

Supplementary Material for Second Quarter of FY2025

(April 1, 2025 – September 30, 2025)



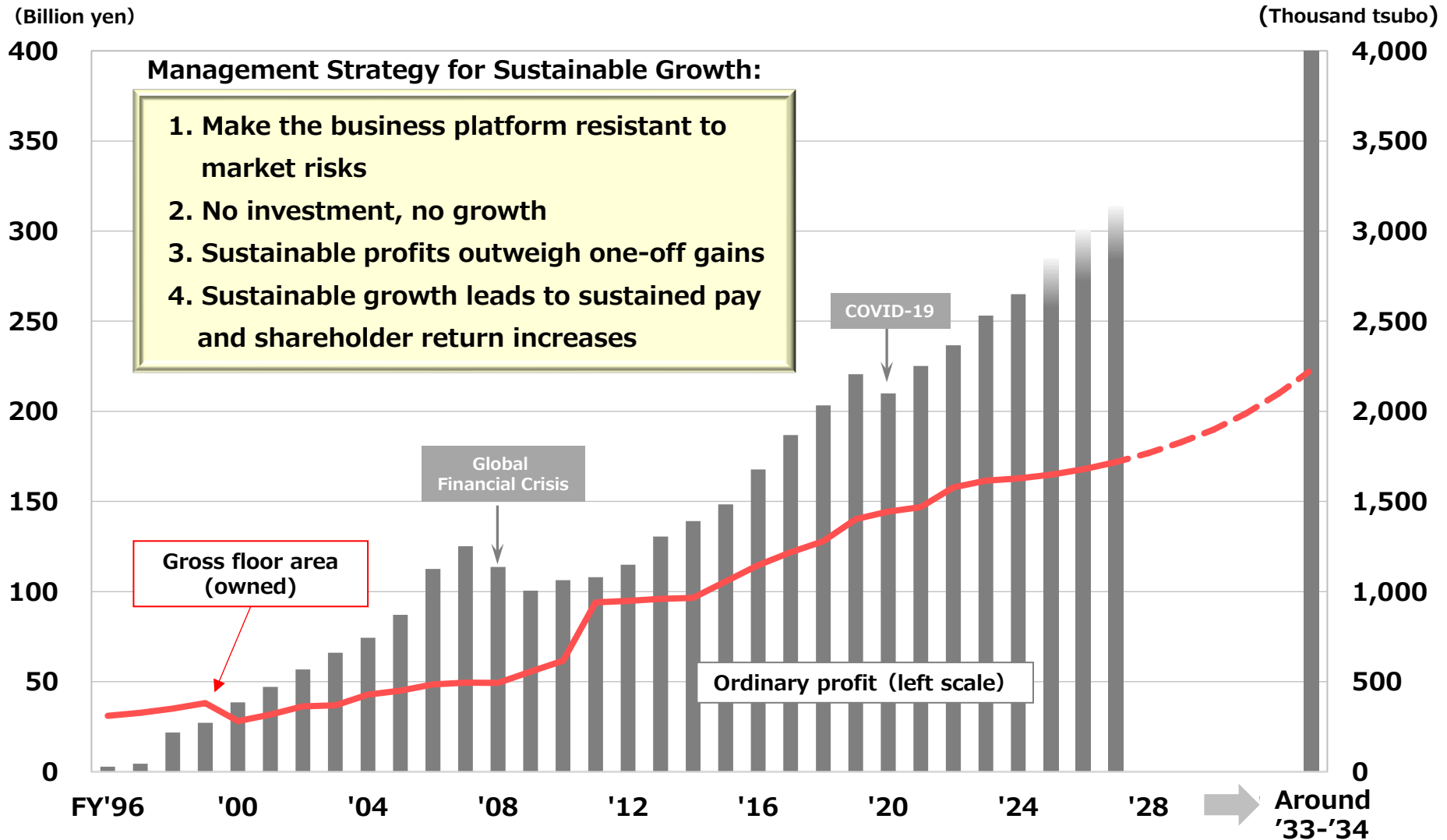
Sumitomo Realty & Development Co., Ltd.

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Current Status of the Management Strategy for Sustainable Growth

- Steady growth in both business scale and profitability, alongside the accumulation of Prime Assets in central Tokyo



Note: 1 tsubo ≈ 3.3m²

Sumitomo Realty's Management Policy

Two Consistent Principles

1 Retain Prime Assets in Central Tokyo

- Enhancing ROE by steadily increasing annual cash flow through further rent increases
- Sumitomo Realty is Tokyo's No.1 office building owner in terms of GFA*, and our "department store strategy" enables us to offer a diverse range of buildings
- A high yield of 7.5% demonstrates our development capabilities
- The sales of Prime Assets can realize a one-off gain, but the same level of cash flow cannot be reproduced afterward
- Owning 1.55 million tsubo of GFA
⇒ Planning to invest 2 trillion yen and develop an additional 0.6 million tsubo

2 Invest 1 Trillion Yen in Mumbai, India — Aiming to Build a Major Base Second to Tokyo

- Why India? – The world's largest population (2024); potential to be the world's third-largest economy by GDP by 2028
- Why Mumbai? - India's economic hub, having an urban structure where public transportation infrastructure is being developed and the city center does not shift
- The BKC Project 1: Scheduled for completion in the fall of 2026
The BKC Project 2: Excavation in progress
⇒ Total investment of 1 trillion yen for the development of 0.45 million tsubo of GFA
- Aiming for a high yield of over 10%

* GFA = Gross Floor Area
Note: 1 tsubo ≈ 3.3m²

Sumitomo Realty's Management Policy

Four New Policies for Adaptive Growth

1 Development and Sales Business

- ✓ Investment Property Sales Business becomes a second pillar
200 billion yen of non-prime assets will contribute to the business as well

2 Domestic Housing Business

- ✓ Housing and Step: Strengthening our efforts in the expanding market for existing houses

3 Reform of Corporate Governance System

- ✓ Sustained reform for transition to a Company with an Audit and Supervisory Committee, including establishment of a voluntary Nominating Committee
- ✓ Selling 400 billion yen of strategic shareholdings over the next 10 years; leveraging proceeds from the sales for growth investments and share repurchases

4 Enhancement of Shareholder Returns

- ✓ Committed to a progressive dividend of 16 yen* or more, aiming for a dividend payout ratio of 35%
- ✓ Share repurchases will be conducted in an agile manner (30 billion yen for this time)

* The amount of the progressive dividend has been rounded up and increased due to stock split effective as of January 1, 2026



Upward Revision of Forecasts for FY2025

- Continued strong performance of the leasing business— Significant revenue and profit growth in line with our initial forecasts
- Upward revision of both revenue from operations and operating income for the sales business, reflecting the increase in condominium selling prices
- Revised profit forecast increases by 18.3 billion yen (+9.6%) from previous year

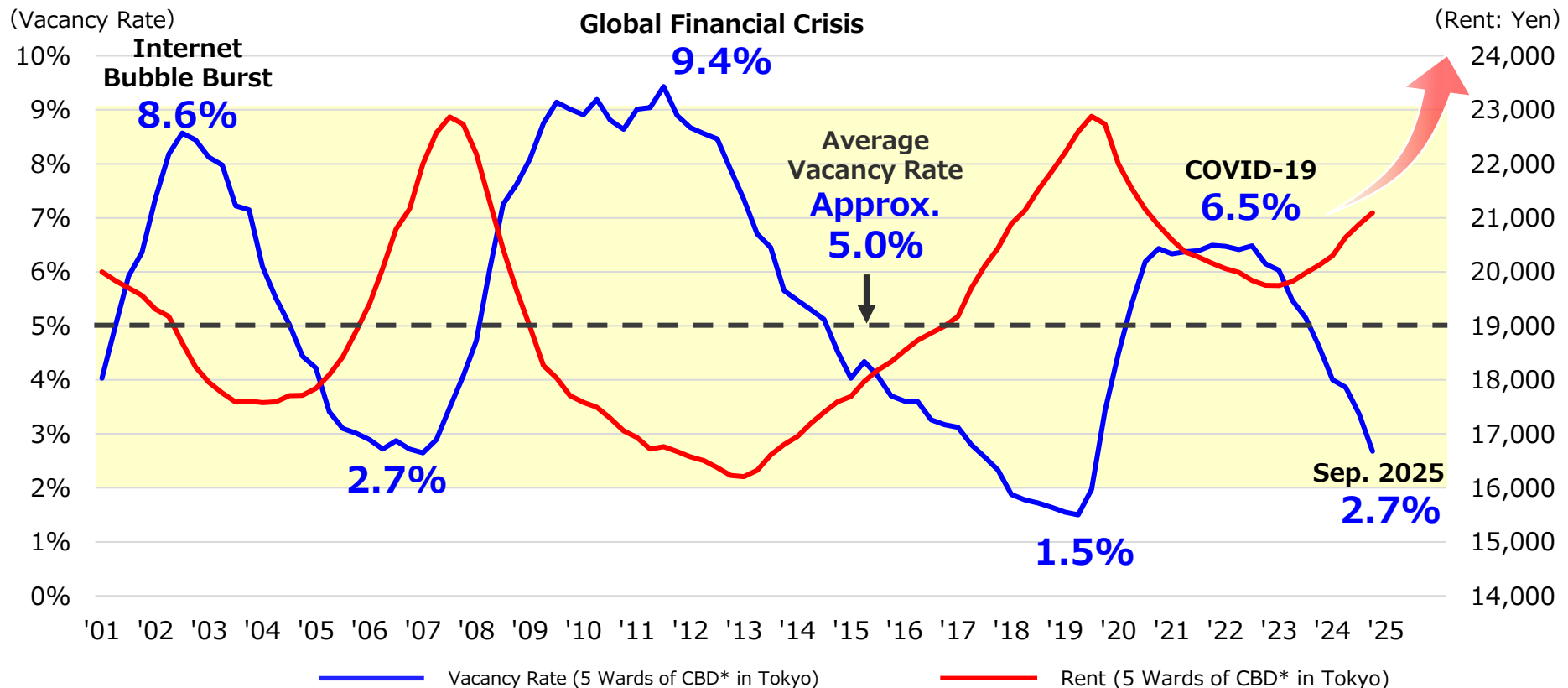
(Billion yen)

		FY '24 Results	FY '25 Revised forecasts	Increase/ Decrease	FY '25 Initial forecasts
	Leasing	433.6	460.0	+26.3	460.0
	Sales	294.7	320.0	+25.2	285.0
	Housing	204.2	195.0	(9.2)	210.0
	Step	73.1	75.0	+1.8	75.0
Revenue from Operations		1,014.2	1,050.0	+35.7	1,030.0
	Leasing	188.6	210.0	+21.3	210.0
	Sales	64.2	70.0	+5.7	60.0
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Operating Income		271.5	295.0	+23.4	290.0
Ordinary Profit		268.3	285.0	+16.6	280.0
Profit Attributable to Owners of Parent		191.6	210.0	+18.3	205.0
				+9.6%	



The World's Largest and Prime Office Market: Tokyo

- Office building vacancy rate in Tokyo (5 wards of CBD*) has remained low and stable at an average of 5% over the past 30 years
- Currently, office demand is increasing due to a rise in hiring to secure talented personnel, and market conditions have significantly recovered ⇒ With a decrease in vacancies, the market is clearly moving into a phase of rent increases
- Enhancing ROE by steadily increasing annual cash flow

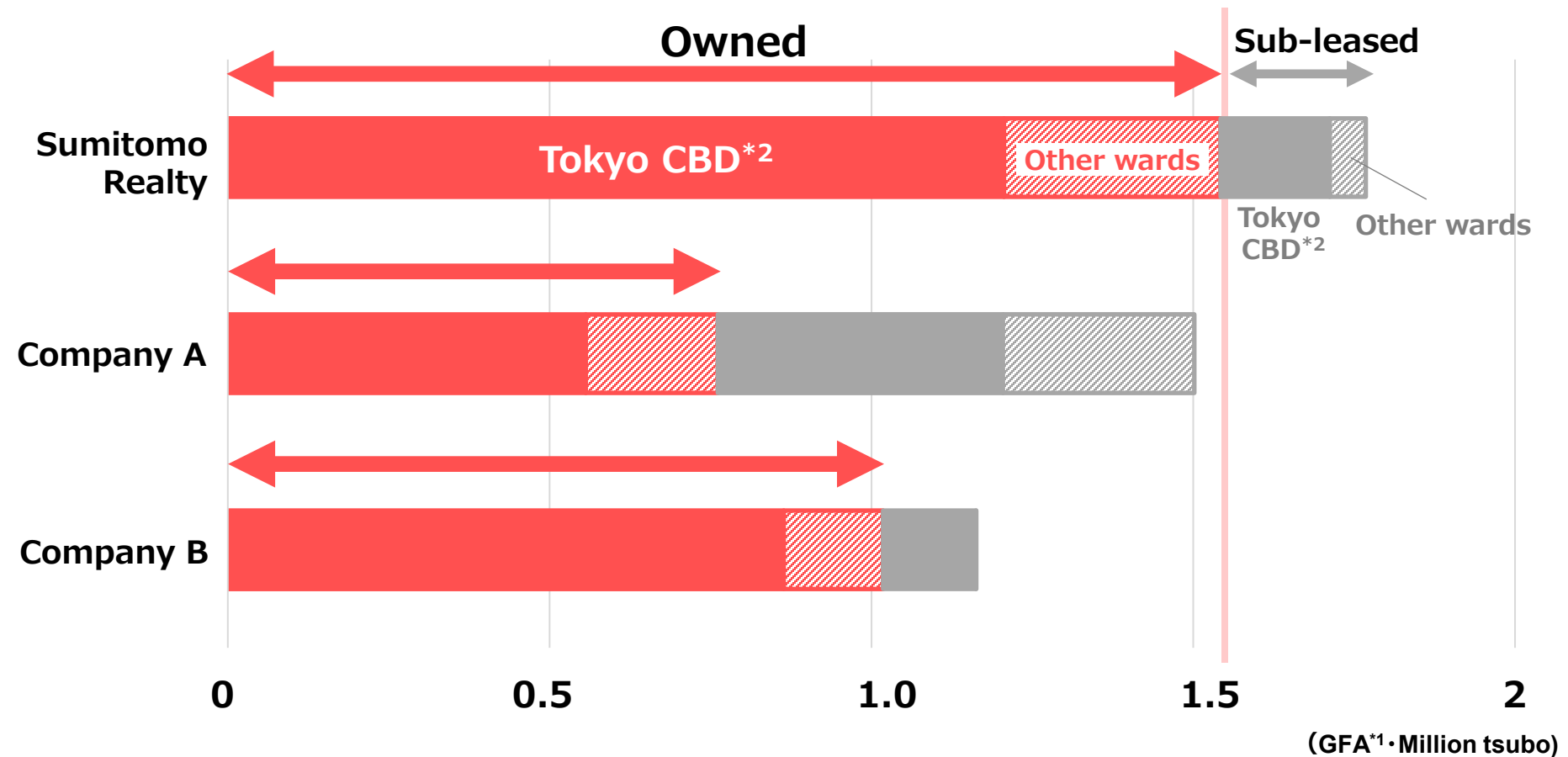


Source: Compiled by Sumitomo Realty, based on Miki Shoji Co., Ltd.'s monthly data for Tokyo (Central 5 wards) from *Tokyo Business District in Office Market*

* 5 wards of CBD: Chiyoda ward, Minato ward, Chuo ward, Shinjuku ward, and Shibuya ward

Sumitomo Realty in Tokyo Office Market

- In the world's largest and prime office market—Tokyo—Sumitomo Realty ranks No. 1 in terms of GFA*¹



Source: Compiled by Sumitomo Realty, based on each company's securities reports

*1 GFA = Gross Floor Area

*2 Tokyo CBD: Chiyoda ward, Minato ward, Chuo ward, Shinjuku ward, and Shibuya ward

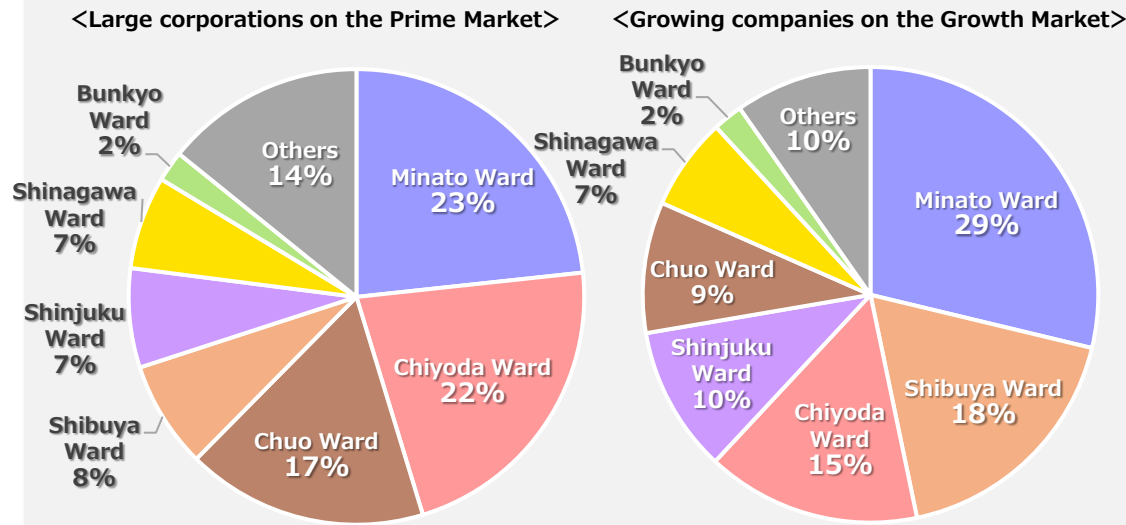
Note: 1 tsubo ≈ 3.3m²

Department Store Strategy – Large Total Office Floor Area and a Diverse Range of Buildings

- The Tokyo office market encompasses all industries, concentrating companies from large corporations to start-ups
- Despite the economic fluctuations within individual sectors, growing industries absorb the floor space vacated by shrinking industries

Each ward has different industry demand

Headquarters locations of companies in Tokyo



Headquarters are dispersed throughout central Tokyo

Source: Japan Exchange Group – List of TSE-listed Issues (Oct. 2025)

Five central wards of Tokyo (Prime Market)

Minato ward	The largest number of headquarters, mainly in IT and manufacturing
Chiyoda ward	Dominated by large-scale traditional industries, with about half of Tokyo-based financial companies located there
Chuo ward	A wide range of industries are represented, centered around securities
Shinjuku ward	In addition to headquarters of service and real estate companies, there are also many branches and sales offices
Shibuya ward	Mainly start-up IT companies, with many service businesses as well

Industry categories (7 Classifications)* :

- 1) Finance
- 2) Manufacturing
- 3) Electric Power, Gas, Energy, and Transportation
- 4) Trading Companies, Wholesale, and Retail
- 5) Real Estate, Construction, and Materials
- 6) Information and Communications
- 7) Services and Others

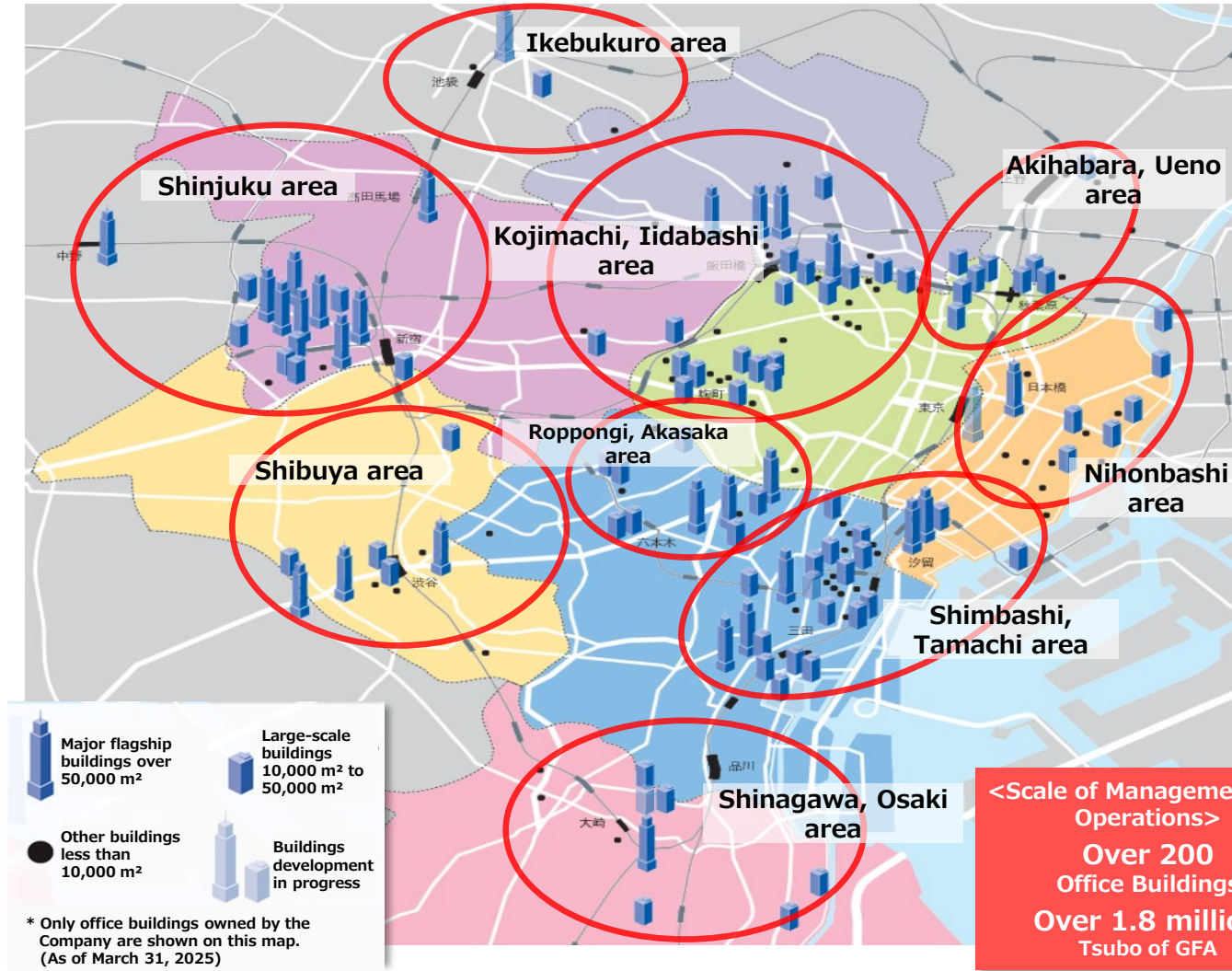
* Classified by Sumitomo Realty, based on Japan Exchange Group – List of TSE-listed Issues (Oct. 2025)

Department Store Strategy – Large Total Office Floor Area and a Diverse Range of Buildings

■ Our leasing portfolio is spread across the main areas in central Tokyo

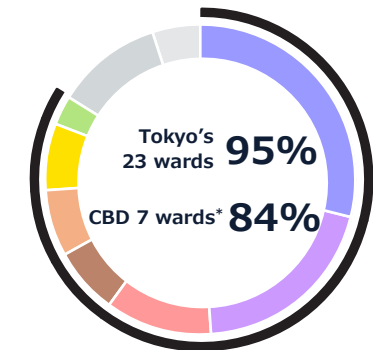
■ Meeting a wide range of tenant needs =

A stable profit foundation resulting from a varied tenant composition



◆ Sumitomo Realty's Portfolio

Minato ward	29%
Shinjuku ward	20%
Chiyoda ward	11%
Chuo ward	7%
Shibuya ward	7%
Shinagawa ward	7%
Bunkyo ward	3%
Other wards	11%
Others	5%



* CBD 7 wards:
Chiyoda ward, Minato ward, Chuo ward,
Shinjuku ward, Shibuya ward,
Shinagawa ward, Bunkyo ward

<Scale of Management and Operations>

Over 200

Office Buildings

Over 1.8 million

Tsubo of GFA

Note: 1 tsubo ≈ 3.3m²



Growth Investment: Major Prime Assets under Development in Tokyo

- Planning to invest 2 trillion yen in Tokyo redevelopment over the next 10 years, further increasing our Prime Assets by 0.6 million tsubo



Roppongi 5-chome West Project

GFA: 327,000 Tsubo



Yaesu 2-chome South Project

GFA: 42,000 Tsubo

Project Name	Location	GFA ^{*1} (Tsubo)	Completion (Expected)
Sumitomo Fudosan Shibakoen Project	Minato Ward	12,000	End of Jan. 2026
Higashi Ikebukuro 1-chome Project	Toshima Ward	47,000 ^{*2}	FY2028
Yaesu 2-chome Central Project	Chuo Ward	117,000 ^{*2}	FY2029
Yaesu 2-chome South Project	Chuo Ward	42,000 ^{*2}	During or after 11th Plan (under development)
Fujimi 2-chome Project	Chiyoda Ward	14,000 ^{*2}	Same as above
Kudan Minami 1-chome Project	Chiyoda Ward	25,000 ^{*2}	Same as above
Akihabara Station East Project	Chiyoda Ward	16,000 ^{*2}	Same as above
Koraku 2-chome South Project	Bunkyo Ward	84,000 ^{*2}	Same as above
Tsukiji 1-chome Project	Chuo Ward	56,000 ^{*2}	Same as above
Roppongi 5-chome West Project	Minato Ward	327,000 ^{*2}	Same as above

^{*1} GFA = Gross Floor Area

^{*2} Total gross floor area including areas owned by third parties outside our group.

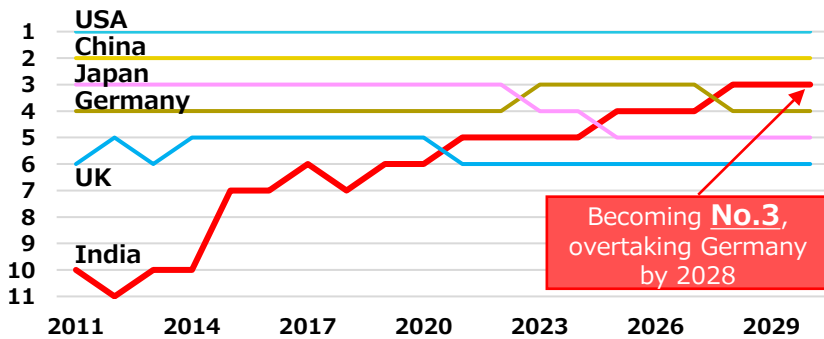
Note: 1 tsubo≈3.3m

Investment of 1 Trillion Yen in Mumbai, India (1) Why India?

① Economic Growth

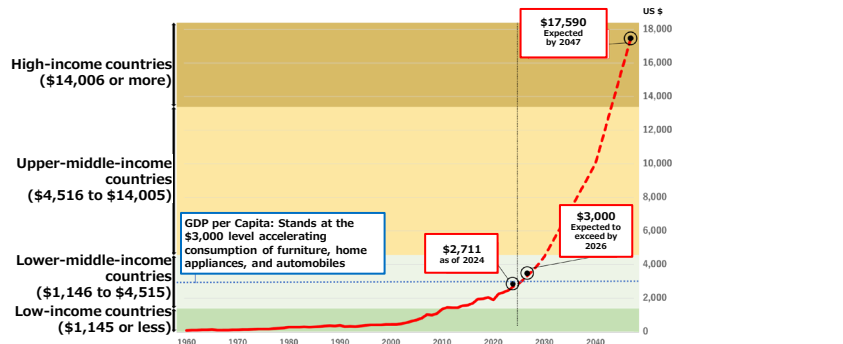
- India's recent economic growth has further accelerated, making its GDP the third largest in the world by 2028
(Its economic growth rate compared to 2011 has already surpassed that of China)

Trends in GDP Rankings among Major Countries since 2011



Source: Compiled by Sumitomo Realty, based on IMF Data Base

Trend and Outlook of India's Nominal GDP per Capita



Source: Compiled by Sumitomo Realty, based on World Bank data for 1960–2023, IMF projections for 2024–2030, and Indian government targets for 2040 and 2047

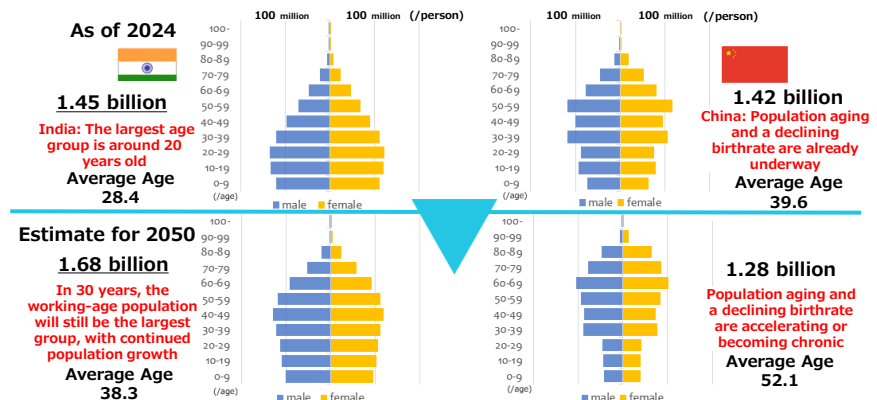
② Population

- The world's largest population, with two-thirds of working age

- ✓ As of 2024, the total population reached 1.45 billion, surpassing China to become the largest in the world, and the average age is 28

	2024		2050	
	Population	Average Age	Population	Average Age
	Rank*		Rank*	
India	1.45 billion	1	1.68 billion	1
China	1.42 billion	2	1.26 billion	2
USA	0.35 billion	3	0.38 billion	3
Germany	0.09 billion	19	0.08 billion	24
Japan	0.12 billion	12	0.11 billion	17

Source: Compiled by Sumitomo Realty, based on the United Nations "Data Portal Population Division"
* Country population ranking

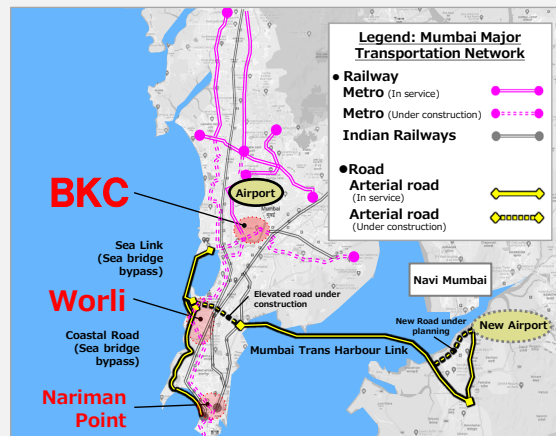


Source: Compiled by Sumitomo Realty, based on the United Nations "Data Portal Population Division"

Investment of 1 Trillion Yen in Mumbai, India (2) Why Mumbai?

- Mumbai is home to the India headquarters of global financial institutions and major Indian conglomerates
- Infrastructure development is advancing with a focus on BKC ⇒ An urban structure in which, like Tokyo, the city center does not shift to other districts
 = Office buildings in the city center will remain firmly competitive well into the future

Mumbai



Source: Google Maps

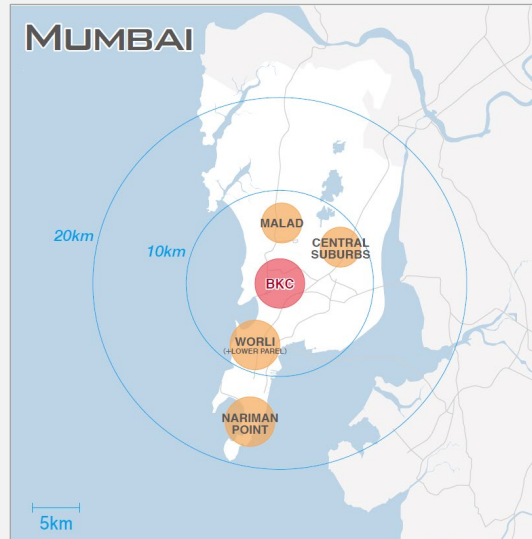
Major Transportation Network



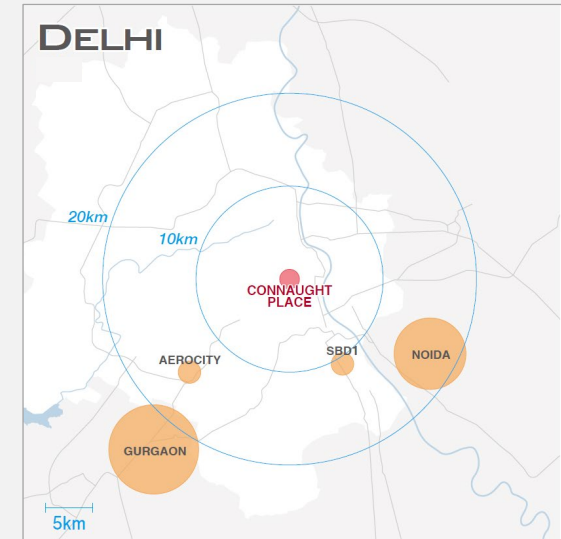
BKC



Worli

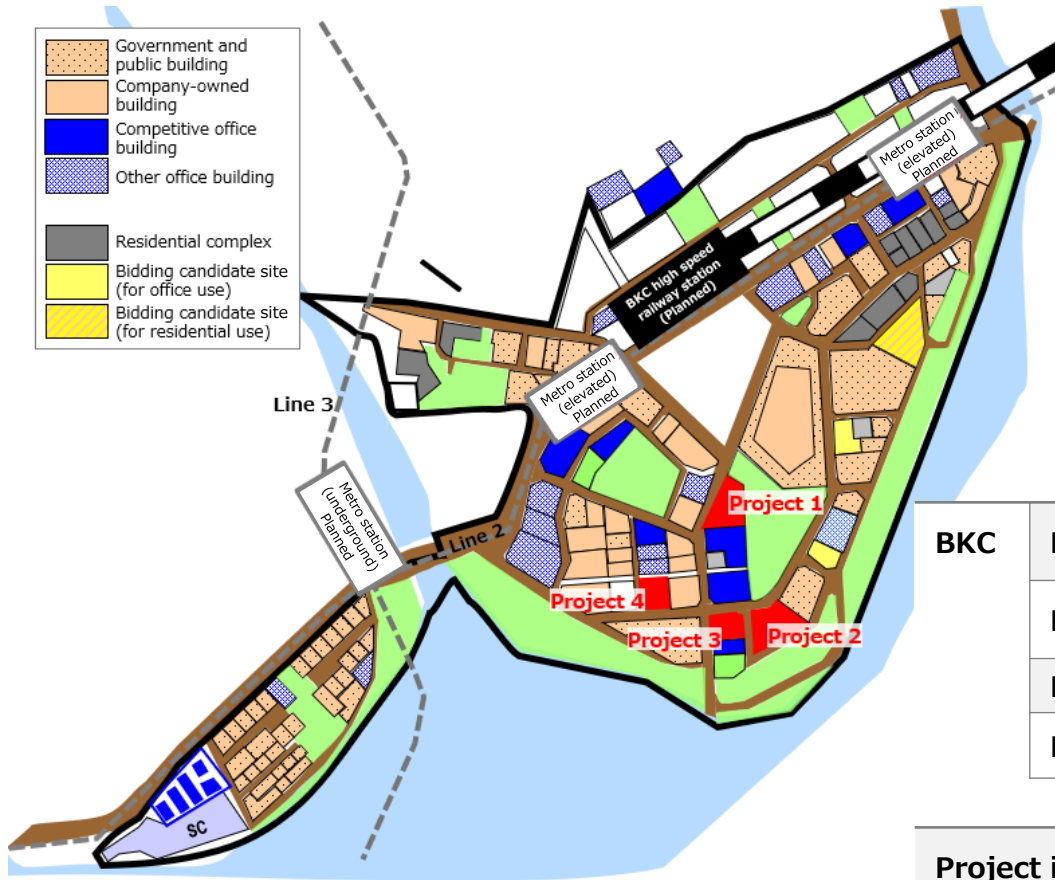


(Reference) Delhi



Investment of 1 Trillion Yen in Mumbai, India (3)

- Rents exceed 40,000 yen per tsubo*1
- An investment yield of over 10% is expected



BKC Project 1



BKC Project 2

		Acquisition Decision	Use (Planned)	Site Area (Tsubo*1)	Building Scale (GFA*2, Tsubo*1 (approx.))
BKC	Project 1	Jul 2019	Office building for lease	3,777	42,000
	Project 2	Nov 2022	Office building for lease	3,595	41,000
	Project 3	May 2025	Office building for lease, luxury hotels, etc.	1,844	29,000
	Project 4	May 2025		2,139	33,000
				11,355	145,000
Project in Worli		Oct 2023	Mixed-use development	26,625	310,000
Total				37,980	455,000

*1: 1 tsubo \approx 3.3 m²

*2: GFA = Gross Floor Area

Establishment of Condominium Sales and Investment Property Sales as the Two Main Pillars of Development and Sales Business



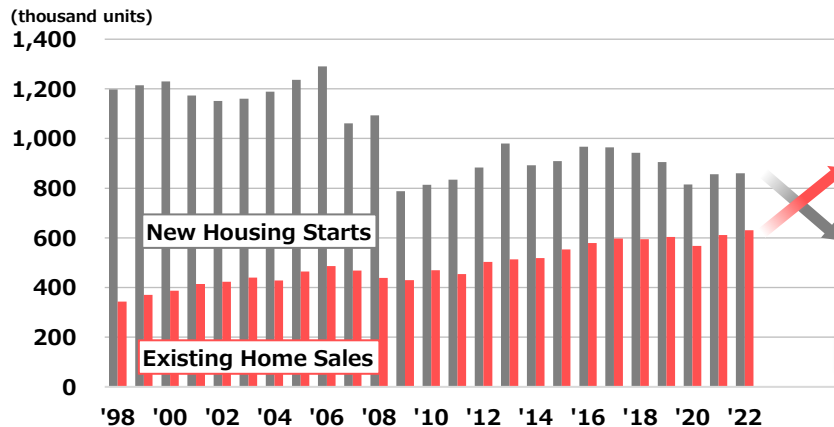
Shift the Focus of the Domestic Housing Business from New Houses to Existing Houses

■ Strengthening our efforts in the promising market for existing houses

Sumitomo Fudosan Housing Co., Ltd.

- Standardizing various aspects of both new construction and renovation businesses
- The key to growth lies in expanding the adoption of high-insulation remodeling

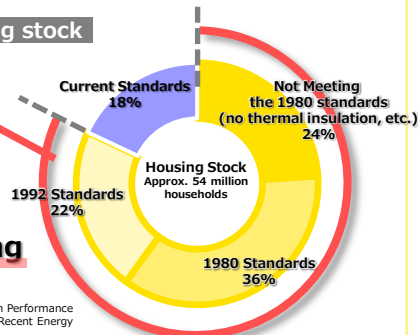
Trends in the Number of New Housing Starts and Existing Home Sales



Source: Ministry of Land, Infrastructure, Transport and Tourism "Housing Starts Statistics" (New housing starts), and the Association of Real Estate Agents of Japan, "Estimated Trading Volume of Existing Houses in the Market by Region" (Existing home sales)

Energy efficiency standards of housing stock

Not Meeting the Current Standards
44 million households (82%)



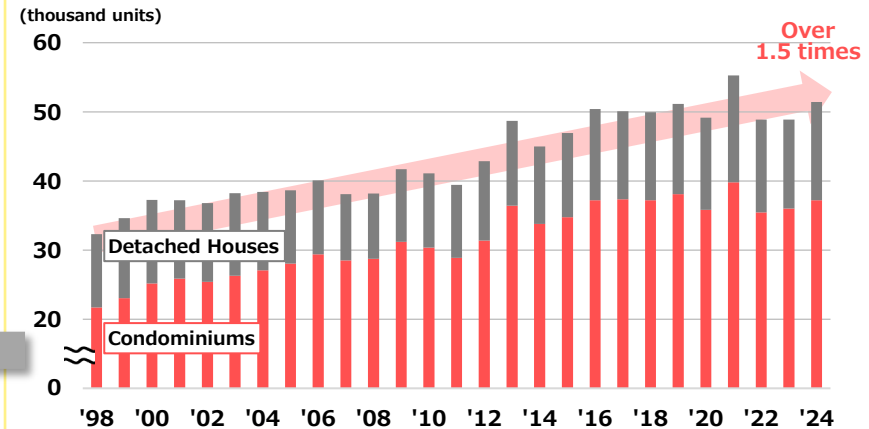
Potential needs for remodeling

Source: Ministry of Land, Infrastructure, Transport and Tourism, "Thermal Insulation Performance of Housing Stock" (2024 Symposium on Extending Housing Lifespans and Recent Energy Efficiency Initiatives)

Sumitomo Fudosan Step Co., Ltd.

- Aiming to be a company that helps our customers step up their lives through fair and transparent real estate transactions

Trends in the Number of Existing Housing Transactions (Tokyo Metropolitan Area)



Source: Real Estate Information Network for East Japan (REINS)

Digital Transformation (DX)

- ✓ Transparency and safety in transactions
- ✓ "STEP Auctions"
- ✓ Thorough visualization of business operations

Personnel

- ✓ High-level Expertise
- ✓ Strengthening the development of specialized personnel
- ✓ A structure in which teams provide specialized expertise

Reform of Corporate Governance System

- Transitioning to a Company with an Audit and Supervisory Committee and to have a majority of outside directors in two years, when the term of office of the current corporate auditors expires

May 2025 Resolved to transition to a Company with an Audit and Supervisory Committee and to have a majority of outside directors in two years

June 2025

- ① Number of directors : 9 to 8 (including 3 outside directors)
- ② Term of office of directors : 2 years to 1 year
- ③ Prescribed number of directors : 12 to 9

Approved
at the General
Shareholders'
Meeting

Nov. 2025
(This time)

**Resolved to establish a voluntary
Nominating Committee**

June 2027
(Scheduled)

Transition to a Company with an Audit and Supervisory Committee / Outside directors to be a majority

Transition Period

Reform of Corporate Governance System

■ Strategy for leveraging 400 billion yen of listed securities

- Capital Gains: Offsetting extraordinary losses and the risks of rising interest expenses
- Proceeds from the Sales: Primarily leveraged for growth investments — such as India business, which offers higher yields than holding listed shares — and also for share repurchases if there is a surplus

Image

Dividend yield on a book value basis of listed securities held
7.6%

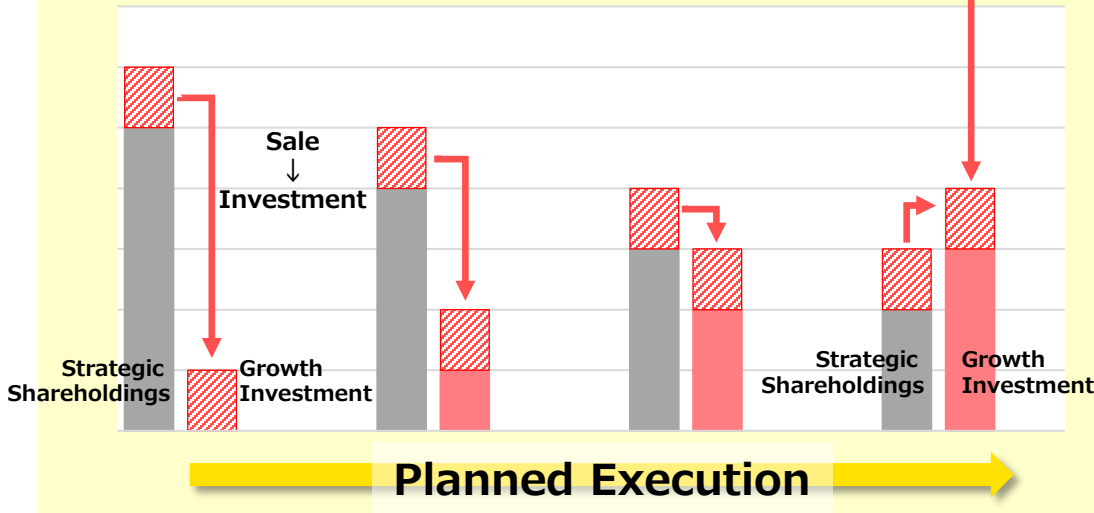
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Operational yield of our India business
expected to exceed 10%

Reference

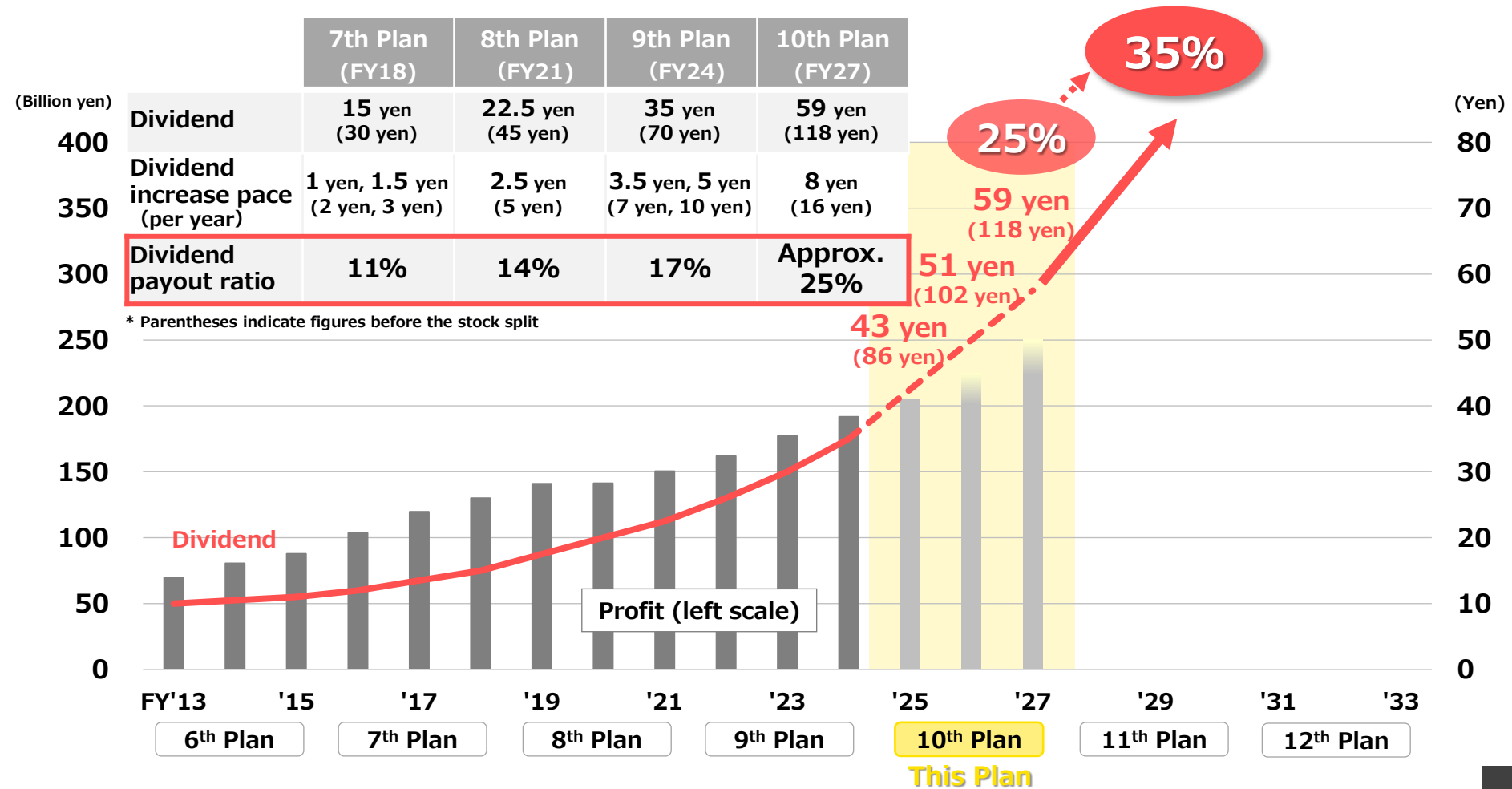
As of October 2025

	Book Value	Market Value
Listed Shareholdings	250 billion yen	700 billion yen



Enhancement of Shareholder Returns

- A 2-for-1 stock split will be effective as of January 1, 2026
- Continuing a progressive dividend of 8 yen (16 yen (pre-split)) or more annually until the dividend payout ratio reaches 35%
- Additional share repurchases of 30 billion yen
(Dec. 2024: 35 billion yen, May 2025: 10 billion yen)



Cash Allocation (the 10th Medium-term Management Plan)

- Having grown to the point where growth investments can be funded within operating cash flow
- Proceeds from the sale of strategic shareholdings will be leveraged for share repurchases, subject to the status of growth investment expenditures

Three-year total* FY2025 to FY2027	
<u>Core business income*</u>	<u>Investment for growth</u>
1,050 billion yen	700 billion yen
* Operating income from leasing business, Housing, and Step + depreciation	<u>Dividend</u>
	120 billion yen
<u>Gains from property sales</u>	<u>Management allocation</u>
	260 billion yen
800 billion yen	<u>Tax payment</u>
	270 billion yen
Condominiums 700 billion yen Held stocks 100 billion yen	<u>Investment on condominiums</u>
	500 billion yen



Management allocation	
260 billion yen	(As of March 2025)
(42 billion yen)	Acquisition cost for BKC Project 3 and 4
(17 billion yen)	Annual dividend to be increased from 10 yen to 16 yen (for three- year total)
(30 billion yen)	Share repurchase costs for this time
171 billion yen	

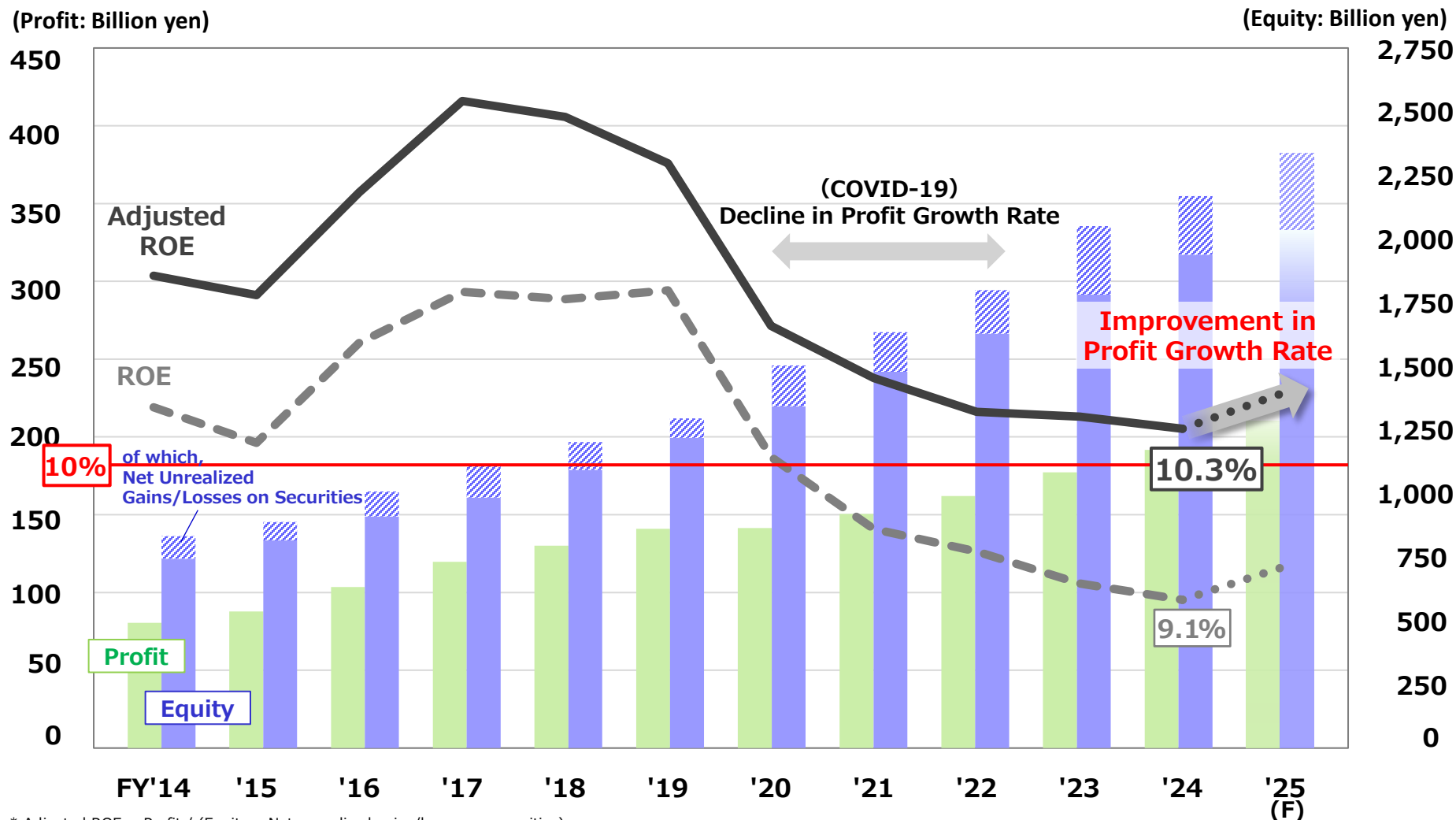
* From the 10th Medium-term Management Plan (released March 28, 2025)

Trend in Profit, Equity, and ROE

- The adjusted ROE is over 10%
- ROE improvement to be proven by results, not by setting targets

Improvement in Profit Growth Rate
+ Gains from Sale of Shares
—
(Increase in Dividends)
(Agile Share Repurchases)

Improvement
of ROE



* Adjusted ROE = Profit / (Equity - Net unrealized gains/losses on securities)

* FY2025 figures are forecasts. Net unrealized gains/losses on securities for the FY2025 forecast are the results for the 2nd quarter of FY2025.

Stock Price Trend (January 4th, 2023 to November 12th, 2025)

- Amid a robust office building market, rent increases are progressing, ensuring future cash flows
- Entering a stage where, with a higher probability of sustainable profit growth, we are able to increase shareholder returns on a continuous basis



Contents

Results for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)

Forecasts for Fiscal 2025 (Apr 1, 2025 – March 31, 2026)
(Revised on Nov 11, 2025)

Results for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)

Financial Statements **Cash Flow for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)**

Balance Sheets as of September 30, 2025

Forecasts for Fiscal 2025 (Apr 1, 2025 – Mar 31, 2026)
(Revised on Nov 11, 2025)

Cash Flow Forecasts for Fiscal 2025 (Apr 1, 2025 – Mar 31, 2026)
(Revised on Nov 11, 2025)

**Principal
New Development
Projects**

Principal New Office Building Projects

Principal Condominium Projects

**ESG
Initiatives**

List of ESG Initiatives

Results for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)

(Billion yen)

		Sep '24 Results **	Sep '25 Results	Increase/ Decrease
	Leasing	212.2	225.5	+13.2
	Sales	222.7	199.9	(22.7)
	Housing	64.4	66.3	+1.8
	Step	35.9	36.5	+0.5
Revenue from Operations		539.5	532.2	(7.3)
	Leasing	93.5	104.3	+10.7
	Sales	62.3	63.8	+1.5
	Housing	1.0	0.3	(0.6)
	Step	9.2	11.2	+1.9
Operating Income		155.9	167.4	+11.5
Non-operating income and expenses		0.2	(3.5)	(3.8)
Ordinary Profit		156.1	163.9	+7.7

Profit Attributable to Owners of Parent	109.4	118.3	+8.8
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FY '25 Forecasts		*** Revised on Nov. 11 th , 2025	
		Achieved	
460.0		49%	
320.0		62%	
195.0		34%	
75.0		49%	
1,050.0		51%	
210.0		50%	
70.0		91%	
17.0		2%	
22.0		51%	
295.0		57%	
(10.0)		-	
285.0		58%	

210.0	56%
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* From the beginning of March 2026 fiscal year, the names of the business segments have been changed: "Housing Construction" to "Housing" and "Brokerage" to "Step."
Segment classifications have also been changed: interior sales (Sumitomo Fudosan Syscon Co., Ltd.), previously recorded under "Housing Construction," and condominium management (Sumitomo Fudosan Tatemono Service Co., Ltd.), previously recorded under "Leasing," have been reclassified under "Sales."

** Reflected the above segment change

Forecasts for Fiscal 2025 (Apr 1, 2025 – March 31, 2026) (Revised on Nov 11, 2025)

【Reference】

(Billion yen)

		FY '24 Results **	FY '25 Revised forecasts			FY '25 Initial forecasts
				Increase/ Decrease	vs. Initial	
	Leasing	433.6	460.0	+26.3	-	460.0
	Sales	294.7	320.0	+25.2	+35.0	285.0
	Housing	204.2	195.0	(9.2)	(15.0)	210.0
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	Step	19.5	22.0	+2.4	-	22.0
Operating Income		271.5	295.0	+23.4	+5.0	290.0
Non-operating income and expenses		(3.1)	(10.0)	(6.8)	-	(10.0)
Ordinary Profit		268.3	285.0	+16.6	+5.0	280.0
Profit Attributable to Owners of Parent		191.6	210.0	+18.3	+5.0	205.0

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** Reflected the above segment change

Announced on May 13th, 2025

Results for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)

- ◆ Mainstay leasing and sales segments achieved record-high interim profits, driving overall performance.
- ◆ Operating income, ordinary profit, and profit all reached record highs.
(Ordinary profit marked a record for the 5th consecutive year, and profit for the 3rd consecutive year.)

(Billion yen)		Sep '24	Sep '25	Increase/ Decrease	<Factors behind Increase/Decrease>
Leasing		212.2	225.5	+13.2	New buildings and full-year operations: +0.2 Existing buildings and others: +13.1 (including +3 from hotels, multipurpose halls, etc.)
Sales		222.7	199.9	(22.7)	Units delivered: (789) units (2,855 → 2,066)
Housing		64.4	66.3	+1.8	"Shinchiku Sökkurisan" remodeling: +2.5 Custom homes: (0.7)
Step		35.9	36.5	+0.5	Number of transactions: (918) txns (15,388→14,470) Increase in average price per transaction: +3.6 million yen (45.8→49.4)
Revenue from Operations		539.5	532.2	(7.3)	New buildings and full-year operations: (1.3) Existing buildings and others: +12.0 (including +2.0 from hotels, multipurpose halls, etc.)
Leasing		93.5	104.3	+10.7	Decrease in revenue; Operating income margin: +4.0pt (28.0%→31.9%)
Sales		62.3	63.8	+1.5	Increase in revenue; Operating income margin: (1.1)pt (1.6%→0.5%)
Housing		1.0	0.3	(0.6)	Increase in revenue; Operating income margin: +4.9pt (25.8%→30.7%)
Step		9.2	11.2	+1.9	Interest income: (0.3), Dividends income: (0.0)
Operating Income		155.9	167.4	+11.5	Interest expenses: +3.3
Non-operating income		11.2	10.9	(0.3)	Gain on sale of investment securities: +9.8
Non-operating expenses		11.0	14.4	+3.4	Provision for share awards: +4.6
Ordinary Profit		156.1	163.9	+7.7	
Extraordinary income		1.6	11.5	+9.9	
Extraordinary loss		0.6	5.7	+5.1	
Income tax and other taxes		47.6	51.3	+3.6	
Profit		109.4	118.3	+8.8	

* From the beginning of March 2026 fiscal year, the names of the business segments have been changed: "Housing Construction" to "Housing" and "Brokerage" to "Step."
Segment classifications have also been changed: interior sales (Sumitomo Fudosan Syscon Co., Ltd.), previously recorded under "Housing Construction," and condominium management (Sumitomo Fudosan Tatemono Service Co., Ltd.), previously recorded under "Leasing," have been reclassified under "Sales."

Cash Flow for the Second Quarter of Fiscal 2025 (Apr 1 – Sep 30, 2025)

- ◆ Ordinary profit amounted to 163.9 billion yen, and net cash provided by operating activities was 136.1 billion yen.
- ◆ Interest-bearing debt was 3,839.6 billion yen due to an investment of 59.8 billion yen in new office buildings and an additional investment of 33.1 billion yen in our subsidiary in India.

(Billion yen)		Sep '24	Sep '25	Increase/ Decrease
	Ordinary profit	156.1	163.9	+7.7
	Depreciation	37.6	37.8	+0.2
	Payments for income tax and other taxes	(42.8)	(57.3)	(14.5)
	Others	30.8	(8.2)	(39.1)
Net cash provided by operating activities		181.8	136.1	(45.6)
	Purchases of property and equipment	(93.4)	(59.8)	+33.6
	Guarantee and lease deposits received	5.0	7.7	+2.7
	Guarantee and lease deposits	(0.3)	(0.2)	+0.0
	Sale of property and equipment	0.6	0.5	(0.1)
	Investment in India business	(7.1)	(33.1)	(25.9)
	Others	(11.5)	10.2	+21.7
Net cash used in investing activities		(106.8)	(74.6)	+32.1
	Increase (decrease) in interest-bearing debt	(91.9)	(52.2)	+39.6
	Others	(15.6)	(45.0)	(29.4)
Net cash provided by (used in) financing activities		(107.6)	(97.3)	+10.2
Net increase (decrease) in cash and cash equivalents		(29.7)	(36.8)	(7.1)
	cash and cash equivalents at end of 2nd quarter	74.1	62.2	(11.8)
	Interest-bearing debt at end of 2nd quarter	3,869.5	3,839.6	(29.9)
Net interest-bearing debt		3,795.4	3,777.3	(18.1)

<Main Breakdown>

Increase in inventories: (5.6)
(A decrease of 50.4 in previous fiscal year)

New investments

Dividend: (16.5) ((14.7) for the previous fiscal year)
Increase in equity: (28.5) ((0.8) for the previous fiscal year)

(Cash and deposits on the balance sheet)

Balance Sheets as of September 30, 2025

- ◆ The increased investment in new office buildings and an additional investment in our subsidiary in India resulted in total assets of 6,834.1 billion yen, an increase of 111.7 billion yen from the previous fiscal year.
- ◆ Profit amounted to 118.3 billion yen, and equity increased to 2,311.1 billion yen. As a result, the equity ratio rose to 33.8% (up from 32.3% at the end of the previous fiscal year).

(Billion yen)		As of Mar '25	As of Sep '25	Increase/ Decrease
	Cash and deposits	99.0	62.2	(36.7)
	Real estate for sale (Including real estate for sale in process)	919.5	914.7	(4.7)
	Other current assets	99.1	106.0	+6.9
Current assets		1,117.7	1,083.1	(34.6)
	Property and equipment and leasehold rights	4,620.3	4,632.2	+11.8
	Guarantee and lease deposits	71.4	71.0	(0.3)
	Other fixed assets	912.9	1,047.8	+134.9
Fixed assets		5,604.7	5,751.0	+146.3
	Interest-bearing debt	3,891.9	3,839.6	(52.2)
	Guarantee and lease deposits received	270.9	278.1	+7.1
	Deposits received / Long-term deposits received	28.1	57.6	+29.5
	Other current liabilities	303.0	249.0	(53.9)
	Other long-term liabilities	60.2	98.5	+38.3
Liabilities		4,554.3	4,523.0	(31.2)
Equity		2,168.1	2,311.1	+143.0

<Factors for Increase/Decrease>

Real estate for sale: +0.9
Real estate for sale in process: (5.7)

New investments: +49.1
Depreciation: (37.8)

Investment securities: +127.2
(including investment in subsidiary in India: +33.1)

Forecasts for Fiscal 2025 (Apr 1, 2025 – Mar 31, 2026) (Revised on Nov 11, 2025)

- ◆ We aim to achieve a record high in ordinary profit for the 5th consecutive year and in profit for the 13th consecutive year.
- ◆ We expect increases in both revenue and profit, mainly driven by office building leasing business.

(Billion yen)		FY '24 (Results)	FY '25 (Forecasts)	Increase/ Decrease	<Factors for Increase/Decrease>
	Leasing	433.6	460.0	+26.3	<p>New buildings and full-year operations: +1.0 Existing buildings and others: +25.3 (including +10.0 from hotels, multipurpose halls, etc.)</p> <p>Units delivered: (226) units (3,526→3,300)</p> <p>"Shinchiku Sokkurisan" remodeling: (1.8) Custom homes: (7.9)</p> <p>Number of transactions: +497 txns (31,003→31,500)</p>
	Sales	294.7	320.0	+25.2	
	Housing	204.2	195.0	(9.2)	
	Step	73.1	75.0	+1.8	
Revenue from Operations		1,014.2	1,050.0	+35.7	
	Leasing	188.6	210.0	+21.3	<p>New buildings and full-year operations: (2.0) Existing buildings and others: +23.3 (including +4.0 from hotels, multipurpose halls, etc.)</p> <p>Operating income margin: +0.1pt (21.8%→21.9%)</p> <p>Operating income margin: (1.9)pt (10.6%→8.7%)</p> <p>Operating income margin: +2.6pt (26.7%→29.3%)</p>
	Sales	64.2	70.0	+5.7	
	Housing	21.5	17.0	(4.5)	
	Step	19.5	22.0	+2.4	
Operating Income		271.5	295.0	+23.4	
Non-operating income and expenses		(3.1)	(10.0)	(6.8)	
Ordinary Profit		268.3	285.0	+16.6	
Profit		191.6	210.0	+18.3	

* From the beginning of March 2026 fiscal year, the names of the business segments have been changed: "Housing Construction" to "Housing" and "Brokerage" to "Step."
Segment classifications have also been changed: interior sales (Sumitomo Fudosan Syscon Co., Ltd.), previously recorded under "Housing Construction," and condominium management (Sumitomo Fudosan Tatemono Service Co., Ltd.), previously recorded under "Leasing," have been reclassified under "Sales."

Cash Flow Forecasts for Fiscal 2025 (Apr 1, 2025 – Mar 31, 2026)

(Revised on Nov 11, 2025)

- ◆ We expect net cash provided by operating activities to be 275.0 billion yen, and net cash used in investing activities to be 175.0 billion yen.
- ◆ Interest-bearing debt is expected to remain unchanged from the previous fiscal year.

(Billion yen)		FY '24 (Results)	FY '25 (Forecasts)	Increase/ Decrease
	<i>Ordinary profit</i>	268.3	285.0	+16.6
	Depreciation	74.8	75.0	+0.1
	Payments for income tax and other taxes	(80.0)	(90.0)	(9.9)
	Others	△ 9.9	5.0	+14.9
Net cash provided by operating activities		253.1	275.0	+21.8
	Purchases of property and equipment	(165.5)	(160.0)	+5.5
	Guarantee and lease deposits received	12.6	20.0	+7.3
	Guarantee and lease deposits	(6.9)	-	+6.9
	Sale of property and equipment	4.4	-	(4.4)
	Investment in India business	(10.6)	(65.0)	(54.3)
	Others	22.3	30.0	+7.6
Net cash used in investing activities		(143.6)	(175.0)	(31.3)
	Increase (decrease) in interest-bearing debt	(69.6)	-	+69.6
	Others	(47.2)	(100.0)	(52.7)
Net cash provided by (used in) financing activities		(116.8)	(100.0)	+16.8
Net increase (decrease) in cash and cash equivalents		(4.9)	-	+4.9
	cash and cash equivalents at end of year	99.0	99.0	-
	Interest-bearing debt at end of year	3,891.9	3,891.9	-
Net interest-bearing debt		3,792.9	3,792.9	-

<Main Breakdown>

New Investments



Principal New Office Building Projects



**Sumitomo Fudosan
Shibakoen Project**

Location	Minato Ward, Tokyo	GFA*	12,000 Tsubo
Completion	Jan 2026 (Expected)	No. of Floor	21 above ground/ 2 below ground



Yaesu 2-chome South Project

Location	Chuo Ward, Tokyo	GFA*	42,000 Tsubo
Completion	—	No. of Floor	—



**Roppongi 5-chome
West Project**

Location	Minato Ward, Tokyo	GFA*	327,000 Tsubo
Completion	—	No. of Floor	—

* GFA = Gross Floor Area
Note: 1 tsubo≈3.3㎡

Principal Condominium Projects (Scheduled Delivery in FY2025)



City Tower Toranomon

Minato Ward, Tokyo

138 units*

28 above ground/
1 below ground



City Tower Senjuohashi

Adachi Ward, Tokyo

462 units*

42 above ground



BayCity Towers Kobe

Kobe

WEST: 346 units*
EAST : 344 units*

27 above ground/
1 below ground
(Both WEST and EAST)

* Units = No. of units for sale

Principal Condominium Projects (Scheduled Delivery in FY2026)



Grand City Tower Ikebukuro

Toshima Ward, Tokyo

773 units *

52 above ground/
2 below ground



Grand City Tower Tsukishima

Chuo Ward, Tokyo

945 units *

58 above ground/
2 below ground



City Tower Sapporo Susukino

Sapporo

164 units *

28 above ground/
1 below ground

* Units = No. of units for sale

List of ESG Initiatives (April 2025 – October 2025)

Date (Released)	E	S	G	ESG Initiatives
May 2025	●			Acquired the highest rating in the Hotel category of the DBJ Green Building Certification for Hotel Villa Fontaine Haneda Airport, bringing the Green Building Certification rate for assets owned as of Fiscal 2024 to approximately 92%
			●	Announced new policies to transition to a Company with an Audit and Supervisory Committee and to have a majority of outside directors in two years
June 2025			●	Approved at the 92 nd General Shareholders' Meeting: 1. Re-election of 8 Directors (5 internal [down by 1], 3 outside) 2. Shortening of Directors' Term of Office (from 2 years to 1 year) 3. Reduction in the Prescribed Number of Directors (from 12 to 9)
July 2025		●		Held the "IZUMI GARDEN Summer Festival 2025" at Sumitomo Fudosan Roppongi Grand Tower
		●		Held the 120th Summer STEP Concert/Donated the funds raised for training and promotion of service dogs to the Japan Service Dog Association/Provided experiential opportunities to "Kodomo Boken Bank" to help eliminate the "experience gap" among children
	●			Established a new organization, the "Energy-saving Renovation Task Force," as developers, renovation companies, window and sash manufacturers, and industry associations have united across industry boundaries, aiming to promote awareness and drive adoption of insulation and energy-saving renovation in existing houses
August 2025	●			Residential Solar Power Generation Service "SUMIFU × ENEKARI" has begun a pilot test of ultra-lightweight, ultra-thin panel installation, toward the introduction and expansion of solar panels in residential housing
		●		Seismic isolation system of "TORANOGATE" obtained Japan's first "Individual Dynamic Performance Certification" as office building
October 2025		●		Held the "Sumitomo Fudosan Venture Summit 2025," a major business matching event, which attracted over 2,400 applicants and strengthened the startup ecosystem by leveraging the strengths of a comprehensive real estate developer

Most of the above initiatives have been announced through news releases.

Included in ESG index

FTSE  FTSE4Good			 FTSE Blossom Japan			 FTSE Blossom Japan Sector Relative Index			MSCI 2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX			S&P 2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX			 S&P/JPX Carbon Efficient Index		
			2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)			SOMPO 2024			 Sompo Sustainability Index								

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

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