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Ticker symbol 8830

June 7, 2021

Sumitomo Realty & Development Co., Ltd.

2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Kojun Nishima

Executive Managing Director and President

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 88TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 88th Ordinary General Meeting of Shareholders of Sumitomo Realty & Development Co., Ltd. (the “Company”) will be held as stated below. Your attendance is respectfully requested.

In the event that you are unable to attend, you can exercise your voting rights with the appropriate form. You are requested to review the attached Reference Documents for General Meeting of Shareholders and indicate your approval or disapproval on the enclosed Form for the Exercise of Voting Rights and return it to the Company **by 5:40 p.m. of Monday, June 28, 2021.**

Particulars

1. Date and Time: 10:00 a.m. on Tuesday, June 29, 2021

2. Place: Shinjuku Sumitomo Hall (Entrance B1F)

Shinjuku Sumitomo Building

2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Please note that the place is different from that of last year.

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for Consolidated Financial Statements for the 88th fiscal year (from April 1, 2020 to March 31, 2021) by the Independent Auditor and the Board of Statutory Auditors
2. Financial Statements for the 88th fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

Agenda 1. Appropriation of Retained Earnings

Agenda 2. Election of Ten Directors

Agenda 3. Election of One Substitute Statutory Auditor

If attending the meeting, you are kindly requested to submit the enclosed Form for the Exercise of Voting Rights to a receptionist.

If any matter is found to be modified in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Financial Statements until the day before the meeting, it will be notified by mail or posted on the Company website. (<http://www.sumitomo-rd.co.jp/english/>)

REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

Agenda and References

Agenda 1. Appropriation of Retained Earnings

The Company's basic policy of profit distribution is to ensure prioritization of investment in rental buildings in order to enhance the long-term revenue base and a "sustainable increase on dividend payments" in line with profit growth. In the fiscal year under review, a decline in profits in the commercial facilities such as hotels and event halls was unavoidable due to the impact of the COVID-19 pandemic. However, profit renewed a record high for the 8th consecutive year as a result of growth of mainstay office building leasing business in both revenue and profits, and also steady trend of housing-related business including condominiums, remodeling and brokerage.

Taking this result into consideration, we would like to propose to continue the "annual dividend increase of 5 yen" and to increase the year-end dividend to 21 yen per share (2 yen increase from the previous fiscal year) as stated in the "Notice Concerning Revision of Year-end Dividend Forecast" dated February 12, 2021.

If this agenda is approved as originally proposed, the annual dividend per share will be 40 yen (5 yen increase from the previous fiscal year), including the interim dividend of 19 yen per share.

For the next fiscal year ending March 31, 2022, we expect to renew record profit for the 9th consecutive year, and we intend to raise the annual dividend by 5 yen from the fiscal year under review to 45 yen (including an interim dividend of 22 yen).

Matters concerning year-end dividends

Type of dividends

Cash

Matters concerning allocation of dividends to shareholders and the aggregate amount

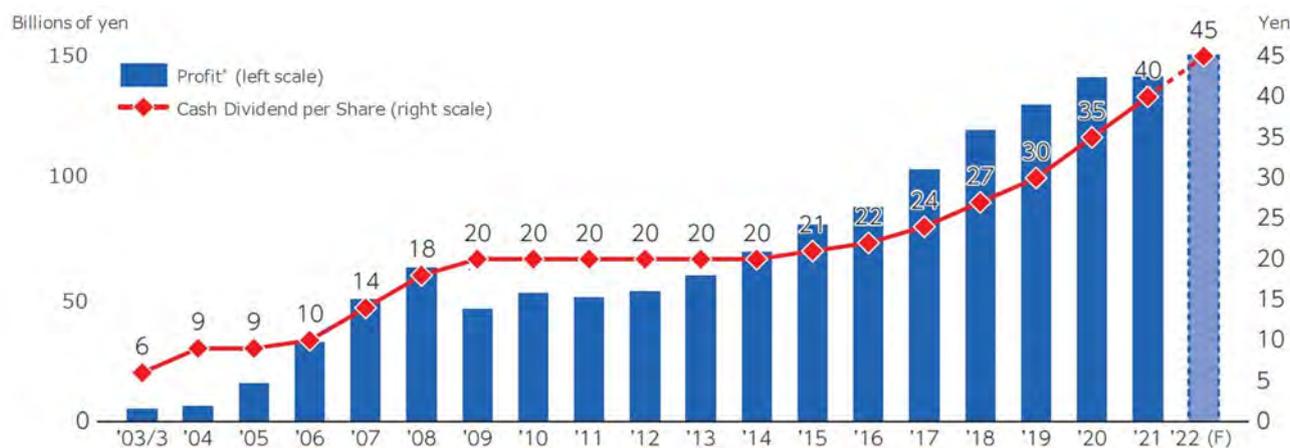
Dividends of 21 yen per share of common stock of the Company

The aggregate amount: 9,952,720,113 yen

The effective date of the appropriation of retained earnings

June 30, 2021

Cash Dividend per Share and Profit*



* Profit refers to Profit attributable to the owners of parent.

Agenda 2. Election of Ten Directors

The term of office of all ten directors will expire upon the conclusion of this meeting, and the Company proposes the election of the ten directors.

Candidates for director:

Candidate number	Name	Current position and responsibility in the Company	Candidate attributes
1	Kenichi Onodera	Director - Chairman of the Board	Reelection
2	Kojun Nishima	Executive Managing Director and President Head of Building Development Division	Reelection
3	Nobuaki Takemura	Executive Managing Director and Deputy President Head of Management Division	Reelection
4	Masato Kobayashi	Executive Managing Director and Deputy President Head of Residential Business Division	Reelection
5	Hiroshi Kato	Director, Senior Managing Executive Officer Head of Shinchiku - Sokkurisan Remodeling Division	Reelection
6	Hisatoshi Katayama	Director, Senior Managing Executive Officer Head of Urban Property Development Division	Reelection
7	Yoshiyuki Odai	Director, Senior Managing Executive Officer Head of Corporate Planning Division	Reelection
8	Koji Ito	Director, Senior Managing Executive Officer Executive Managing Director and President of Sumitomo Real Estate Sales Co., Ltd.	Reelection
9	Yozo Izuhara	Outside Director	Reelection Outside Independent
10	Nobumasa Kemori	Outside Director	Reelection Outside Independent

- Notes:
1. There is no special conflict of interest between each of the candidates and the Company.
 2. The Company has concluded a directors and officers liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. Each candidate will be included as an insured person under said policy. In addition, we plan to renew the policy upon the next renewal with the same terms and conditions.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
1	Kenichi Onodera (February 4, 1947) Reelection	Apr. 1970 Joined the Company June 1998 Director June 2001 Managing Director June 2005 Executive Managing Director June 2007 Director - President June 2013 Director - Deputy Chairman of the Board Sept. 2019 Director - Chairman of the Board (present) (Significant concurrent positions outside the Company) —	30,500
		Reasons for nomination as candidate for Director Mr. Kenichi Onodera leads management of the Company as Director - Chairman of the Board, and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge of the Group's management in general, and therefore proposes his re-election.	
2	Kojun Nishima (March 6, 1961) Reelection	Apr. 1984 Joined the Company Apr. 2000 General Manager of Business Management Department, Building Development Division Apr. 2007 Deputy Head of Urban Property Development Division Apr. 2009 Head of Residential Business Division June 2009 Director Sept. 2009 Head of Building Development Division June 2010 Executive Managing Director (present) June 2013 Director - President (present) May 2017 Head of Building Development Division (present) (Significant concurrent positions outside the Company) —	15,000
		Reasons for nomination as candidate for Director Mr. Kojun Nishima leads management of the Company as Director - President, and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge of the Group's management in general, and therefore proposes his re-election.	

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
3	Nobuaki Takemura (February 13, 1959) Reelection	<p>Apr. 1981 Joined the Company</p> <p>June 2000 General Manager of Accounting Department, Finance and Accounting Division</p> <p>June 2008 Director</p> <p>Oct. 2008 Head of Finance and Accounting Division</p> <p>June 2010 Executive Managing Director (present)</p> <p>Oct. 2012 Head of Business Management Division</p> <p>June 2013 Director - Deputy President (present)</p> <p>Mar. 2016 Head of Management Division (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>–</p>	20,600
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Nobuaki Takemura has experience in finance, accounting, general affairs, human resources, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by especially utilizing his extensive knowledge about the Management Division in general of the Group, and therefore proposes his re-election.</p>			
4	Masato Kobayashi (June 14, 1960) Reelection	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2000 General Manager of Building Planning Department, Building Development Division</p> <p>Apr. 2007 Deputy Head of Urban Property Development Division</p> <p>Apr. 2009 Head of Site Acquisition Division</p> <p>June 2009 Director</p> <p>June 2010 Executive Managing Director (present)</p> <p>Aug. 2010 Head of Residential Business Division</p> <p>June 2013 Director - Deputy President (present)</p> <p>Mar. 2016 Head of Building Development Division, Head of Urban Property Development Division</p> <p>Nov. 2017 Head of Residential Business Division (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>–</p>	14,900
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Masato Kobayashi has experience in real estate development and real estate management related to office building business and condominium business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by especially utilizing his extensive knowledge about the Group's business divisions in general, and therefore proposes his re-election.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
5	Hiroshi Kato (August 1, 1961) Reelection	<p>Apr. 1984 Joined the Company</p> <p>Apr. 2000 General Manager of Related Businesses Department, Building Development Division</p> <p>Apr. 2007 General Manager of Site Acquisition Department, Urban Property Development Division</p> <p>Aug. 2010 Deputy Head of Building Development Division</p> <p>Apr. 2012 Head of New Business Development Division</p> <p>Apr. 2013 Head of Assets Development Division</p> <p>June 2013 Director (present)</p> <p>Sept. 2016 Head of Shinchiku - Sokkurisan Remodeling Division (present)</p> <p>Apr. 2020 Senior Managing Executive Officer (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	13,500
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Hiroshi Kato has experience in real estate development and real estate management related to office building business and housing renovation business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Company's real estate business, and therefore proposes his re-election.</p>			
6	Hisatoshi Katayama (July 11, 1961) Reelection	<p>Apr. 1985 Joined the Company</p> <p>Dec. 2004 Branch Manager of West Tokyo Branch, Urban Property Management Division</p> <p>Dec. 2005 General Manager of Redevelopment Department, Urban Property Development Division</p> <p>Apr. 2010 Deputy Head of Building Development Division</p> <p>Feb. 2014 Deputy Head of Site Acquisition Division in the Metropolitan Area</p> <p>Apr. 2016 Deputy Head of Urban Property Development Division</p> <p>Sept. 2016 Head of Urban Property Development Division (present)</p> <p>June 2018 Director (present)</p> <p>Apr. 2020 Senior Managing Executive Officer (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	10,500
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Hisatoshi Katayama has experience in urban redevelopment, real estate development, and real estate management related to office building business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Company's real estate business, and therefore proposes his re-election.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
7	Yoshiyuki Odai (June 9, 1961) Reelection	<p>Apr. 1985 Joined the Company</p> <p>Sept. 2004 General Manager of Corporate Planning Department, Corporate Planning Division</p> <p>Apr. 2010 Head of Residential Business Division</p> <p>Nov. 2010 Head of Corporate Planning Division</p> <p>June 2011 Director (present)</p> <p>Nov. 2011 Head of Finance and Accounting Division</p> <p>Jan. 2014 Head of Overseas Business Division</p> <p>Nov. 2019 Head of Corporate Planning Division (present)</p> <p>Apr. 2020 Senior Managing Executive Officer (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p>	15,700
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Yoshiyuki Odai has experience in corporate planning, finance, accounting, overseas business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Group's corporate planning and overseas business, and therefore proposes his re-election.</p>			
8	Koji Ito (December 13, 1959) Reelection	<p>Apr. 1984 Joined the Company</p> <p>Apr. 2000 General Manager of Jyosai Operation Department, Building Management Division</p> <p>Apr. 2004 General Manager of Development and Planning Department, Urban Property Development Division</p> <p>Apr. 2009 Head of Construction Technology Division</p> <p>Apr. 2010 Head of Customer Division</p> <p>Apr. 2013 Head of Residential Business Division</p> <p>June 2013 Director (present)</p> <p>Mar. 2016 Head of Housing Renovation Division</p> <p>Apr. 2017 General Manager of General Affairs Department, Management Division</p> <p>Apr. 2019 Executive Managing Director and President of Sumitomo Real Estate Sales Co., Ltd. (present)</p> <p>Apr. 2020 Senior Managing Executive Officer of the Company (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Executive Managing Director and President of Sumitomo Real Estate Sales Co., Ltd.</p>	16,768
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Koji Ito has experience in real estate development, general affairs, and real estate management related to housing business and real estate brokerage business, etc., and the Company expects him to make further contribution to improving the corporate value of the Group by utilizing his extensive knowledge about the Group's administrative division and real estate business, and therefore proposes his re-election.</p>			

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
9	Yozo Izuhara (September 23, 1938) Reelection Outside Independent	<p>Apr. 1962 Joined Nippon Sheet Glass Co., Ltd.</p> <p>June 1996 Managing Director</p> <p>June 1998 Representative Director, President</p> <p>June 2004 Representative Director, Chairman</p> <p>June 2008 Director, Chairman of the Board</p> <p>Oct. 2009 Director, Chairman of the Board - Chairman</p> <p>June 2010 Executive Advisor</p> <p>June 2012 Honorary Senior Advisor (present)</p> <p>June 2014 Outside Statutory Auditor of the Company</p> <p>June 2019 Outside Director (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>—</p> <p>Reasons for nomination as a candidate for Outside Director and expected roles Mr. Yozo Izuhara had served as President and Chairman of Nippon Sheet Glass Co., Ltd., and he has extensive knowledge on overseas business and M&A as a manager. The Company deems him to be suitable as an Outside Director, and therefore proposes his re-election. The Company expects Mr. Yozo Izuhara, mainly through important decision-making of the Board of Directors, to provide supervision of the Group's management and advice aiming at improving corporate value over the medium- to long-term from an independent standpoint.</p>	0

- Notes:
1. The Company has registered Mr. Yozo Izuhara as an independent officer with Tokyo Stock Exchange, Inc.
 2. The Company has entered into a limited liability agreement with him as an outside director in accordance with laws and regulations and the articles of incorporation. Under the agreement, his liability is limited to the minimum limit stipulated by laws and regulations. If this agenda is approved, the Company plans to enter into a limited liability agreement of the same content as above with him.
 3. Nippon Sheet Glass Co., Ltd., in which candidate for Outside Director Mr. Yozo Izuhara was Chairman of the Board, does not hold the Company's shares. The Company holds 0.3% of said company's shares, and the transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.
 4. His tenure as an outside director of the Company will have been two years at the conclusion of this meeting.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
10	Nobumasa Kemori (April 12, 1951) Reelection Outside Independent	<p>Sept. 1980 Joined Sumitomo Metal Mining Co., Ltd.</p> <p>June 2006 Director, Managing Executive Officer</p> <p>June 2007 President, Representative Director</p> <p>June 2013 Chairman, Representative Director</p> <p>June 2016 Chairman</p> <p>June 2017 Executive Advisor (present)</p> <p>June 2019 Outside Director of the Company (present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of NAGASE & CO., LTD.</p> <p>Outside Director of JFE Holdings, Inc.</p>	0
		<p>Reasons for nomination as a candidate for Outside Director and expected roles</p> <p>Mr. Nobumasa Kemori had served as President and Chairman of Sumitomo Metal Mining Co., Ltd., and he has extensive knowledge of the mining industry from a long-term perspective and overseas business as a manager. The Company deems him to be suitable as an Outside Director, and therefore proposes his re-election. The Company expects Mr. Nobumasa Kemori, mainly through important decision-making of the Board of Directors, to provide supervision of the Group's management and advice aiming at improving corporate value over the medium- to long-term from an independent standpoint.</p>	

- Notes:
1. The Company has registered Mr. Nobumasa Kemori as an independent officer with Tokyo Stock Exchange, Inc.
 2. The Company has entered into a limited liability agreement with him as an outside director in accordance with laws and regulations and the articles of incorporation. Under the agreement, his liability is limited to the minimum limit stipulated by laws and regulations. If this agenda is approved, the Company plans to enter into a limited liability agreement of the same content as above with him.
 3. Regarding Sumitomo Metal Mining Co., Ltd., in which candidate for Outside Director Mr. Nobumasa Kemori was Chairman, said company holds 1.0% of the Company's shares, and the Company holds 1.3% of said company's shares. The transaction amount between said company and the Company (most recent fiscal year) is less than 1% of sales for both companies; since both capital and business relationships are small, the Company deems there is no impact on independence.
 4. His tenure as an outside director of the Company will have been two years at the conclusion of this meeting.

(Reference) Members of Directors, Statutory Auditors (after approval and adoption of this agenda)

If Agenda 2 is approved as originally proposed, the members of directors and statutory auditors will be as follows.

	Name	Position in the Company	Attributes	Gender
Reelection	Kenichi Onodera	Director - Chairman of the Board		Male
Reelection	Kojun Nishima	Executive Managing Director and President		Male
Reelection	Nobuaki Takemura	Executive Managing Director and Deputy President		Male
Reelection	Masato Kobayashi	Executive Managing Director and Deputy President		Male
Reelection	Hiroshi Kato	Director, Senior Managing Executive Officer		Male
Reelection	Hisatoshi Katayama	Director, Senior Managing Executive Officer		Male
Reelection	Yoshiyuki Odai	Director, Senior Managing Executive Officer		Male
Reelection	Koji Ito	Director, Senior Managing Executive Officer		Male
Reelection	Yozo Izuhara	Outside Director	Outside Independent	Male
Reelection	Nobumasa Kemori	Outside Director	Outside Independent	Male
Present	Yoshifumi Nakamura	Full-time Statutory Auditor		Male
Present	Toshikazu Tanaka	Full-time Statutory Auditor		Male
Present	Yoshiyuki Norihisa	Outside Statutory Auditor	Outside Independent	Male
Present	Chiyono Terada	Outside Statutory Auditor	Outside Independent	Female

Independent: Independent officer registered with the Tokyo Stock Exchange

Agenda 3. Election of One Substitute Statutory Auditor

The Company requests approval for the election of one substitute statutory auditor, to provide for the case where the number of incumbent auditors becomes less than the number stipulated in laws and regulations, which require majority is comprised of outside statutory auditors. The board of statutory auditors has consented to this agenda.

Candidate for substitute statutory auditor:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
<p>Kozo Uno (July 3, 1933)</p> <p>Outside Independent</p>	Aug. 1963 Registered as certified public accountant	0
	July 1969 Senior Partner of the auditing corporation Asahi & Co. (Currently KPMG AZSA LLC)	
	Apr. 1974 Registered as certified tax accountant	
	May 1974 Founded Uno Kozo Certified Public Accountant Office (present)	
	Oct. 1993 Vice President of Asahi & Co (Currently KPMG AZSA LLC)	
	May 1997 President of Asahi & Co	
	May 1999 Chairman of Asahi & Co	
	May 2001 Retired from Asahi & Co	
<p>Reasons for nomination as candidate for Substitute Outside Statutory Auditor</p> <p>Mr. Kozo Uno has expertise as certified public accountant and certified tax accountant, and rich experience and wide discernment as president of auditing firm, etc. The Company deems him to be suitable as a Substitute Outside Statutory Auditor, and therefore proposes his election.</p>		

- Notes:
1. There is no special conflict of interest between the candidate and the Company.
 2. If this agenda is approved and Mr. Kozo Uno assumes office as an outside statutory auditor, the Company will register him as an independent officer with Tokyo Stock Exchange, Inc.
 3. If this agenda is approved and he assumes office as an outside statutory auditor, the Company will enter into a limited liability agreement with him in accordance with laws and regulations and the articles of incorporation. Under the agreement, his liability is limited to the minimum limit stipulated by laws and regulations.
 4. The Company has concluded a director and office liability insurance policy with an insurance company, whereby insured persons will be compensated for any legal damages and litigation costs incurred under the policy. If he is appointed as an outside statutory auditor after the agenda is approved, he will be included as an insured person under the insurance policy.

(Reference) Status of the Company's Corporate Governance

■ **Basic Views of Corporate Governance**

The Company is a comprehensive real estate enterprise of the Sumitomo Group which has a history of 430 years and inherits Sumitomo's business philosophy of "Placing prime importance on integrity and sound management in the conduct of its business" and "Under no circumstances, shall it pursue easy gains." The Company's slogan, "Integrity and Innovation" expresses its corporate stance to all stakeholders including employees, customers, business partners, creditors, shareholders, etc. This includes the pride as a developer which values "Integrity" above all, and creates new corporate value with a pioneering spirit, without pursuing easy gains under any circumstances.

Under this slogan, we have set forth our fundamental mission as to "create even better social assets for the next generation," and our basic management policy aims to contribute to addressing various social issues such as the environment, while at the same time maximizing corporate value through each business.

This fundamental mission also includes a reminder "do not rest on seniors' laurels and make the best efforts for a better company for the next generation." At this point in time, we believe that the management of the Company should continue to be carried out by people mainly from within the Company who have inherited the strong will to sow the seeds of growth for the sake of the next generation. In so doing, we believe that employees will be able to maintain a high level of motivation to eventually participate in management.

In consideration of this basic stance, we are working to further strengthen and enhance corporate governance so as to contribute to the improvement of the Company's corporate value over the medium- to long-term, by working on collaboration and dialogue with all stakeholders including shareholders, improving the efficiency of decision-making, appropriate supervision of execution, and proper disclosure of information.

■ **Corporate Governance System**

In order for the Company to continue growing, we believe that people from within the Company who are deeply familiar with the significance of continuing to invest, always looking resolutely forward even in difficult times, should be the core members of management and execution; hence we have a structure as a company with a Board of Statutory Auditors, where the Board of Directors bears responsibility for execution, and statutory auditors take on the management supervision function.

Eight directors, mainly from within the Company, who are deeply familiar with the business content, are in charge of management and execution, while two outside directors and four statutory auditors for a total of six persons, which accounts for over 40% of the 14 Board of Directors attendees, are responsible for the management supervision function. In order to fully demonstrate the supervisory function, we have built a system to accurately grasp the management condition and issues and to cooperate with each other as follows. We believe that the Company's corporate governance is sufficiently functioning, as its effectiveness is being reflected in our business results.

Board of Directors

The Board of Directors promotes the sustainable growth of the Company and the enhancement of corporate value over the medium- to long-term, improves profitability and business efficiency, and prevents fraud before it occurs. In order to do so, it is responsible for deliberating and deciding important matters for the Company such as basic management policy and management strategy, as well as supervising the execution of duties by each director.

It is comprised of eight directors from within the Company who are in charge of business execution as they are deeply familiar with the significance of always looking resolutely forward and continuing to invest for sustainable growth, and two outside directors with experience as chairman and president of Sumitomo Group Companies, who share the Sumitomo's business philosophy and understand the Company's management principles.

The Company deems both of the two outside directors are suitable as outside directors based on their extensive experiences in management at other companies, character and insight. We are improving the rationality of management decisions by receiving their ideas that are not bound by the established concepts of the industry and advice based on their global perspectives.

In order for outside directors to deepen their understanding of the Company's management conditions and issues, we held eight briefings for outside directors during the fiscal year under review to explain the agenda of the Board of Directors and the content of discussions at management meetings.

· **Executive Officer System**

Due to the limited number of directors, we have introduced an executive officer system comparable with directors so that we can appoint officers necessary for business expansion, and we have appointed six executive officers who do not concurrently serve as directors. Compensation for executive officers who are non-concurrent directors is to be paid from the total compensation for directors because they are considered to be comparable with directors.

· **Statutory Auditors and Board of Statutory Auditors**

Statutory auditors are responsible to supervise whether directors are performing their duties properly by using the powerful authority endorsed by law.

The Board of Statutory Auditors consists of four statutory auditors, half of whom are the two outside statutory auditors.

The two full-time statutory auditors from within the Company are quite familiar with the internal circumstances of the Company, and they enhance the effectiveness of audits due to their high information-gathering abilities.

The two outside statutory auditors have extensive experience in management at other companies, and the Company deems they are suitable as outside statutory auditors in view of their character and insight as well. Both of them exchange opinions with the full-time statutory auditors, the Internal Audit Office, and the Independent Auditors as appropriate, and express their opinions to Board of Directors from an independent standpoint, ensuring the objectiveness of audits.

The Board of Statutory Auditors held meetings 13 times during the fiscal year under review to receive reports from the Independent Auditor and the Internal Audit Office, and to interview the head of each Department on their respective management status.

· **Board of Outside Directors and Auditors**

In order for outside directors and outside statutory auditors to fully perform their roles, we have established a Board of Outside Directors and Auditors with only four members, comprised of outside directors and outside statutory auditors.

The Board of Outside Directors and Auditors directly hears from each officer about the execution status of the duties of which he or she is in charge and the issues they are aware of, as well as giving appropriate advice. In the event of whistle-blowing report toward officers, outside statutory auditors receive a report directly to share at the Board of Outside Directors and Auditors.

· **Internal Audit Structure**

We have established the Internal Audit Office (16 persons) to check the business execution status of each Department of the Group and the operational status of internal controls, to prevent fraud and errors, and to make proposals for operational improvement. In addition to reporting the audit results of the Independent Auditors, the Internal Audit Office reports directly to the Statutory Auditors to enhance and improve the efficiency of audits by the Statutory Auditors.

■ Initiatives for Promoting Diversity

We have been actively promoting diversity since before, based on the awareness that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics within the Company is a strength that supports the sustainable growth of the Company.

For more than 20 years, we have been actively hiring people with diverse careers at other companies as individuals who can be immediately effective in the Company. Today, mid-career hires with work experience at other companies account for 90% of our employees, and are the source of the Company's growth.

In addition, we believe that equal opportunity in promoting employees to management positions is the most important factor for increasing their motivation, so we promote employees based solely on their enthusiasm, ability, and achievements, regardless of gender or whether they were hired as new graduates or as mid-career hires. As a result, more than 60% of our managers are currently mid-career hires, ensuring diversity in the managerial positions.

We are also actively working on the promotion of female participation and career advancement. Firstly, we have announced a numerical target for the ratio of female employees in sales and engineering positions that support our front line operations (25% in sales and 13% in engineering positions). By further increasing the ratio of female in our employees and working on their career development to expand the pool of our human resources, we will increase the number of female employees for future promotion and gradually promote them to managerial positions.

We believe that diversity in managerial positions should be ensured naturally as a result of fair appointments. We believe that setting a numerical target for diversity in managerial positions may distort equal opportunity in the appointment of managers and lower the morale of employees as a whole, and therefore we will not set such a numerical target.

(Appendix)

Business Report

(April 1, 2020 - March 31, 2021)

I. Overview of the Corporate Group

1. Business Progress and Results, and Issues to be Addressed

(1) Overview of consolidated results

Record-high profit for the eighth consecutive year

The financial results for the consolidated fiscal year under review is as shown in the table below. Although revenue from operations, operating income, and ordinary profit declined from the previous year, profit attributable to owners of parent increased for the tenth consecutive year, achieving record-high results for the eighth consecutive year.

Increased revenue and profit in office building business, double-digit profit growth in condominium sales

By segment, in the leasing business, the commercial facilities such as hotels and event halls were significantly affected by the new coronavirus disease (COVID-19). However, the mainstay office building business recorded increases in both revenue and profit by maintaining low vacancy rates and underpinned the performance as a whole. Further, due to reduced advertising and selling expenses and improvements in gross profit margin, the sales business, focusing on condominium sales, recorded double-digit growth in profit, contributing to the overall result. As a result, revenue from operations for the fiscal year was ¥917.4 billion (down 9.5% year-on-year) and operating income was ¥219.2 billion (down 6.4% year-on-year).

Non-operating gains/losses continued to improve, contributing to the increase in final profit figures

Non-operating loss recorded ¥9.2 billion yen (an improvement of ¥4.5 billion year-on-year), mainly due to an increase in dividend income and a decrease in interest expense. Extraordinary income recorded ¥11.8 billion after transferring all of its equity interest in the condominium development joint venture company in Dalian City, China. As a result, ordinary profit was ¥209.9 billion (down 4.8% year-on-year) and profit attributable to owners of parent reached ¥141.3 billion (up 0.3% year-on-year).

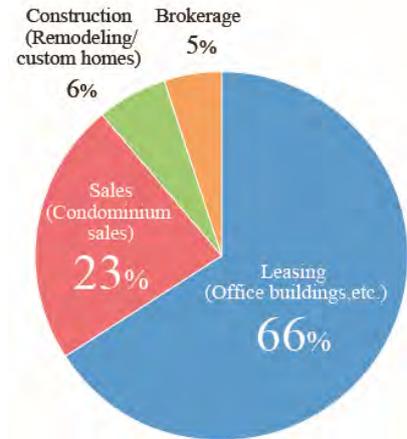
	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)	YoY change
Revenue from operations	¥ 917.4 billion	(¥ 96.0 billion)
Operating income	¥ 219.2 billion	(¥ 15.0 billion)
Ordinary profit	¥ 209.9 billion	(¥ 10.5 billion)
Profit attributable to owners of parent	¥ 141.3 billion	+¥ 0.3 billion

Business results by segment are as follows.

Revenue from operations	FY2020	YoY change
Leasing	¥398.2 billion	+¥ 2.6 billion
Sales	¥263.3 billion	(¥61.5 billion)
Construction	¥188.7 billion	(¥30.2 billion)
Brokerage	¥ 65.7 billion	(¥ 5.4 billion)

Operating income	FY2020	YoY change
Leasing	¥155.2 billion	(¥14.1 billion)
Sales	¥ 53.9 billion	+¥ 7.4 billion
Construction	¥ 15.5 billion	(¥ 5.0 billion)
Brokerage	¥ 11.4 billion	(¥ 3.1 billion)

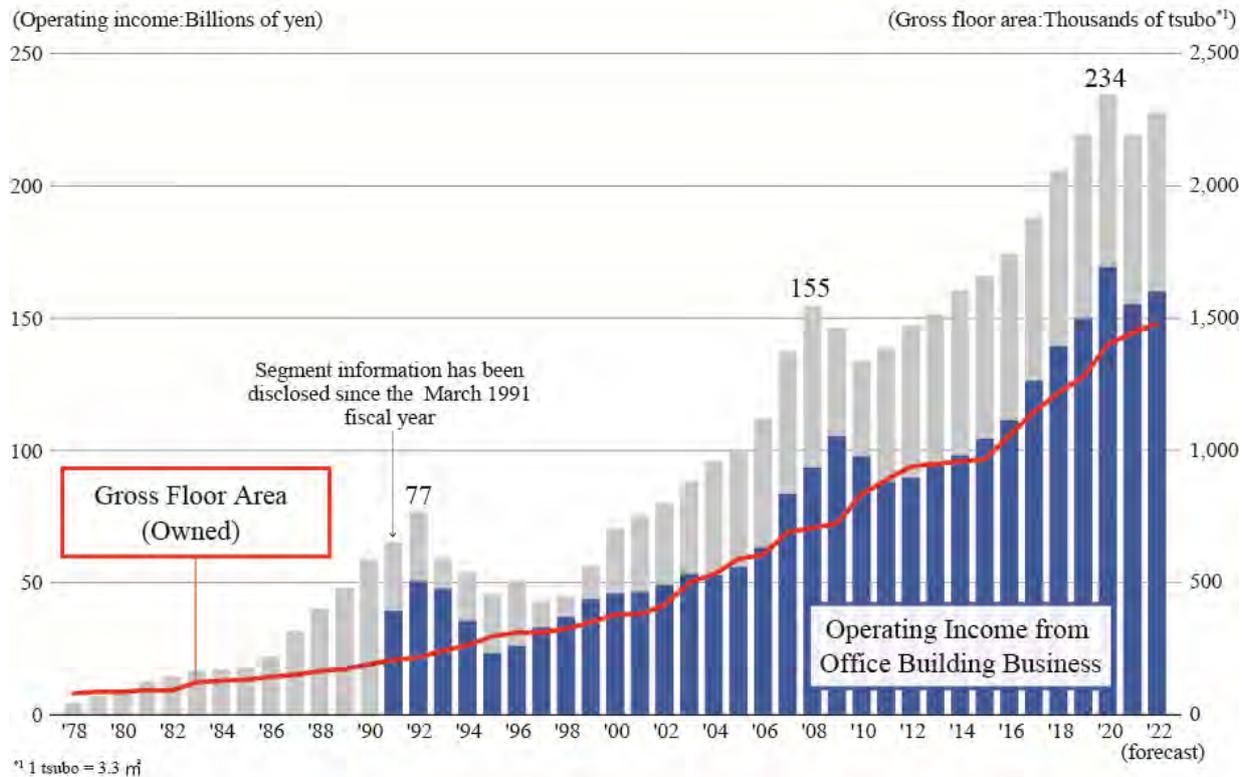
Ratio of operating income



Note: Percentage is calculated from figures before elimination and/or corporate for the fiscal year ended March 31, 2021.

Consolidated operating income and gross floor area for leasing (owned)

The office building business has shown “sustainable growth” alongside the growth in owned gross floor area



(2) **Outlook for next fiscal year**

Forecasts for the next consolidated fiscal year (year ending March 31, 2022) are as shown below. The underlying assumptions of these forecasts are that there will not be a full recovery before the end of the fiscal year from the decline in the commercial facilities such as hotels and event halls of the leasing business due to the impact of COVID-19 and that the business environment will remain same level as the previous year.

The mainstay office building business will underpin performance with an increase in profit due to factors such as full-year contribution of new buildings and decline in temporary expenses. In addition, the construction and brokerage businesses are expected to turn to increase in profit, due to recovered orders and contracts, contributing to business performance.

As a result, revenue from operations, operating income, ordinary profit, and profit attributable to owners of parent will all increase from the previous year. We intend to achieve a record-high ordinary profit after a two-year dip, and the ninth consecutive year of record-high in profit attributable to owners of parent.

	FY2021 Forecast (Apr. 1, 2021 – Mar. 31, 2022)	YoY change
Revenue from operations	¥920.0 billion	+¥ 2.5 billion
Operating income	¥228.0 billion	+¥ 8.7 billion
Ordinary profit	¥221.0 billion	+¥11.0 billion
Profit attributable to owners of parent	¥150.0 billion	+¥ 8.6 billion

(Outlook by segment)

Revenue from operations	FY2021 Forecast	YoY change
Leasing	¥400.0 billion	+¥ 1.7 billion
Sales	¥245.0 billion	(¥18.3 billion)
Construction	¥200.0 billion	+¥11.2 billion
Brokerage	¥ 75.0 billion	+¥ 9.2 billion

Operating income	FY2021 Forecast	YoY change
Leasing	¥160.0 billion	+¥ 4.7 billion
Sales	¥ 50.0 billion	(¥ 3.9 billion)
Construction	¥ 18.0 billion	+¥ 2.4 billion
Brokerage	¥ 16.0 billion	+¥ 4.5 billion

(3) **Progress of the Eighth Management Plan**

The Company has been operating under the Eighth Management Plan since April 2019. Despite the record-high results for the seventh consecutive year in the previous fiscal year, the initial year of the plan, declines in revenue and profit were unavoidable due to the impact of COVID-19 in the fiscal year under review, the second year of the plan, as described in the above Overview of Consolidated Results. The table below shows the forecasts for the next fiscal year, the final year of the Plan, and the 3-year cumulative 8th Plan forecasts. It will be difficult to achieve the initial targets, which were formulated before the COVID-19 pandemic, but compared to the Seventh Management Plan, which marked a record-high results, operating income and ordinary profit are expected to exceed by 10–20%.

With no immediate prospects for the end of the COVID-19 situation, the future outlook remains uncertain, we will strive to steadily achieve our forecasts for the next fiscal year so that we will be able to reach record-high profits for the third consecutive management plan, from the Sixth Management Plan through to the Eighth.

	7th Plan Results (Apr. 1, 2016 – Mar. 31, 2019)	8th Plan Forecasts (Three-year cumulative)				(Billions of yen)	
		FY2019	FY2020	FY2021 Forecast		Vs. 7th Plan	8th Plan Targets* (Apr. 1, 2019 – Mar. 31, 2022)
Revenue from operations	2,885.8	1,013.5	917.4	920.0	2,851.0	(34.8)	3,100.0
Operating income	613.2	234.3	219.2	228.0	681.6	+ 68.4	740.0
Ordinary profit	557.8	220.5	209.9	221.0	651.5	+ 93.7	700.0

*Announced on May 16, 2019

(4) Overview of each segment for the fiscal year under review

Leasing

	Revenue from Operations		Operating Income	
FY2020 (YoY change)	¥398.2 billion	+¥ 2.6 billion	¥155.2 billion	(¥14.1 billion)
FY2021 forecast (YoY change)	¥400.0 billion	+¥ 1.7 billion	¥160.0 billion	+¥ 4.7 billion

Revenue and profit increased for office buildings, by contribution from higher rents in existing buildings

In the consolidated fiscal year under review, revenue and profit in the office building business increased due to the effects of higher rent in existing buildings and full-year contribution from Sumitomo Fudosan Shinjuku Central Park Tower, Sumitomo Fudosan Akihabara First Building, and other new buildings that were completed in the previous fiscal year.

On the other hand, the commercial facilities such as hotels and event halls were impacted by the two state-of-emergency declarations, ending the fiscal year with a significant decline in revenue (down ¥13.4 billion year-on-year). Operation of Ariake Garden, the large commercial complex completed in March 2020, is progressively starting, but the opening of Haneda Airport Garden is being postponed.

As a result, while this segment secured an increase in revenue compared to the previous fiscal year, operating income declined.

Vacancy rate in existing buildings remains low, and new buildings are fully occupied

Although the vacancy rate in existing buildings rose slightly to 2.8% (up from 1.4% at end of the previous fiscal year), it maintained historically low levels. In addition, all buildings newly completed in the fiscal year under review, such as Sumitomo Fudosan Kojimachi Garden Tower and Sumitomo Fudosan Ochanomizu Building, are fully occupied, and favorable progress is being made in tenant-seeking activities for buildings to be completed in the next fiscal year, such as Sumitomo Fudosan Tamachi Building East.

Vacancy rate in existing buildings

	End of FY2019	End of FY2020
	1.4%	2.8%

Sales

	Revenue from Operations		Operating Income	
FY2020 (YoY change)	¥263.3 billion	(¥ 61.5 billion)	¥ 53.9 billion	+¥ 7.4 billion
FY2021 forecasts (YoY change)	¥245.0 billion	(¥ 18.3 billion)	¥ 50.0 billion	(¥ 3.9 billion)

Record-high operating income by improved profit margin

In the consolidated fiscal year under review, a total of 4,164 condominium units, detached houses, and land lots were delivered (down 1,267 units year-on-year), owing to the start of delivery of units in City Tower Oimachi, and City Terrace Machida Station Court, etc. Although the segment's revenue decreased due to the decline in the number of units delivered, it successfully increased operating income to a record high with reduced advertising and selling expenses and improved gross profit margin.

Steady progress in condominium contracting, with 80% of units to be delivered in the next fiscal year already sold

The number of condominium units sold totaled 3,047 units (down 1,818 units year-on-year), a significant decline compared with the previous year, partly due to the self-restraint practiced in sales and marketing activities under the state-of-emergency declarations. However, at the beginning of the fiscal year, approximately 80% of the 3,800 units planned to be delivered in the next fiscal year were sold (approximately 80% in the previous year), indicating sufficient progress.

	FY2020	YoY change
Number of condominium units sold	3,047 units	(1,818 units)
Number of units delivered	4,164 units	(1,267 units)
Condominiums/detached houses	4,149 units	(1,264 units)
Land lots	15 units	(3 units)
Revenue from operations	¥263.3 billion	(¥ 61.5 billion)
Condominiums/detached houses	¥252.3 billion	(¥ 62.0 billion)
Land lots/others	¥ 11.0 billion	+¥ 0.5 billion

Construction

	Revenue from Operations		Operating Income	
FY2020 (YoY change)	¥188.7 billion	(¥30.2 billion)	¥ 15.5 billion	(¥ 5.0 billion)
FY2021 forecast (YoY change)	¥200.0 billion	+¥11.2 billion	¥ 18.0 billion	+¥ 2.4 billion

Orders are on a recovering trend, up year-on-year

In the consolidated fiscal year under review, the number of units contracted fell significantly in the first quarter due to restrictions on large-scale events for attracting customers and face-to-face sales activities under the state-of-emergency declarations. However, the second quarter onward saw an upward trend of recovery, with the number of units contracted increasing year-on-year for three consecutive quarters in both the Shinchiku Sokkurisan remodeling and custom home construction businesses.

In results for this segment, both revenue and profit declined, as the number of units delivered fell for both businesses, partly due to the decline in orders in the previous fiscal year, when the consumption tax increase was implemented.

	FY2020	YoY change
Number of units contracted	10,061 units	+ 395 units
Shinchiku Sokkurisan remodeling	7,534 units	+ 28 units
Custom Homes	2,527 units	+ 367 units
Number of units delivered	9,940 units	(1,987 units)
Shinchiku Sokkurisan remodeling	7,566 units	(1,735 units)
Custom Homes	2,374 units	(252 units)
Revenue from operations	¥178.5 billion	(¥ 28.0 billion)
Shinchiku Sokkurisan remodeling	¥ 98.1 billion	(¥ 21.6 billion)
Custom Homes	¥ 80.3 billion	(¥ 6.4 billion)

Brokerage

	Revenue from Operations		Operating Income	
FY2020 (YoY change)	¥ 65.7 billion	(¥ 5.4 billion)	¥ 11.4 billion	(¥ 3.1 billion)
FY2021 forecast (YoY change)	¥ 75.0 billion	+¥ 9.2 billion	¥ 16.0 billion	+¥ 4.5 billion

Number of transactions on a recovering trend, up year-on-year

In the consolidated fiscal year under review, the number of transactions (contract basis) fell significantly in the first quarter (April – June) to 6,362 transactions (down 2,771 year-on-year), due to the impact of self-restraint in sales and marketing activities under the state-of-emergency declarations. However, it subsequently recovered primarily in existing condominiums, recording 29,568 transactions in second to fourth quarters (July – March) (up 1,950 year-on-year) to achieve year-on-year increases for three consecutive quarters.

In results for this segment, the number of transactions (delivery basis) fell to 35,122 (down 2,593 year-on-year), resulting in a decline in revenue and profit.

The total number of directly operated offices declined to 269 nationwide as of the end of the fiscal year under review (down by seven from the end of the previous fiscal year), due to changes made such as closing offices that were unprofitable with overlapping sales areas and opening new offices in central Tokyo specialized in condominium brokerage.

	FY2020	YoY change
Number of transactions	35,122	(2,593)
Transaction value	¥1,241 billion	(¥ 46.4 billion)
Value per transaction	¥ 35 million	+¥ 1 million

(5) **Promotion of ESG and contributions to SDGs**

The Company has been practicing sustainable management that inherits Sumitomo’s Business Philosophy, which has continued for 430 years.

Our major initiatives regarding ESG for the fiscal year under review are listed below. We aim to contribute to addressing social issues, at the same time maximizing our corporate value by promoting ESG through our business activities. We will also contribute to the achievement of UN’s Sustainable Development Goals (SDGs).

For environment, we have achieved a high degree of energy conservation over the years. As a real estate developer, we will continue to promote energy conservation even further by improving the environmental performance of buildings through development of new properties and the renovation of existing properties, as well as raising awareness during the operations of these properties. In this way, we will contribute to the achievement of Japan’s target of net zero greenhouse gas emissions by 2050.

In fiscal 2019, the Company achieved a 30% reduction in per-unit energy consumption (energy consumption per unit of leased floor area) compared to fiscal 2009. With this achievement, we were recognized as an “S rank business operator,” the highest rank given for energy conservation efforts, for the fourth consecutive year.

Major initiatives in FY2020 (fiscal year ended March 2021)		E: Environment	S: Social	G: Governance
April 2020	<ul style="list-style-type: none"> Introduced an executive officer system. Established the Sustainable Procurement Guidelines. 		E	S G
June 2020	<ul style="list-style-type: none"> Completed “Sankaku Hiroba (triangular plaza),” a large atrium in Shinjuku Sumitomo Building 		E	S
August 2020	<ul style="list-style-type: none"> Held a culture and art support event, Komogomo Exhibition at Ariake Garden. 			S
September 2020	<ul style="list-style-type: none"> Held a community disaster awareness event, Disaster Prevention and First-Aid Fair at Ariake Garden. 			S
October 2020	<ul style="list-style-type: none"> Joined the UN Global Compact. 		E	S G
December 2020	<ul style="list-style-type: none"> Acquired DBJ Green Building Certification for 26 buildings in total, covering approximately 770,000 tsubo (one tsubo is roughly 3.3 m²), the largest gross floor area in the office building category. Endorsed Task Force on Climate-related Financial Disclosures (TCFD). Exhibited art by artists with disabilities at the Company’s project site (collaboration with Toppan Printing Co., Ltd.). 		E	S
February 2021	<ul style="list-style-type: none"> Sumitomo Fudosan Onarimon Tower received the Minato-ku Green Urban Development Award. Updated ESG Report. 		E	S G
March 2021	<ul style="list-style-type: none"> Held an earthquake disaster reconstruction event at Ariake Garden. Recognized in the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category). Introduced RE100 compliant electricity (100% renewable power) derived from tenant’s own solar power plant on a per-tenant basis, the first initiative in Japan (collaboration with Fuyo General Lease Co., Ltd.). 		E	S

*Please refer to the press releases on the Company website for details.

E

Environment

Acquired the largest gross floor area in the Office Building Category of DBJ Green Building Certification

As an objective means of ascertaining the performance of the properties it has developed, the Company acquired DBJ Green Building Certification, which recognizes buildings' "environmental and social awareness," for all of its owned buildings over 50,000 m². A total of 26 buildings with gross floor area of 770,000 tsubo (one tsubo is roughly 3.3m²) have acquired the certification, the largest gross floor area held among the owners of buildings in the Office Building category of the DBJ Green Building Certification (as of October 31, 2020, researched by the Company).

Going forward, we will continue to contribute to the creation of high-value assets that offer a high standard of both environmental and social performance.

S

Society

Recognition as 2021 Certified Health & Productivity Management Outstanding Organization

The Company has been recognized in the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category), which is operated jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council).

We will continue our efforts to create a healthy, safe, and energetic environment, for our employees to maximize their potential, as well as to maintain and improve the health of our employees, with the aims of further improving productivity and our corporate value.

G

Governance

Introduction of executive officer system

As the Company is actively developing its businesses with the aim of sustainable growth, we have introduced an executive officer system, comparative to directors, to enable the appointment of officers necessary for business expansion. Going forward, we will strive to further expand the Company's business operations and enhance employee morale, while at the same time focusing our efforts on the improvement of corporate governance.

Managing Executive Officer	Ryuzo Amemiya
Executive Officers	Ichiro Wada
	Hiroyuki Hashizume
	Makoto Nakano
	Takuji Iba
	Kenichi Kawai

2. Status of Capital Investments

In the fiscal year under review, the Company made capital investments totaling ¥367.7 billion, primarily in the development of new office buildings.

3. Status of Financing

In the fiscal year under review, the Company did not conduct any capital increases, corporate bond issuances, etc., and obtained necessary funds through borrowings from financial institutions, etc. and commercial papers.

4. Status of Assets and Profit and Loss

(In millions of yen, unless otherwise specified.)

Item	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021 (Fiscal year under review)
Revenue from operations	948,402	1,012,198	1,013,512	917,472
Operating income	205,637	219,389	234,332	219,244
Ordinary profit	186,870	203,227	220,520	209,949
Profit attributable to owners of parent	119,731	130,102	140,997	141,389
Earnings per share (yen)	252.62	274.51	297.50	298.33
Total assets	5,167,198	5,130,118	5,317,623	5,673,666
Total net assets	1,114,975	1,202,103	1,294,998	1,503,021
Net assets per share (yen)	2,352.53	2,536.40	2,732.41	3,171.34

- Notes:
1. Figures have been rounded down to the nearest million yen. Earnings per share and net assets per share have been rounded up or down to the nearest second decimal place.
 2. Due to the retrospective application of changes to accounting policies, the financial figures indicated for the fiscal year ended March 31, 2019 are those after the retrospective application.

5. Principal Business (as of March 31, 2021)

Business	Description of main businesses
Leasing	Leasing/management of office buildings, rental apartments, etc. Operation/management of hotels, event halls, retail facilities, etc.
Sales	Sales of condominium units, detached houses, etc.
Construction	Construction/remodeling of detached houses, condominiums, etc.
Brokerage	Brokerage of real estate sales, sales agent of residential properties
Other	Fitness club, restaurant, etc.

6. Status of Major Subsidiaries (as of March 31, 2021)

Name	Capital (million yen)	Percentage of voting rights	Description of main businesses
Sumitomo Real Estate Sales Co., Ltd.	2,970	100.0%	Brokerage of real estate sale and leasing; and sales agent of residential properties, etc.
Sumitomo Fudosan Tatemono Service Co., Ltd.	300	100.0%	Property management service, etc.
Sumitomo Fudosan Syscon Co., Ltd.	70	100.0%	Interior designing and sales, display suite construction
Sumitomo Fudosan Villa Fontaine Co., Ltd.	50	100.0%	Operation of business hotels and resort hotels
Sumitomo Fudosan Bellesalle Co., Ltd.	50	100.0%	Leasing of event halls, conference rooms, etc.
Sumitomo Fudosan Retail Management Co., Ltd.	50	100.0%	Operation of retail facilities
Sumitomo Fudosan Esforta Co., Ltd.	50	100.0%	Operation of fitness clubs
Sumitomo Fudosan Finance Co., Ltd.	100	100.0%	Financing operations

7. Principal Business Locations (as of March 31, 2021)

(1) Sumitomo Realty & Development Co., Ltd.

Head Office: 4-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo

Branches: Kansai Branch (Osaka City), Hokkaido Branch (Sapporo City), Tohoku Branch (Sendai City), Tokai Branch (Nagoya City), Kyushu Branch (Fukuoka City)

(2) Major subsidiaries

Name	Head Office
Sumitomo Real Estate Sales Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Tatemono Service Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Syscon Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Villa Fontaine Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Bellesalle Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Retail Management Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Esforta Co., Ltd.	Shinjuku-ku, Tokyo
Sumitomo Fudosan Finance Co., Ltd.	Shinjuku-ku, Tokyo

8. Status of Employees (as of March 31, 2021)

Number of Employees	Change from Previous Fiscal Year
13,530	(146)

(Note) The number of employees of the Company is 5,877 (down 83 from the end of the previous fiscal year).

9. Major Lenders and Borrowing Amounts (as of March 31, 2021)

Lender	Borrowing Amount
	(million yen)
Sumitomo Mitsui Banking Corporation	639,678
MUFG Bank, Ltd.	436,500
Sumitomo Mitsui Trust Bank, Limited	369,807
Mizuho Bank, Ltd.	335,000
Development Bank of Japan Inc.	139,588

(Note) Indicated amounts have been rounded down to the nearest million yen.

II. Matters regarding Shares of the Company (as of March 31, 2021)

1. Number of Shares

Total number of authorized shares:	1,900,000,000
Total number of issued shares:	473,939,053 (excluding 2,146,925 treasury stock)

2. Number of Shareholders	11,869 (of which 10,978 holding share unit)
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3. Major Shareholders

Name	Number of shares held	Percentage of shares held
	(Thousands)	(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	51,645	10.90
Custody Bank of Japan, Ltd. (Trust account)	24,778	5.23
Sumitomo Mitsui Banking Corporation	11,990	2.53
Custody Bank of Japan, Ltd. (Trust account 4)	10,768	2.27
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	10,030	2.12
Taisei Corporation	9,550	2.02
Daikin Industries, Ltd.	8,367	1.77
Shimizu Corporation	7,500	1.58
Obayashi Corporation	7,090	1.50
Custody Bank of Japan, Ltd. (Trust account 5)	6,799	1.43

Notes: 1. Numbers of shares have been rounded down to the nearest thousand shares.
2. Percentage of shares held has been calculated by excluding treasury stock.

III. Matters regarding Share Option of the Company, etc.

Not applicable.

IV. Corporate Officers

1. Names and Other Details of Directors and Statutory Auditors

Name	Position	Responsibilities and significant concurrent positions
Kenichi Onodera	Director - Chairman of the Board	
Kojun Nishima	Executive Managing Director and President	Head of Building Development Division
Nobuaki Takemura	Executive Managing Director and Deputy President	Head of Management Division
Masato Kobayashi	Executive Managing Director and Deputy President	Head of Residential Business Division
Hiroshi Kato	Director	Head of Shinchiku - Sokkurisan Remodeling Division
Hisatoshi Katayama	Director	Head of Urban Property Development Division
Yoshiyuki Odai	Director	Head of Corporate Planning Division
Koji Ito	Director	Executive Managing Director and President of Sumitomo Real Estate Sales Co., Ltd.
Yozo Izuhara	Director	
Nobumasa Kemori	Director	Outside Director of NAGASE & CO., LTD. Outside Director of JFE Holdings, Inc.
Yoshifumi Nakamura	Full-time Statutory Auditor	
Toshikazu Tanaka	Full-time Statutory Auditor	
Yoshiyuki Norihisa	Statutory Auditor	
Chiyono Terada	Statutory Auditor	Chairperson Emeritus of Art Corporation External Board member of Daikin Industries, Ltd.

- Notes:
- Messrs. Yozo Izuhara and Nobumasa Kemori are Outside Directors as provided for in the Companies Act.
 - Mr. Yoshiyuki Norihisa and Ms. Chiyono Terada are Outside Statutory Auditors as provided for in the Companies Act.
 - With the expiry of his term of office, Mr. Takaaki Ono retired as Statutory Auditor at the conclusion of the 87th General Meeting of Shareholders held on June 26, 2020.
 - There are no special conflict of interest between the Company and any of the companies at which the Outside Directors and Statutory Auditors hold significant concurrent positions.
 - The Company has registered Messrs. Yozo Izuhara, Nobumasa Kemori, and Yoshiyuki Norihisa and Ms. Chiyono Terada as independent officers with Tokyo Stock Exchange, Inc.
 - With the introduction of an executive officer system, Messrs. Hiroshi Kato, Hisatoshi Katayama, Yoshiyuki Odai, and Koji Ito have been elected as Senior Managing Executive Officers (serving concurrently as Directors), and Mr. Ryuzo Amemiya as Managing Executive Officer, and Messrs. Ichiro Wada, Hiroyuki Hashizume, Makoto Nakano, Takuji Iba, and Kenichi Kawai have been elected as Executive Officers.

2. Compensation, etc. of Directors and Statutory Auditors

(1) Resolutions of the General Meeting of Shareholders concerning directors' compensation, etc.

At the Ordinary General Meeting of Shareholders held on June 29, 2004, a resolution was passed to set the total annual compensation for directors at just 1% of consolidated ordinary profit for the previous consolidated fiscal year. The number of directors as of the conclusion of that General Meeting of Shareholders was 12.

On April 1, 2020, the Company introduced an executive officer system, which enables the appointment of officers comparable to directors necessary for business expansion, with the aim of the further broadening the scope of business and enhancing employee morale. Accordingly, with the agreement of all directors, the compensation of executive officers is also to be paid from the aforementioned total amount of compensation for directors.

(2) Policy for the determination of the content of compensation, etc. for individual directors

The policy for the determination of the content of compensation, etc. for individual directors (hereinafter referred to as the "determination policy") is established by resolution of the Board of Directors. In the determination policy, the compensation for each director (including executive officers who are non-concurrent directors; the same applies hereinafter) is fixed compensation only, without any performance-based amount or non-monetary compensation, etc. The amount paid to each director is determined upon agreement by the Chairman of the Board and Representative Directors, in consideration of each director's duties and level of contribution to performance. Whereas the total annual amount of directors' compensation for current year is set at 1% of consolidated ordinary profit for the previous consolidated fiscal year, the full amount is not paid to the individual directors in the current fiscal year. In recent years, around 50% of the total is paid, and the remainder is retained, without fixing the amount per director, for future use as retirement benefits for directors and supplementation of declines in directors' compensation due to downturns in business performance.

As noted in (3) below, the persons authorized to determine the content of compensation, etc. for individual directors are the Chairman of the Board, Executive Managing Director and President, Executive Managing Director and Deputy President in charge of the Management Division, and Executive Managing Director and Deputy President in charge of the Business Division. As the duties and contributions to performance of each director have been examined comprehensively and assessed appropriately by deliberation among these authorized persons from their respective viewpoints, the Board of Directors has judged that the content of the compensation of individual directors for the fiscal year under review is in line with the determination policy.

(3) Authorization for determination of individual directors' compensation, etc.

Based on authority resolved by the Board of Directors, Mr. Kenichi Onodera (Director - Chairman of the Board/Chairman of the Board), Mr. Kojun Nishima (Executive Managing Director and President/Head of Building Development Division), Mr. Nobuaki Takemura (Executive Managing Director and Deputy President/Head of Management Division), and Mr. Masato Kobayashi (Executive Managing Director and Deputy President/Head of Residential Business Division) determine the specific content (individual payment amount, timing of payment, payment method, etc.) of the compensation for individual directors. These four directors are, respectively, the Chairman of the Board, Executive Managing Director and President, Executive Managing Director and Deputy President in charge of the Management Division, and Executive Managing Director and Deputy President in charge of the Business Division, and are given this authority because it is judged that they can execute the comprehensive examination and appropriate assessment of the duties and contributions to performance of each director by deliberation.

(4) Resolutions of the General Meeting of Shareholders concerning statutory auditors' compensation, etc.

The monetary compensation for statutory auditors is determined to be within ¥6.5 million per month, in accordance with the resolution made at the Ordinary General Meeting of Shareholders held on June 29, 1999. The number of statutory auditors as of the conclusion of that General Meeting of Shareholders was five.

(5) Total amounts and other details of compensation, etc. for directors and statutory auditors

Position	Total amount of compensation, etc. (million yen)	Total Compensation, etc. by Type (million yen)			Number of eligible officers (persons)
		Basic compensation	Performance-based compensation, etc.	Non-monetary compensation, etc.	
Directors (of which, Outside Directors)	2,164 ^(Note 1) (40)	2,164 (40)	–	–	10 (2)
Statutory Auditors (of which, Outside Statutory Auditors)	56 (26)	56 (26)	–	–	5 (3)
Total (of which, Outside Officers)	2,221 (67)	2,221 (67)	–	–	15 (5)

- Notes:
1. With the agreement of all directors, a portion of the amount of directors' compensation has been allocated to the five executive officers.
 2. Regarding the amount of directors' compensation above, the full amount is not paid to the individual directors in the current fiscal year, with around 50% of the total paid in recent years. The remainder is retained for future use as retirement benefits for directors and supplementation of declines in directors' compensation due to downturns in business performance.
 3. The above number of eligible officers includes one Outside Statutory Auditor who retired at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 26, 2020.

3. Matters regarding Outside Officers

(1) The status of main activities in the fiscal year under review

Position	Name	Main activities
Director	Yozo Izuhara	Mr. Izuhara attended all meetings of the Board of Directors held during the fiscal year under review and expressed his opinions necessary for the deliberation of agenda, etc. as appropriate. He also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value not only in the Board of Directors meetings but also through such forums as briefings for Outside Directors and Outside Officer Meetings.
Director	Nobumasa Kemori	Mr. Kemori attended all meetings of the Board of Directors held during the fiscal year under review and expressed his opinions necessary for the deliberation of agenda, etc. as appropriate. He also provided advice from an independent standpoint in terms of the supervision of the Group's management and the medium- to long-term improvement of its corporate value not only in the Board of Directors meetings but also through such forums as briefings for Outside Directors and Outside Officer Meetings.
Statutory Auditor	Yoshiyuki Norihisa	Mr. Norihisa attended all meetings of the Board of Directors and of the Board of Statutory Auditors held during the fiscal year under review, and expressed his opinions necessary for the deliberation of agenda, etc. as appropriate.
Statutory Auditor	Chiyono Terada	Ms. Terada attended all except one of the meetings of the Board of Directors and all meetings of the Board of Statutory Auditors held during the fiscal year under review, and expressed her opinions necessary for the deliberation of agenda, etc. as appropriate.

(2) **Overview of limited liability agreement**

The Company enters into agreements with all outside officers that limit their liability toward the Company. Under the agreements, their liabilities are limited to the minimum limit stipulated by laws and regulations.

V. Matters regarding Independent Auditor

1. Name

KPMG AZSA LLC

2. Amount of Compensation, etc.

Total amount of monetary compensation or other property benefits to be paid by the Company and its subsidiaries	¥208 million
Amount of compensation, etc. to be paid by the Company	¥140 million

- Notes:
1. The audit contract between the Company and the Independent Auditor does not separate the compensation for audits pursuant to the Companies Act from the compensation for audits pursuant to the Financial Instruments and Exchange Act, and it is not possible to make a practical differentiation between them. Accordingly, the amount of compensation, etc. to be paid by the Company is the total of these amounts.
 2. The Board of Statutory Auditors decides to consent to the amount of compensation, etc. of the Independent Auditor, after having performed the necessary verification with respect to the appropriateness of the content of the Independent Auditor's audit plan, the status of performance of accounting audit duties, and the basis for the calculation of the estimated compensation.

3. Details of Non-auditing Services

Not applicable.

4. Policy regarding Decision for Dismissal or Non-reappointment

In addition to the dismissal of the Independent Auditor by the Board of Statutory Auditors pursuant to Article 340 of the Companies Act, in cases where it is recognized that it would be difficult for the Independent Auditor to execute their duties appropriately, the Board of Statutory Auditors makes a proposal to the General Meeting of Shareholders that the Independent Auditor be dismissed or not be reappointed.

VI. Systems for Ensuring Appropriateness of Business Operations and its Operational Status

1. Systems for Ensuring Appropriateness of Business Operations

Basic Policy

The Company considers that establishment of internal control systems is one of the important management issues concerning the improvement of corporate value and sustainable development of the Company and its subsidiaries (hereinafter referred to as the “Group”) as a whole. With regard to the matters listed below, the Company shall establish systems in which roles and responsibilities of the Group’s directors and employees are clarified, and through operation and appropriate review of such systems, the Company shall strive to establish appropriate systems for governance of the Group’s directors and employees.

(1) Systems for ensuring that the execution of duties of the Group’s directors and employees complies with laws and regulations and with the articles of incorporation

In order to enhance and strengthen internal control of the Group, the Company has established the Risk Management Committee chaired by the Company’s President. The Internal Control Meeting (hosted by the Company’s Internal Audit Office), which is a subordinate organization of the Risk Management Committee, monitors compliance promotion activities of the Group, and reports the result to the Risk Management Committee.

The Company’s Internal Audit Office performs internal audits including those of subsidiaries, and several contacts for whistleblowing are established within and outside the Company to detect and prevent any misconduct or illegal acts.

(2) Systems for retention and management of information concerning the execution of duties of the Company’s directors

Minutes of meetings of the Board of Directors of the Company, requests for managerial decision, and other documents (including electromagnetic records) are prepared, and these documents are retained and managed by the respective responsible departments in accordance with the Criteria for Document Retention Periods and the Information Management Rules.

(3) Rules and other systems related to management of risks of losses of the Group

Among the risks of the Group, the risks associated with the business, such as investment risk and market risk, are monitored and addressed by the respective departments and subsidiaries properly, and important matters are discussed and determined at meetings of the Company’s Board of Directors and other important meetings such as management meetings. Moreover, in order to address risks of large-scale disasters, etc. affecting business continuity, the BCP Subcommittee (hosted by the Company’s General Affairs Department), a subordinate organization of the Risk Management Committee, monitors the status of management of business continuity planning (BCP) by the Group, and reports the result to the Risk Management Committee.

(4) Systems for ensuring that the execution of duties of the Group’s directors is performed efficiently

The Group’s directors direct and supervise business operations of the respective departments and subsidiaries in accordance with the Company’s management plan.

Moreover, the Group’s employees efficiently perform their duties under the direction and supervision of the Board of Directors and heads of respective departments, etc.

(5) Systems for ensuring appropriateness of business operations of the corporate group consisting of the Company and its subsidiaries and systems related to reporting of matters concerning the execution of duties to the Company

The Company periodically receives reports from each subsidiary on the execution of duties, such as the status of business execution and financial conditions, and provides advice and guidance concerning business operations properly, depending on the nature of the matter in question.

Moreover, the Company’s statutory auditors and the Company’s Internal Audit Office audit each subsidiary, as necessary.

- (6) **Particulars related to employees when the Company's statutory auditors request that employees be appointed to assist with the duties of the statutory auditors and particulars related to ensuring independence of such employees from directors and effectiveness of the instructions of the Company's statutory auditors to the employees**

If the Company's statutory auditors make requests to personnel of the Company's Internal Audit Office concerning matters necessary for audit practices, such personnel shall proactively offer cooperation. In such a case, the personnel who provide assistance shall not be in the chain of command of directors or any other personnel concerning the matters for which they are requested to provide assistance.

- (7) **Systems for reporting to the Company's statutory auditors by the Group's directors etc. and employees or by a person who received reports from such persons and other systems related to reporting to the Company's statutory auditors**

When the Group's directors, etc. and employees or a person who received reports from such persons report to the Company's statutory auditors, or when they are requested by the Company's statutory auditors to report, necessary reports shall be provided swiftly and persons who make reports shall not be treated disadvantageously for reasons of making such reports.

Moreover, the Independent Auditor and the Company's Internal Audit Office shall report to the Company's statutory auditors concerning the audit status properly.

- (8) **Particulars related to policies concerning the procedures for advance payment or reimbursement of expenses that arise with regard to the execution of duties of the Company's statutory auditors or any other processing of expenses or obligations that arise with regard to the execution of duties**

When, concerning the execution of duties, a statutory auditor of the Company requests advance payment or reimbursement, etc. of expenses in accordance with the Japanese Corporate Law, the Company shall process such expenses or obligations, excluding any cases deemed unnecessary for the execution of duties of the said statutory auditor.

- (9) **Other systems for ensuring that audits by the Company's statutory auditors are performed effectively**

Opportunities are ensured for the Company's statutory auditors to attend meetings of the Board of Directors and other important meetings so that they can comprehend the Group's important issues, etc., and state opinions, as necessary.

2. Overview of Implementation of Systems for Ensuring Appropriateness of Business Operations

- (1) The Internal Control Meetings (hosted by the Company's Internal Audit Office), attended by the major managerial officers of the corporate administration divisions, monitor the compliance promotion activities of the Group. The results are reported to the Risk Management Committee and important matters are also reported to the Board of Directors and other bodies.
- (2) The BCP Subcommittee (hosted by the Company's General Affairs Department) monitors the status of the management of business continuity planning (BCP) by the Group and reports the results to the Risk Management Committee.
- (3) To ensure appropriate audits, the statutory auditors conduct, in addition to their regular audit duties, regular interviews with executive management and the officers responsible for each department, and carry out visiting audits of operational sites and the Group's various offices. Further, the statutory auditors collaborate with the Internal Audit Office and the Independent Auditor to accurately grasp the actual situation of the Group through auditing the execution of duties by directors and employees through monitoring the status of internal control.

VII. Basic Policy on the Company's Control

Regarding the basic policy on the Company's control and initiatives to ensure it, and the policy on measures to a large-scale purchase of shares of the Company and the Board's stance to it, they were adopted as "The Policy on Large-Scale Purchase of Shares of the Company (Takeover Defense Measures)" based on the decision of the meeting of its Board of Directors dated May 17, 2007. Subsequently, it was continued or renewed upon receiving approval from shareholders at each of the shareholders' meetings of the 74th fiscal year dated June 28, 2007, the 77th fiscal year dated June 29, 2010, the 80th fiscal year dated June 27, 2013, the 83rd fiscal year dated June 29, 2016, and the 86th fiscal year dated June 27, 2019. The term of the Policy will expire upon the conclusion of the shareholders' meeting of the 89th fiscal year scheduled to be held in June 2022.

The Policy sets out rules on Large-Scale Purchases (hereinafter referred to as "Large-Scale Purchase Rules") and requests the Large-Scale Purchaser to comply with the Large-Scale Purchase Rules. The Large-Scale Purchase Rules state that the Large-Scale Purchaser provides the Board of Directors of the Company necessary and sufficient information regarding the Large-Scale Purchase in advance, and only commence the Large-Scale Purchase after a certain period of evaluation by the Board of Directors of the Company has elapsed. The Board of Directors shall take countermeasures that it deems necessary if the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, or even though the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company or if the Large-Scale Purchase significantly damages the corporate value and common interests of shareholders. The Board of Directors of the Company shall consult with a Special Committee consisting of external academic experts, lawyers, certified public accountants, etc., and shall receive the recommendations of the Committee when taking decisions as to whether or not the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, whether or not it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company, whether or not the Large-Scale Purchase will significantly damage the corporate value and common interests of shareholders, and whether or not countermeasures should be taken. The Board of Directors of the Company shall take the Special Committee's recommendations into the fullest account.

As stated above, the Policy stipulates rules to secure the necessary information and time for shareholders to deliberate on the Large-Scale Purchase, as well as countermeasures in such cases as the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules or if it is clear that the Large-Scale Purchase will cause unrecoverable damages to the Company. The purpose of the Policy is not to maintain the status of the Company's officers but to contribute to the Company's corporate value and the common interests of its shareholders.