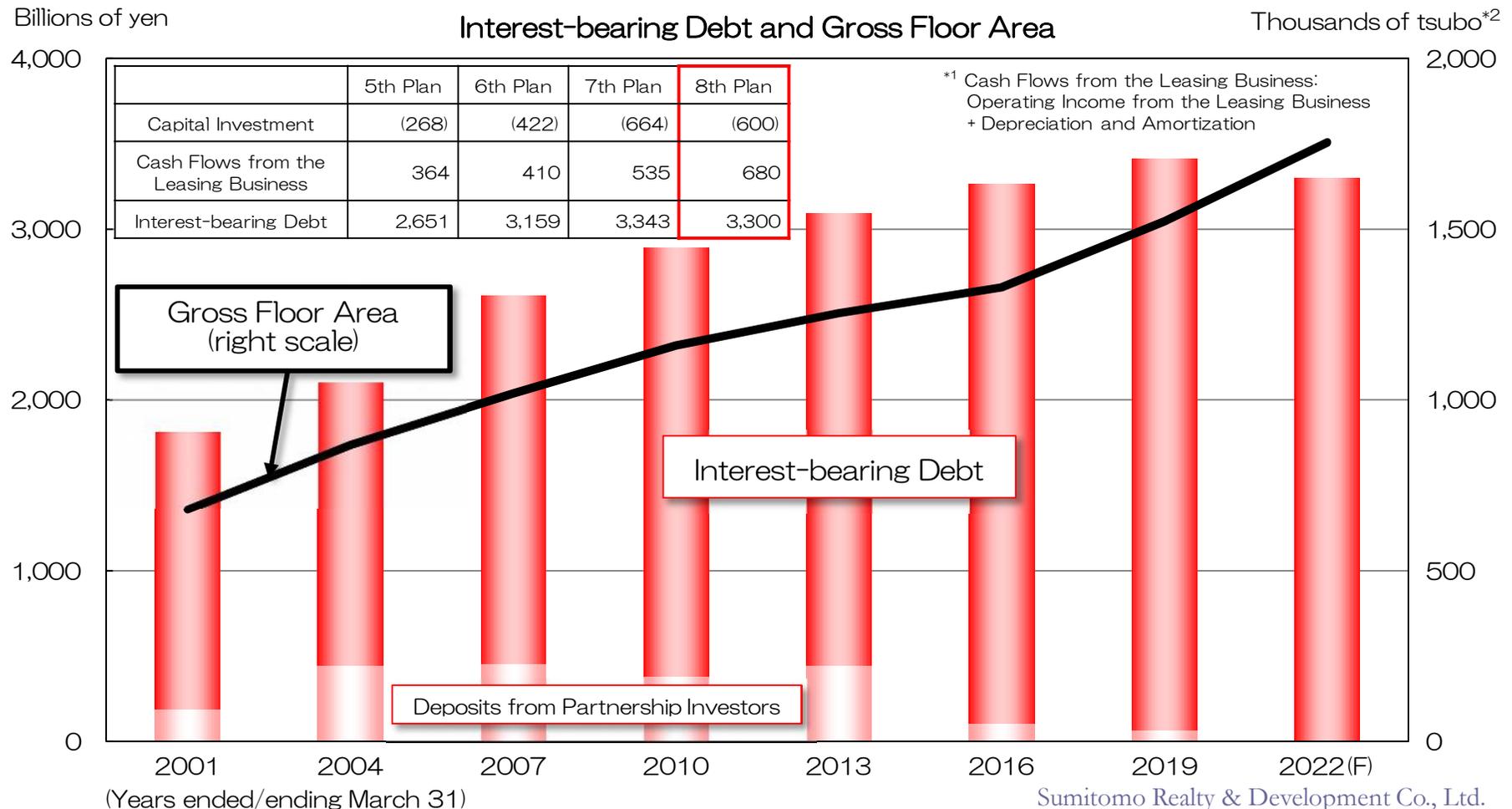
Leasing asset investment plan

(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.

Funding will be covered by expanding cash flows from the leasing business*¹. (No increase in interest-bearing debt expected.)

*² 1 tsubo = 3.3m²



History of Financial Stage

		Stage 1	Stage 2	Stage 3	New Stage
Medium-term Management Plan (Years ended/ending March 31)	Before plans	1st - 2nd Plan (1998-2004)	3rd - 5th Plan (2005-2013)	6th - 7th Plan (2014-2019)	8th Plan - (2020-)
Shareholders' Equity		Shareholders' equity did not increase due to treatment of unrealized loss	Adopted impairment accounting and shifted to increase in shareholders' equity	Sixth consecutive year of record high profit Shareholders' equity doubled	New record high profit ND/E ratio on par with peer companies
Interest-bearing debt		Reduced borrowings by utilizing off-balance-sheet financing and SURF*	Increase in investment and on-balance-sheet treatments caused a surge in borrowings	Cash flows from the leasing business < Investment Continued increase in borrowings	Cash flows from the leasing business \geq Investment Borrowings level out
(Billions of yen, thousands of tsubo)	1997 actual	2004 actual	2013 actual	2019 actual	
Revenue from operations	339.0	573.9	736.7	1,012.2	Increase revenue
Ordinary profit	2.8	66.0	114.9	203.2	Increase profit
Shareholders' equity	249.8	303.9 (231.9 before capital increase)	627.0	1,202.1	Increase
Interest-bearing debt	1,633.4	1,048.6	2,650.7	3,342.8	Remain at the same level
Rating (R&I, JCR)		BB+, BBB	A-, A	A, A+	Possible further upgrade
Gross floor area (Thousands of tsubo)		870	1,254	1,524	Approx. 2,300 (+800)
Major events * Fiscal years ended March are shown in parenthesis		<ul style="list-style-type: none"> Recovery of ordinary profit at a record high level as the bubble economy period (2001) Loss making years (1998, 2001) SURF* (1999-) Securitization (2000-) Capital increase (2004, 71.9 billion yen) 	<ul style="list-style-type: none"> Profit increase for seven of nine terms Perpetual subordinated loan (2008) Lehman Crisis (2009) → Profit decline for two consecutive years (2009-2010) Great East Japan Earthquake (2011) → Spent three fiscal-year periods to recover record high profit Consolidation of SPCs (2012) 	<ul style="list-style-type: none"> Abenomics Monetary easing (2014-) Increased condominium prices (2014-) Increased office rents (2015-) Sumitomo Real Estate Sales Co., Ltd. delisted as it became a wholly owned subsidiary (2018) 	<p>Next Stage</p> <p>Wider selection of management options</p>

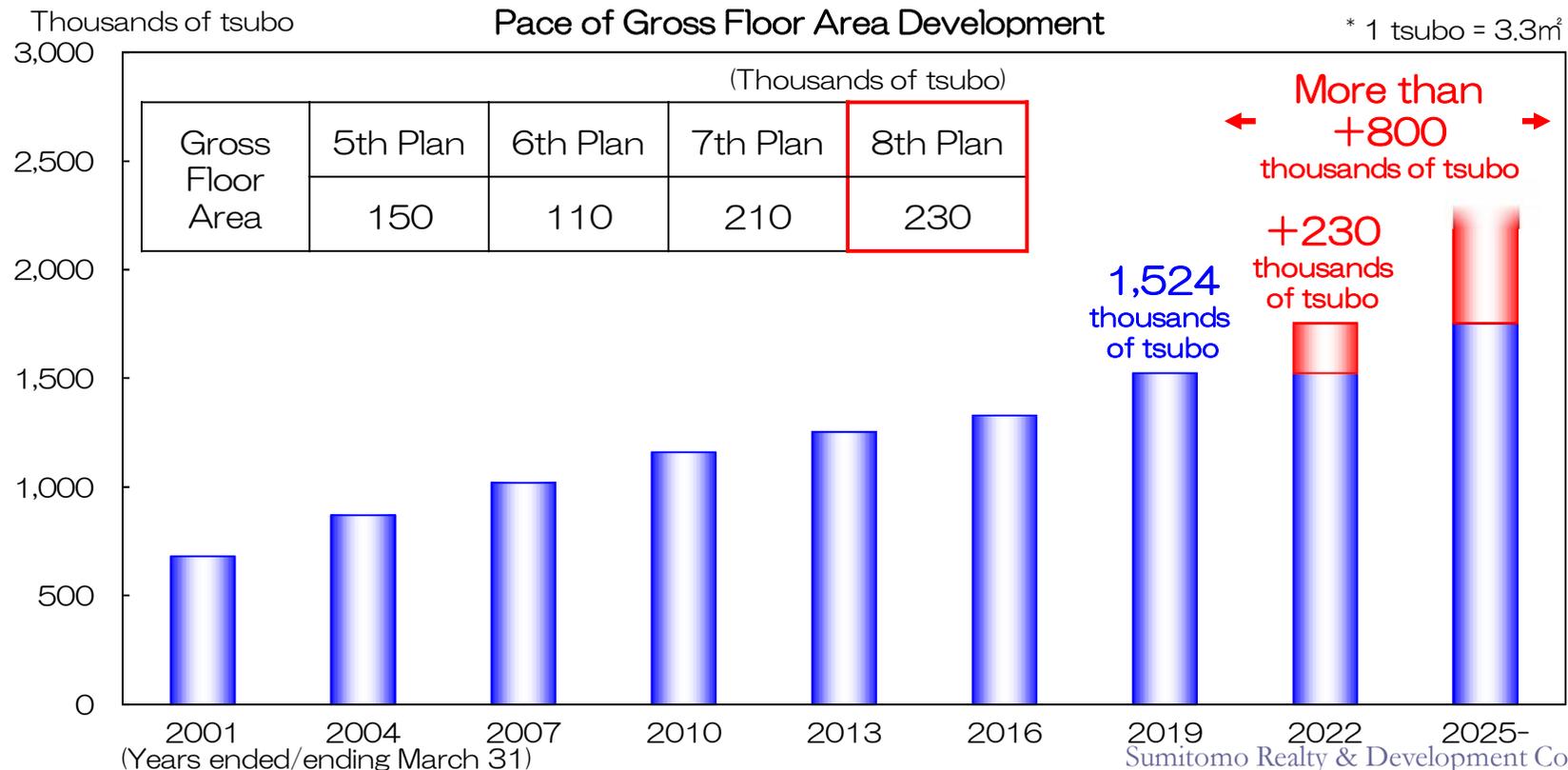
Next Stage

Leasing asset investment plan

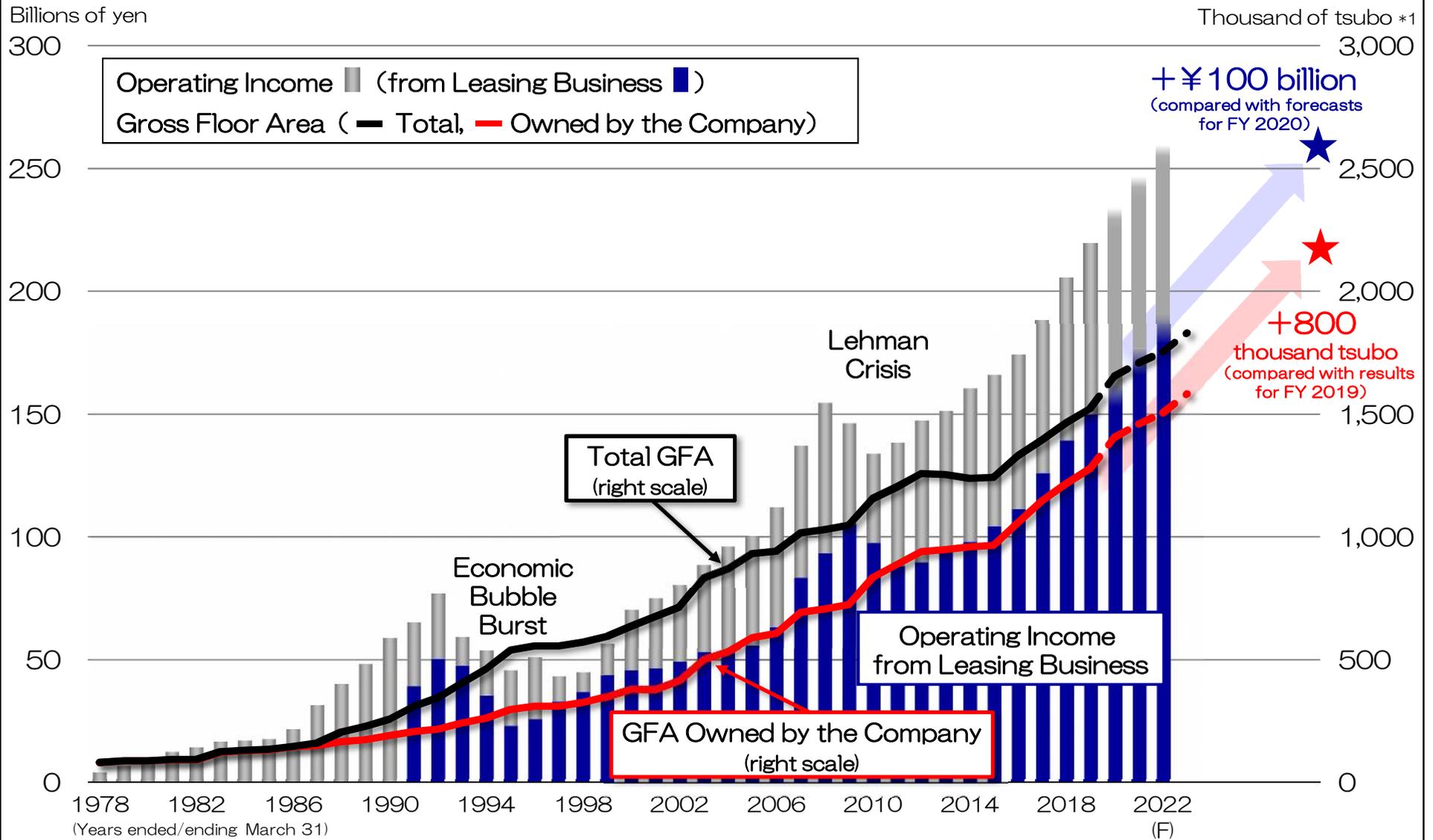
(Non-current asset investment excluding sales assets, such as condominiums for sale)

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

- Concrete development plan for over 800 thousand tsubo* of gross floor area, mainly comprising redevelopment projects. (Equivalent to over 50% of 1,520 thousand tsubo of gross floor area for leasing as of the end of the Seventh Management Plan)
The total investment will amount to ¥2,000 billion, expected to generate profits within six to seven years.
- During the Eighth Management Plan, approximately 30%, or 230 thousand tsubo, of total gross floor area of the investment pipeline will be completed and brought to market.



Consolidated Operating Income and Gross Floor Area

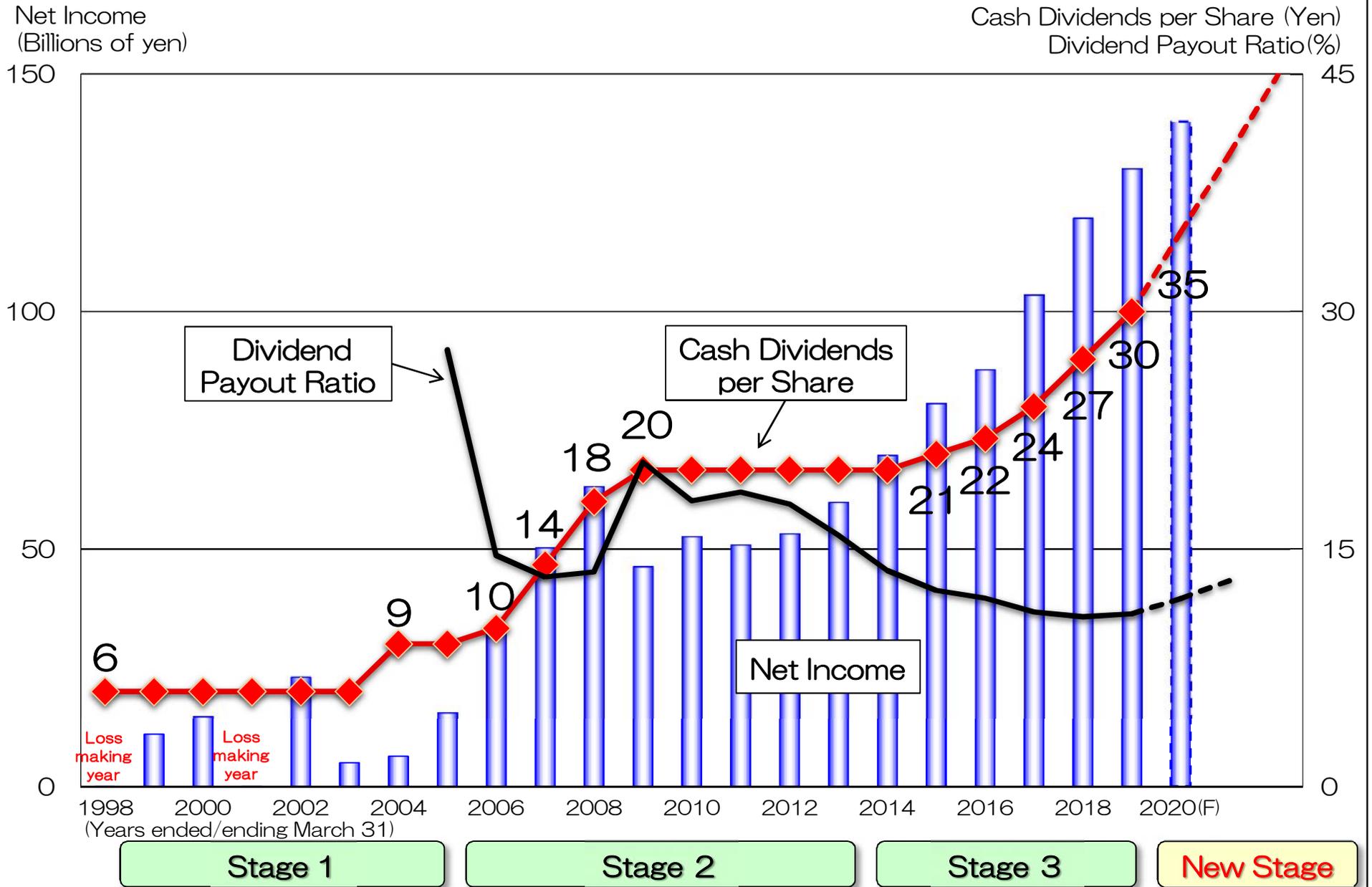


*1 1 tsubo = 3.3m²

*2 Segment information has been disclosed since the March 1991 fiscal year

Financial results for March 2019 fiscal year have been adjusted retroactively, reflecting the adoption of Accounting Standard for Revenue Recognition in Sumitomo Real Estate Sales effective from the beginning of March 2020 fiscal year.

Cash Dividends per Share and Net Income



Sumitomo Realty & Development Co., Ltd. Investor Relations, Corporate Planning Department

Disclaimer

The purpose of this material is to provide information, and not to solicit investments, etc.

This material includes statements regarding future performance. These statements are based on certain assumptions deemed rational by the Company as of the date of publication. They include risks and uncertainties and do not guarantee the achievement of targets and forecasts, or future performance. Please understand that the actual results of the Company's performance may differ due to various factors such as changes in the economic situation, market trends, and the management environment.

The Company has carefully prepared the information provided in this material, but does not guarantee the accuracy and completeness of the information. Moreover, please understand that this content may be changed or eliminated without notice.