

January 14, 2022

To whom it may concern:

Company: Sumitomo Realty & Development Co., Ltd.
Representative: Kojun Nishima,
Representative Director and President
Securities code: 8830 (TSE First Section)
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Notice of a Merger by Absorption (Simplified and Abbreviated Merger)
with a Consolidated Subsidiary

Sumitomo Realty & Development Co., Ltd. (hereinafter the “Company”) announces that it has resolved at its Board of Directors meeting held today to merger by absorption (hereinafter the “Merger”) with its consolidated subsidiary, Sumitomo Fudosan Finance Co., Ltd. (hereinafter “Sumitomo Fudosan Finance”), effective on March 1, 2022, as detailed below. As the Merger is an absorption-type merger of a wholly owned subsidiary, certain matters and content are omitted from this disclosure.

1. Purpose of the Merger

Sumitomo Fudosan Finance has been mainly engaged in the financing operations between the Sumitomo Realty Group companies, as well as holding multiple rental properties which the Company leases under a master lease agreement. On this occasion, in an effort to further enhance the efficiency of the Sumitomo Realty Group’s real estate leasing business, the Company decided to carry out an absorption-type merger with Sumitomo Fudosan Finance, upon transferring its group financing operations to another company within the Group (transfer was completed in 2021).

2. Outline of the Merger

(1) Merger schedule

Date of Board of Directors Meeting’s resolution to the merger agreement: January 14, 2022

Date of the merger agreement: January 14, 2022

Effective date: March 1, 2022 (tentative)

- * The Merger shall be carried out without obtaining the approval for the merger agreement at the General Meeting of Shareholders of each party, in accordance with the procedures of a simplified merger provided in Article 796, Paragraph 2 of the Companies Act for the Company, and in accordance with the procedures of an abbreviated merger provided in Article 784, Paragraph 1 of the Companies Act for Sumitomo Fudosan Finance.

(2) Method of the Merger

An absorption-type merger in which the Company is the surviving company and Sumitomo Fudosan Finance is dissolved.

(3) Share allotments associated with the Merger

As Sumitomo Fudosan Finance is a wholly owned subsidiary of the Company, there will be no allotment of shares, any cash payments, etc. in line with the Merger.

(4) Treatment of share options or bonds with share options in the Merger

Not applicable.

3. Outline of the Companies Involved in the Merger

	Surviving company	Absorbed company
(1) Corporate name	Sumitomo Realty & Development Co., Ltd.	Sumitomo Fudosan Finance Co., Ltd.
(2) Head office	4-1, Nishi-Shinjuku 2-chome Shinjuku-ku, Tokyo	6-1, Nishi-Shinjuku 2-chome Shinjuku-ku, Tokyo
(3) Position and name of representative	Representative Director and President Kojun Nishima	Representative Director and President Yuichi Kageyama
(4) Description of business	Property leasing Property sales Construction	Property leasing
(5) Paid-in capital	¥122,805 million	¥100 million
(6) Date of establishment	December 1, 1949	December 3, 1984
(7) Number of issued shares	476,085,978	2,013
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and percentage of shares held (As of September 30, 2021)	The Master Trust Bank of Japan, Ltd. (Trust account) 15.56% Custody Bank of Japan, Ltd. (Trust account) 5.20% Sumitomo Mitsui Banking Corporation 2.53% Custody Bank of Japan, Ltd. (Trust account 4) 2.31% Taisei Corporation 2.02% Daikin Industries, Ltd 1.77% Shimizu Corporation 1.58% Obayashi Corporation 1.58% Maeda Corporation 1.53% SSBTC CLIENT 1.31% OMNIBUS ACCOUNT	Sumitomo Realty & Development Co., Ltd. 100%
(10) The financial condition and operating results of the immediately preceding business year		
	Fiscal 2020 ended March 31, 2021 (Consolidated)	Fiscal 2020 ended March 31, 2021 (Non-consolidated)
Net assets	¥1,503,021 million	¥1,642 million
Total assets	¥5,673,666 million	¥119,723 million
Shareholders' equity per share	¥3,171.34	¥815,850.89
Revenue from operations	¥917,472 million	¥2,505 million
Operating income	¥219,244 million	¥1,358 million
Ordinary profit	¥209,949 million	¥1,206 million
Profit attributable to owners of parent	¥141,389 million	¥804 million
Profit attributable to owners of parent per share	¥298.33	¥399,862.57

4. Post-merger Status

There will be no changes to the corporate name, address, position and name of representative, description of business, paid-in capital, and fiscal year-end date resulting from the Merger.

5. Future Outlook

As the Merger is a merger with a wholly owned subsidiary, its impact on the Company's consolidated financial results will be minimal.

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