

# Supplementary Material for FY2025

(April 1, 2025 – March 31, 2026)

This presentation is an English translation of the original Japanese presentation and is provided for reference purposes only. In the event of any discrepancy between this translation and the original Japanese presentation, the original shall prevail.



**Sumitomo Realty & Development Co., Ltd.**

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## 1. At the End of the First Year of the 10th Medium-term Management Plan – Key Challenges Ahead and Our Response

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## Results for FY2025 and Forecasts for FY2026

- **Results for FY2025: Record highs for revenue from operations and all profit figures (Ordinary profit for the 5th consecutive year and profit for the 13th consecutive year)**
- **Forecasts for FY2026: Expecting to reach 300 billion yen for ordinary profit, and achieve new record highs for revenue from operations and all profit figures**

(Billion yen)

	FY '24 Results	FY '25 Results	Increase/ Decrease	FY '26 Forecasts
Revenue from Operations	1,014.2	1,057.7	+43.5	1,070.0
Operating Income	271.5	299.1	+27.6	320.0
Ordinary Profit	268.3	289.2	+20.9	300.0
Profit Attributable to Owners of Parent	191.6	212.5	+20.8	223.0

Record highs

New record highs

# Progress of the 10th Medium-term Management Plan

- Targets for the 10th Medium-term Management Plan (3-year cumulative totals):  
Ordinary profit: 900 billion yen, profit: 650 billion yen

## Progress

### First year of the 10th Plan (FY2025) ➔ Marking a steady start

(Billion yen)	9th Plan (FY '22-'24)	10th Plan (FY '25-'27)		FY2025	
				Results	Progress
Revenue from Operations	2,921.8	3,200.0	+10%	1,057.7	33%
Operating Income	767.5	930.0 +162.5	+21%	299.1	32%
Ordinary Profit	758.1	900.0 +141.9	+19%	289.2	32%
Profit Attributable to Owners of Parent	530.8	650.0 +119.2	+22%	212.5	33%

## Summary

### Toward achieving the targets of the 10th Medium-term Management Plan

#### 1 Office Rent Increases to Outpace Rising Interest Rates

- Achieved rent increases exceeding 20% at the high end and averaging in the 7% range with tightening supply-demand conditions / Entering a phase of sustained rent growth, shifting from the deflationary era to the inflationary era

#### 2 Measures to Address Soaring Construction Costs and Extended Construction Periods

- Aiming for reasonable construction costs and shorter construction periods by leveraging long-standing partnerships with general contractors and subcontractors

#### 3 Outlook for the Business Environment for Condominium Sales and Our Countermeasures

- Securing stable supply and profitability with 3 years' worth of completed inventory despite an uncertain business environment

#### 4 Updates on the Progress of Our Mumbai, India Business

- BKC Project 1: Construction progressing smoothly to commence operation this fall as scheduled, expecting a yield of over 10%

#### 5 Balancing Growth Investments and Returns to Shareholders and Employees, as well as Progress in Strengthening Corporate Governance

- Return to (1) Shareholders: Dividend increase of 9 yen (¥35→¥44) for FY2025  
(2) Employees: Special grant of points for acquiring the Company's shares
- Transition to a Company with an Audit and Supervisory Committee in 2027: Proposal to be submitted at THIS year's AGM
- Clear path to reducing strategic shareholdings through sales and placement into trust (Achieved 10% or less in the ratio of their book value to shareholders' equity)

# (1) Office Rent Increases to Outpace Rising Interest Rates

- “Sustained rent growth” driven by tightening supply-demand conditions and entering an inflationary era, enabling us to absorb the impact of higher interest rates

**Present**

**Outlook**

**Leasing Assets**

**4.5**  
trillion yen  
(Book value of investment and rental properties)

**Interest-bearing Debt**

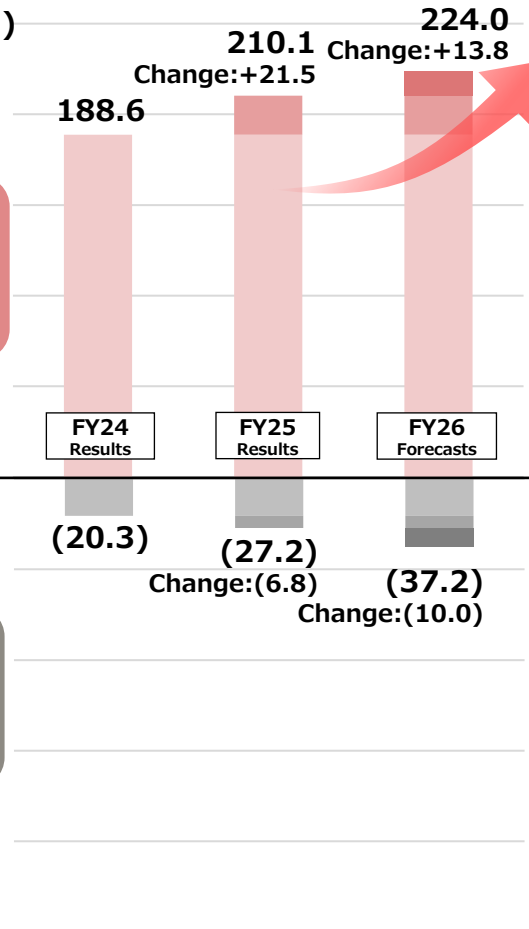
**4**  
trillion yen

Long-term debt ratio  
**94%**  
Fixed-interest rate debt ratio  
**81%**

(Billion yen)

Profit from Leasing segment

Interest expenses



**【Current】**  
Rent increases intensifying amid a tight market  
Over 20% at the high end  
(Average in the 7% range)

**【Going forward】**  
Shifting to the inflationary era  
Entering a phase of sustained rent growth

**【Current】**  
Interest rate increases becoming more pronounced

**【Going forward】**  
Rent increases outpacing rising interest expenses

## (2) Measures to Address Soaring Construction Costs and Extended Construction Periods

- Keeping construction costs at reasonable levels and shortening construction periods efficiently

### Long-standing partnerships

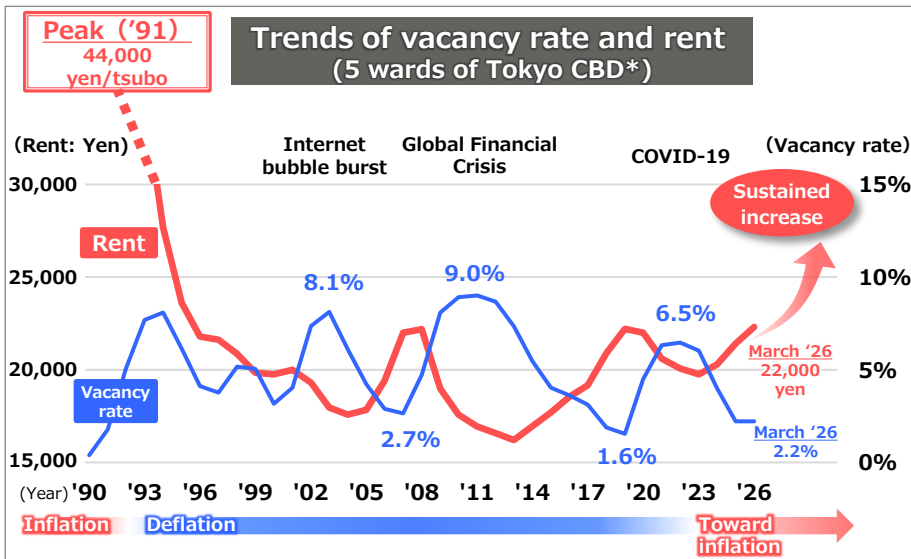
- Minimizing risks through partnerships cultivated over years with general contractors and subcontractors



Hold repeated discussions on project plans including construction costs and schedules

No change to our development policy for 600,000 tsubo in central Tokyo

- A shift to the inflationary era, toward a phase of sustained rent growth



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

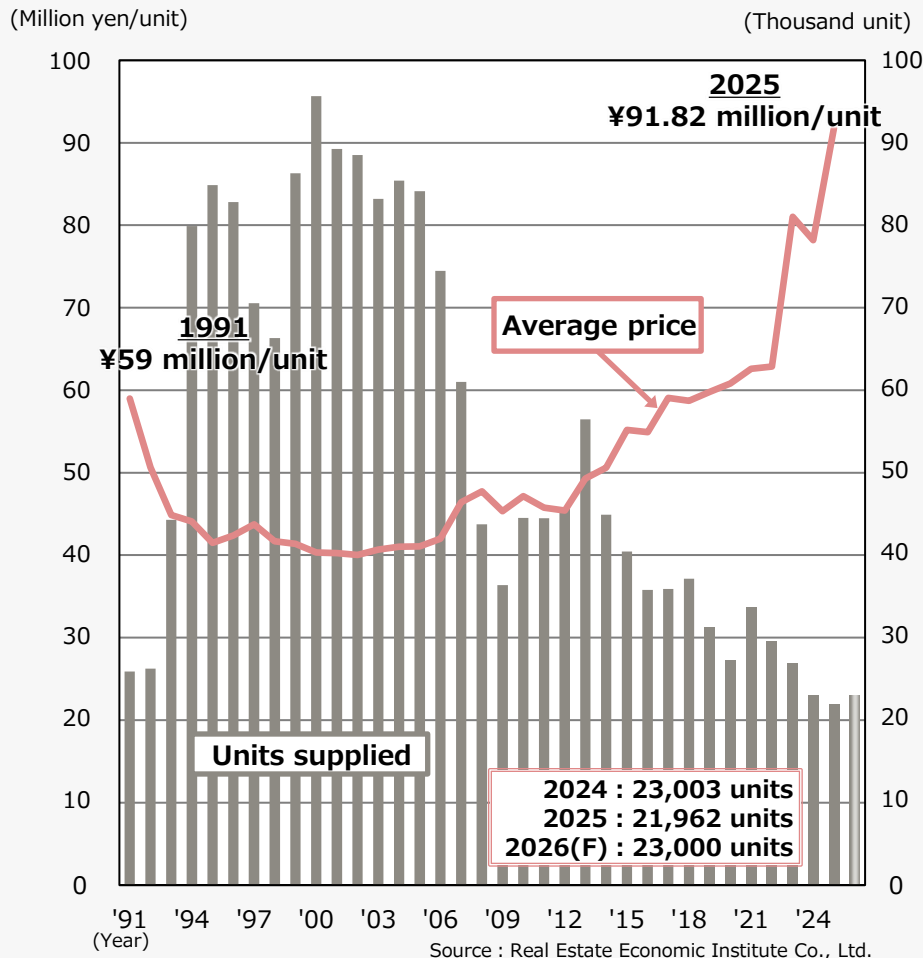
\* GFA = Gross Floor Area, 1 tsubo ≈ 3.3m<sup>2</sup>  
Total gross floor area including areas owned by third parties outside our group.

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 Tokyo CBD: Chiyoda, Chuo, Minato, Shinjuku, and Shibuya  
Note: 1 tsubo ≈ 3.3m<sup>2</sup>

### (3) Outlook for the Business Environment for Condominium Sales and Our Countermeasures

- Inventory of more than 6,000 completed units—equivalent to roughly three years' worth of supply: a "valuable asset" to support our stable future supply and profitability

Condominium units supplied and average price (Tokyo area)



#### Sumitomo Realty's sales policy

Refrain from indiscriminate price cuts even after completion and take the time to sell each unit

Completed inventory is not unsold stock but rather a "valuable asset"

We have put this policy into practice for over 20 years, since the days when selling out units prior to completion was the industry norm

### (3) Outlook for the Business Environment for Condominium Sales and Our Countermeasures

**“Valuable asset”**

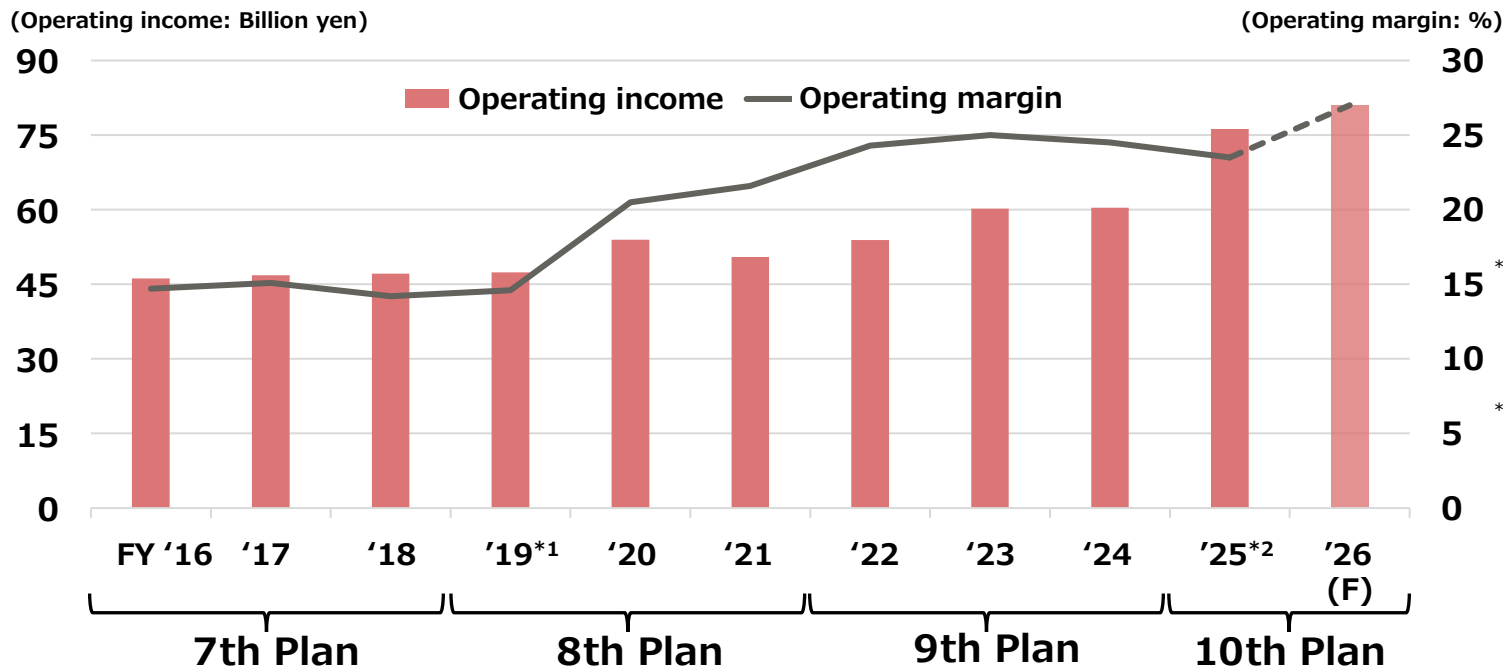
Status	No. of units	Scheduled delivery	Profitability
Completed	Over <b>6,000</b>	10th – 11th Plan	High (About 25%)
Construction started	Over <b>5,000</b>	Same as above	High/Average (15~25%)

Cost already fixed  
→ Only sales remain

No risk of project failure

■ (Reference) Trends in operating margin by Sales segment

(Operating income: Billion yen)



<Business segment reclassification>

\*1 Certain business operations of Sumitomo Real Estate Sales (currently Sumitomo Fudosan Step) previously recorded under “Sales,” were reclassified to “Brokerage” (currently “Step”).

\*2 The business operations of the condominium management subsidiary and the interior sales subsidiary, previously recorded under “Leasing” and “Construction” (currently “Housing”), respectively, were reclassified to “Sales.”

# (4) Updates on the Progress of our Mumbai, India Business

## BKC Project 1

- Construction progressing smoothly toward completion this fall
- About 70% of the tenant space has already been pre-leased or pre-committed, with an expected yield of over 10%

Completion scheduled for 2026

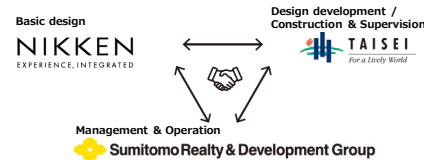


As of Mar 2026



Exterior rendering

➤ Carrying out the project with Japan's leading design and construction firms



Project 1

Completion scheduled for 2029

## Project 2

- Construction started  
➔ Scheduled for completion in 2029



As of Feb 2026

## Project 3 and 4

- Aiming for an early start to construction

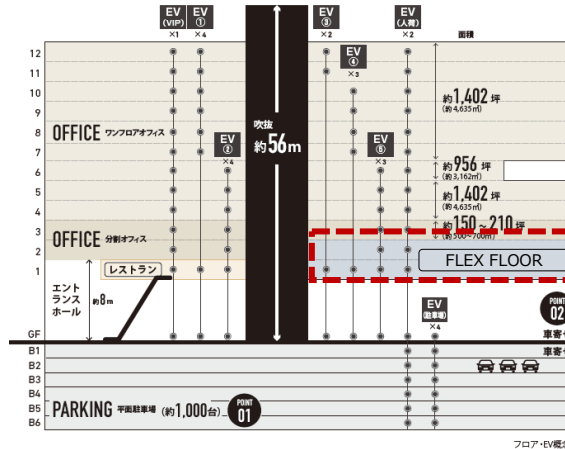
# (4) Updates on the Progress of our Mumbai, India Business

- Contributing to the growth of Japanese companies in Mumbai as well as India's economic development



## <BKC Project 1> FLEX FLOOR | Supporting Japanese companies' business in India

- A gateway for Japanese companies entering India
  - ✓ Providing various spaces that can be flexibly selected according to the business environment and specific needs
- Forming a global community
  - ✓ Networking and information exchange with companies already operating in India and local companies
  - ✓ A platform for business matching



- Offering support beyond office leasing
  - ✓ Housing and vehicle arrangement
  - ✓ Daily living matters consultation etc.

➤ Over 70 companies expressing tenant interest

## – Hosting events in Japan and India –

### INDIA CONNECT organized by Sumitomo Realty



- Creating growth opportunities for Japanese companies seeking to enter India through knowledge sharing by companies already operating in India and business matching



### JAPAN MATSURI in Worli



- Aiming to foster community-based urban development in India as well through Japan-India cultural exchange events such as *Bon Odori*



# (5) Balancing Growth Investments and Returns to Shareholders and Employees, as well as Progress in Strengthening Corporate Governance

- A progressive dividend policy with annual increase of 8 yen or more

⇒ For FY2025, an increase of 9 yen (35 yen→44 yen) due to stronger-than-expected earnings

- The Stock Compensation Plan to Reward Long Service and Dedication ⇒ Aiming to enhance corporate value as one Group
- + a special grant of points for acquiring the Company's shares

## Growth investments in Tokyo and India

Tokyo

600  
Thousand  
tsubo

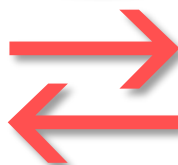


India

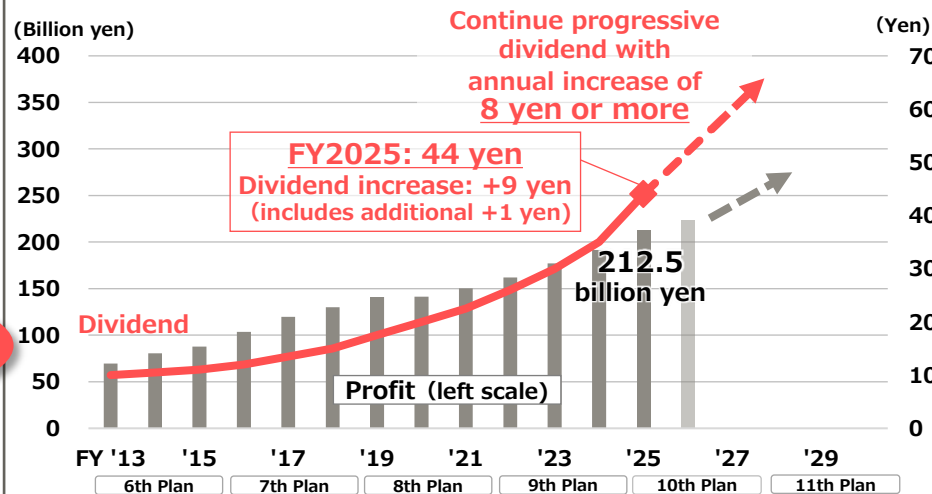
500  
Thousand  
tsubo



Balance



## Shareholder returns

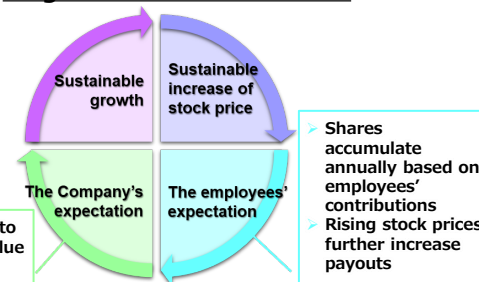


## Employee benefits

- Expanded the stock compensation plan, which now covers 10,000 employees
- With record-high performance, granted special points for acquiring the Company's shares (return the benefit of the share repurchase)

### Stock compensation plan to reward long service and dedication

Encourage employees to fully contribute to the further enhancement of corporate value through sustainable growth



## (5) Balancing Growth Investments and Returns to Shareholders and Employees, as well as Progress in Strengthening Corporate Governance

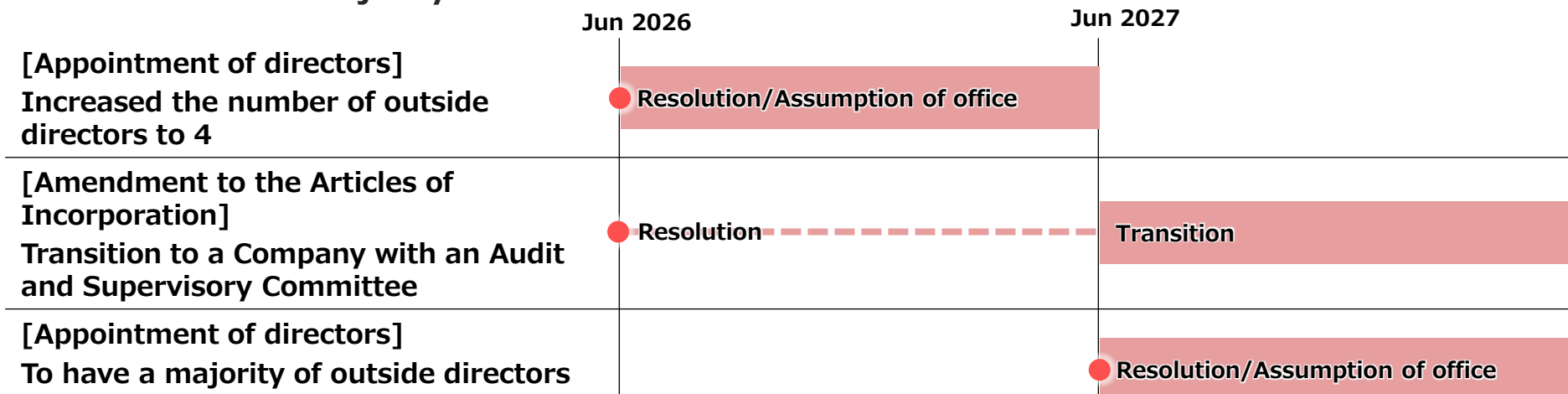
### <10th Plan Cash Allocation>

Three-year total FY2025 to FY2027	
<u>Core business income*</u>	<u>Investment for growth</u>
<b>1,080</b> billion yen <b>+30 billion yen</b>	<b>700</b> billion yen <b>Unchanged</b>
* Operating income from leasing business, Housing, and Step + depreciation, etc.	<u>Investment on condominiums</u>
<u>Gains from property sales</u>	<b>500</b> billion yen <b>Unchanged</b>
<b>800</b> billion yen <b>Unchanged</b>	<u>Dividend/Share repurchase</u>
Condominiums : <b>650</b> billion yen	<b>195</b> billion yen <b>+75 billion yen</b>
Held stocks : <b>150</b> billion yen	<u>Management allocation</u>
	<b>125</b> billion yen <b>(135) billion yen</b>
	<u>Tax payment/Net interest received etc.</u>
	<b>360</b> billion yen <b>+90 billion yen</b>

Red text indicates changes from the previous supplementary material for the 10th Medium-term Management Plan

## (5) Balancing Growth Investments and Returns to Shareholders and Employees, as well as Progress in Strengthening Corporate Governance

- Steady progress toward transition to a Company with an Audit and Supervisory Committee and to have a majority of outside directors in 2027



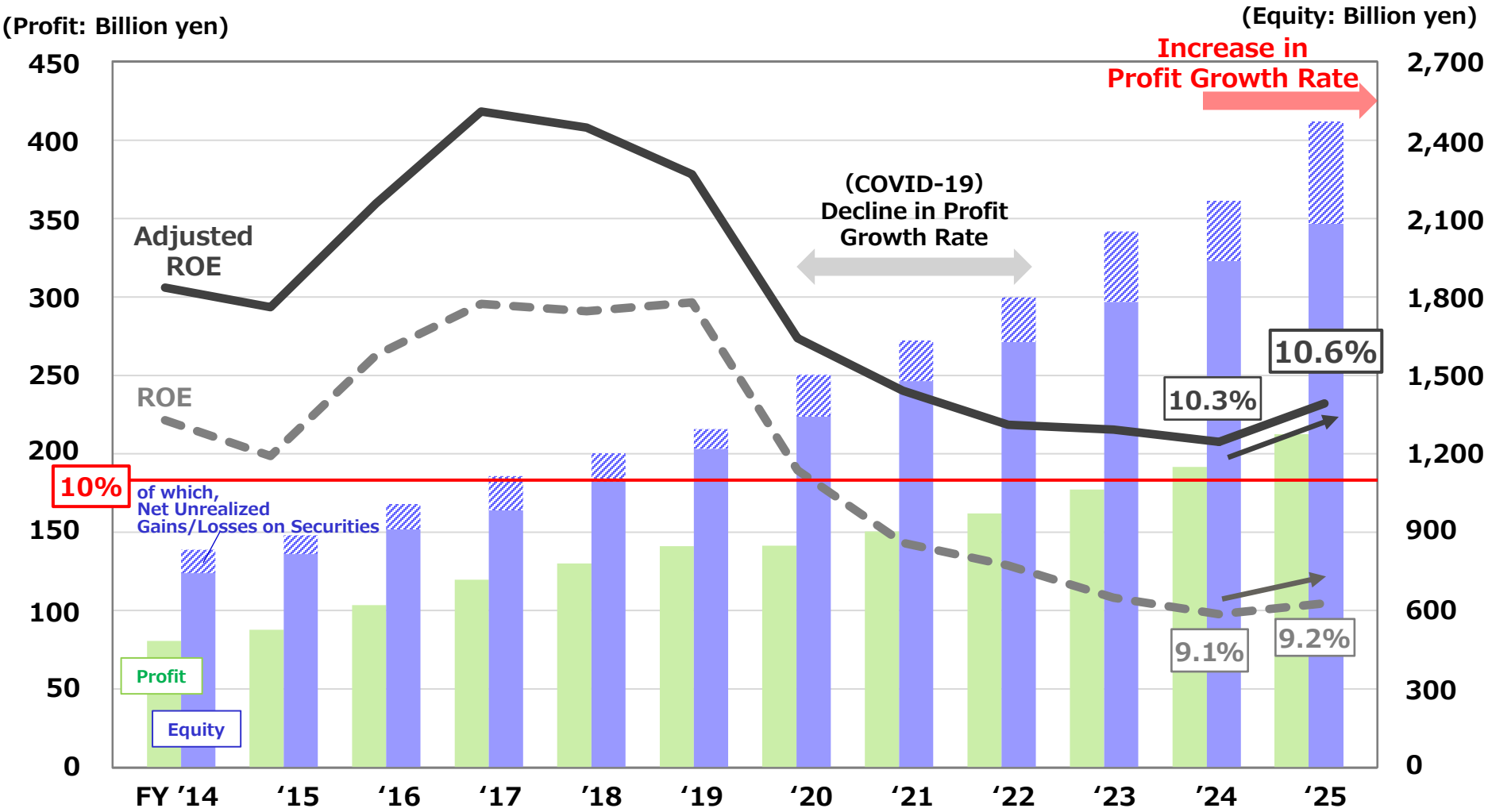
Steps taken to strengthen corporate governance		Internal	Outside	(Ratio of outside directors)
Jun 2015	Appointed outside directors in response to the requirement	10	2	(17%)
Apr 2020	Introduced an executive officer system	8	2	(20%)
Jun 2023	Increased the number of outside directors to 3	6	3	(33%)
Jun 2025	Reduced the prescribed number of directors from 12 to 9 Shortened the term of office of directors from 2 years to 1 year	5	3	(38%)
Nov 2025	Established a nominating committee* (voluntary) <small>* One internal director and two outside directors</small>	Same as above	Same as above	(Same as above)
Feb 2026	Increased the number of outside directors to 4** <small>** Proposal to be submitted for approval at the next AGM in late June 2026</small>	5	4	(44%)
Jun 2026	Submit a proposal for the transition to a Company with an Audit and Supervisory Committee scheduled for 2027	Same as above	Same as above	(Same as Above)
Jun 2027	Transition to a Company with an Audit and Supervisory Committee A majority outside directors on the Board	–	–	(Majority)

Future Plan



# Appendix – ROE

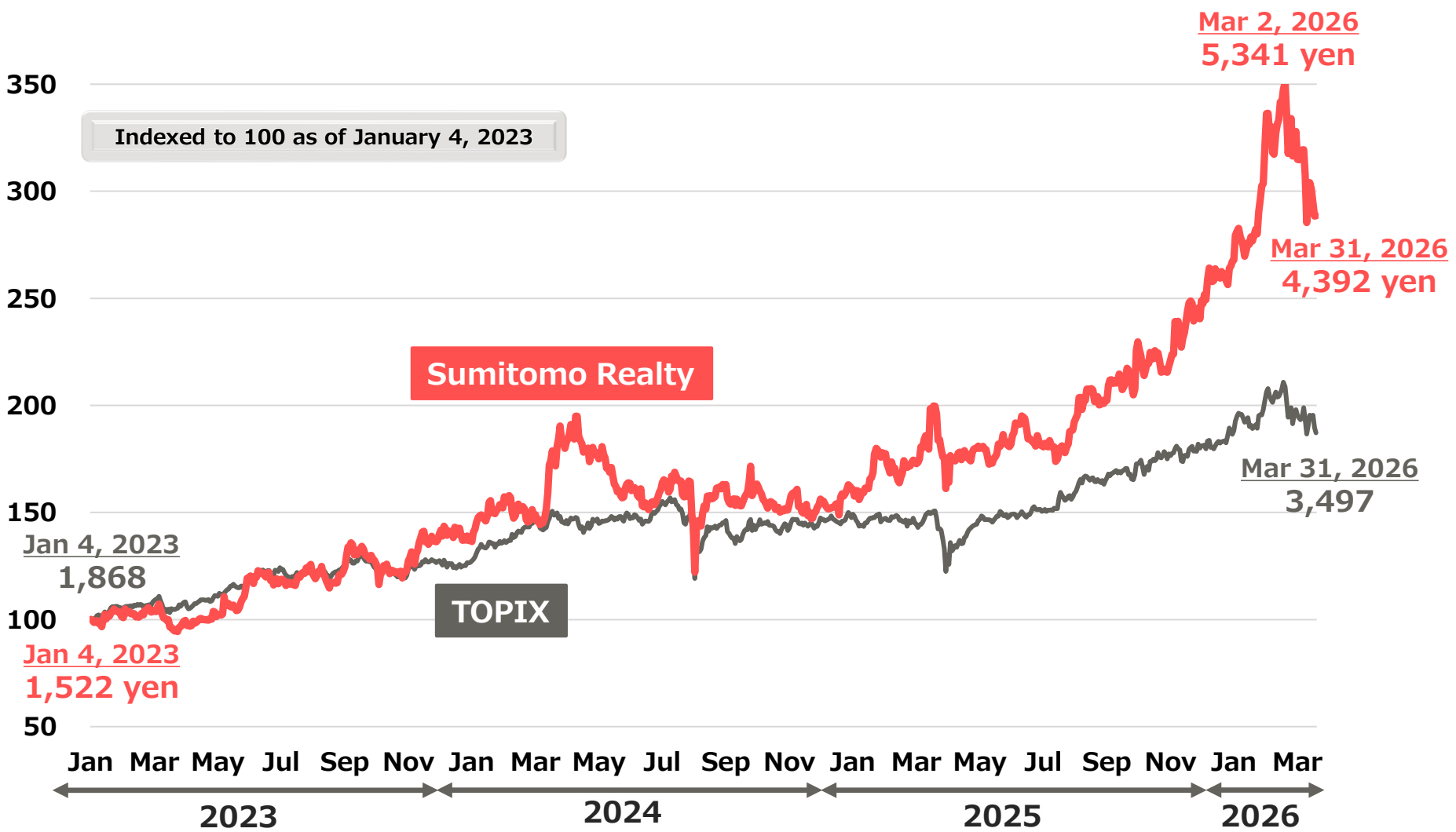
- The adjusted ROE exceeds 10%, shifting from a downward trend to an upward trend
- Aiming to maintain and improve it through further profit growth



\* Adjusted ROE: ROE calculated using equity excluding unrealized gains on securities holdings, which can fluctuate significantly with stock market movements, as the denominator

# Appendix – Stock Price Trend

- Amid a robust office building market, rent increases are progressing, ensuring future cash flows
- Stock price increase significantly outpacing the TOPIX



\* Effective January 1, 2026, the Company executed a two-for-one stock split of common stock. The figures in this graph have been adjusted to reflect the post-split basis.

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## Results for FY2025 (Apr 1, 2025 – Mar 31, 2026)

(Billion yen)

		FY '24 Results **	FY '25 Results	Increase/ Decrease	(Revised on Nov. 11, 2025)	
					FY '25 Forecasts	Difference
	Leasing	433.6	460.6	+26.9	460.0	+0.6
	Sales	294.7	324.0	+29.2	320.0	+4.0
	Housing	204.2	188.9	(15.3)	195.0	(6.0)
	Step	73.1	75.3	+2.1	75.0	+0.3
	<b>Revenue from Operations</b>	<b>1,014.2</b>	<b>1,057.7</b>	<b>+43.5</b>	<b>1,050.0</b>	<b>+7.7</b>
	Leasing	188.6	210.1	+21.5	210.0	+0.1
	Sales	64.2	76.2	+12.0	70.0	+6.2
	Housing	21.5	13.4	(8.1)	17.0	(3.5)
	Step	19.5	23.6	+4.0	22.0	+1.6
	<b>Operating Income</b>	<b>271.5</b>	<b>299.1</b>	<b>+27.6</b>	<b>295.0</b>	<b>+4.1</b>
	Non-operating income and expenses	(3.1)	(9.9)	(6.7)	(10.0)	+0.0
	<b>Ordinary Profit</b>	<b>268.3</b>	<b>289.2</b>	<b>+20.9</b>	<b>285.0</b>	<b>+4.2</b>
	<b>Profit Attributable to Owners of Parent</b>	<b>191.6</b>	<b>212.5</b>	<b>+20.8</b>	<b>210.0</b>	<b>+2.5</b>

\* From the beginning of FY '25, 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."

\*\* The results for FY '24 reflect the above segment changes.

## Forecasts for FY2026 (Apr 1, 2026 – Mar 31, 2027)

(Billion yen)

		FY '24 Results **	FY '25 Results	Increase/ Decrease	FY '26 Forecasts	Increase/ Decrease
	Leasing	433.6	460.6	+26.9	480.0	+19.3
	Sales	294.7	324.0	+29.2	300.0	(24.0)
	Housing	204.2	188.9	(15.3)	207.0	+18.0
	Step	73.1	75.3	+2.1	70.0	(5.3)
<b>Revenue from Operations</b>		<b>1,014.2</b>	<b>1,057.7</b>	<b>+43.5</b>	<b>1,070.0</b>	<b>+12.2</b>
	Leasing	188.6	210.1	+21.5	224.0	+13.8
	Sales	64.2	76.2	+12.0	81.0	+4.7
	Housing	21.5	13.4	(8.1)	17.0	+3.5
	Step	19.5	23.6	+4.0	22.0	(1.6)
<b>Operating Income</b>		<b>271.5</b>	<b>299.1</b>	<b>+27.6</b>	<b>320.0</b>	<b>+20.8</b>
	Non-operating income and expenses	(3.1)	(9.9)	(6.7)	(20.0)	(10.0)
<b>Ordinary Profit</b>		<b>268.3</b>	<b>289.2</b>	<b>+20.9</b>	<b>300.0</b>	<b>+10.7</b>
<b>Profit Attributable to Owners of Parent</b>		<b>191.6</b>	<b>212.5</b>	<b>+20.8</b>	<b>223.0</b>	<b>+10.4</b>

\* From the beginning of FY '25, 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."

\*\* The results for FY '24 reflect the above segment changes.

## Results for FY2025 (Apr 1, 2025 – Mar 31, 2026) (vs. FY2024)

- ◆ The mainstay Leasing segment achieved a record-high increase in profit, driving overall performance.
- ◆ Revenue from operations, operating income, ordinary profit and profit all achieved record highs.  
(Ordinary profit for the 5th consecutive year and profit for the 13th consecutive year)

(Billion yen)		FY '24	FY '25	Increase/ Decrease
Leasing		433.6	460.6	+26.9
Sales		294.7	324.0	+29.2
Housing		204.2	188.9	(15.3)
Step		73.1	75.3	+2.1
<b>Revenue from Operations</b>		<b>1,014.2</b>	<b>1,057.7</b>	<b>+43.5</b>
Leasing		188.6	210.1	+21.5
Sales		64.2	76.2	+12.0
Housing		21.5	13.4	(8.1)
Step		19.5	23.6	+4.0
<b>Operating Income</b>		<b>271.5</b>	<b>299.1</b>	<b>+27.6</b>
Non-operating income		21.1	20.4	(0.6)
Non-operating expenses		24.3	30.4	+6.0
<b>Ordinary Profit</b>		<b>268.3</b>	<b>289.2</b>	<b>+20.9</b>
Extraordinary income		38.4	33.2	(5.2)
Extraordinary loss		32.9	18.9	(14.0)
Income tax and other taxes		82.1	91.0	+8.8
<b>Profit</b>		<b>191.6</b>	<b>212.5</b>	<b>+20.8</b>

## &lt;Factors behind Increase/Decrease&gt;

New buildings and full-year operations: +0.7  
Existing buildings and others: +26.2

Units delivered: (158) units (3,526→3,368)

“Shinchiku Sokkurisan” remodeling: (6.9)  
Custom homes: (8.9)

Number of transactions: (2,155) txns (31,003→28,848)  
Increase in average price per transaction: +5.3 million yen (46.3→51.6)

New buildings and full-year operations: (2.3)  
Existing buildings and others: +23.8

Increase in revenue;  
Operating income margin: +1.7pt (21.8%→23.5%)

Decrease in revenue;  
Operating income margin: (3.5)pt (10.6%→7.1%)

Increase in revenue;  
Operating income margin: +4.7pt (26.7%→31.3%)

Interest income: (0.5), Dividends income: +0.3

Interest expenses: +6.8

Gain on sale of investment securities: (5.2)

Loss on impairment of fixed assets: (10.4)

## Results for FY2025 (Apr 1, 2025 – Mar 31, 2026) (vs. Forecast)

◆ Revenue from operations, operating income, ordinary profit and profit all exceeded forecasts.

		FY '25* (Forecasts)	FY '25 (Results)	Difference		
	Leasing	460.0	460.6	+0.6		
	Sales	320.0	324.0	+4.0		Units delivered: +68 units (3,300→3,368)
	Housing	195.0	188.9	(6.0)		
	Step	75.0	75.3	+0.3		Number of transactions: (2,652) txns (31,500→28,848) Increase in average price per transaction: +4.0 million yen (47.6→51.6)
<b>Revenue from Operations</b>		<b>1,050.0</b>	<b>1,057.7</b>	<b>+7.7</b>		
	Leasing	210.0	210.1	+0.1		
	Sales	70.0	76.2	+6.2		Operating income margin: +1.6pt (21.9%→23.5%)
	Housing	17.0	13.4	(3.5)		Operating income margin: (1.6)pt (8.7%→7.1%)
	Step	22.0	23.6	+1.6		Operating income margin: +2.0pt (29.3%→31.3%)
<b>Operating Income</b>		<b>295.0</b>	<b>299.1</b>	<b>+4.1</b>		
	Non-operating income	(10.0)	(9.9)	+0.0		
<b>Ordinary Profit</b>		<b>285.0</b>	<b>289.2</b>	<b>+4.2</b>		
<b>Profit</b>		<b>210.0</b>	<b>212.5</b>	<b>+2.5</b>		

\* Revised upward on November 11, 2025

# Cash Flow for FY2025 (Apr 1, 2025 – Mar 31, 2026)

- ◆ Ordinary profit amounted to 289.2 billion yen, and net cash provided by operating activities was 127.2 billion yen.
- ◆ Interest-bearing debt totaled 3,916.7 billion yen, reflecting 145.6 billion yen in purchases of property and equipment, mainly for Prime Assets in Tokyo, and an additional investment of 64.3 billion yen in our subsidiary in India.

(Billion yen)		FY '24	FY '25	Increase/ Decrease
	Ordinary profit	268.3	289.2	+20.9
	Depreciation	74.8	76.3	+1.4
	Payments for income tax and other taxes	(80.0)	(102.3)	(22.3)
	Others	(9.9)	(135.9)	(125.9)
<b>Net cash provided by operating activities</b>		<b>253.1</b>	<b>127.2</b>	<b>(125.8)</b>
	Purchases of property and equipment	(165.5)	(145.6)	+19.8
	Guarantee and lease deposits received	12.6	12.9	+0.2
	Guarantee and lease deposits	(6.9)	2.2	+9.2
	Sale of property and equipment	4.4	0.6	(3.8)
	Investment in India business	(10.6)	(64.3)	(53.7)
	Others	22.3	39.8	+17.4
<b>Net cash provided by (used in) investing activities</b>		<b>(143.6)</b>	<b>(154.3)</b>	<b>(10.7)</b>
	Increase (decrease) in interest-bearing debt	(69.6)	83.9	+153.6
	Others	(47.2)	(96.7)	(49.5)
<b>Net cash provided by (used in) financing activities</b>		<b>(116.8)</b>	<b>(12.7)</b>	<b>+104.0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(4.9)</b>	<b>(39.9)</b>	<b>(35.0)</b>
	cash and cash equivalents at end of year	99.0	59.1	(39.8)
	Interest-bearing debt at end of year	3,891.9	3,975.9	+83.9
<b>Net interest-bearing debt</b>		<b>3,792.9</b>	<b>3,916.7</b>	<b>+123.8</b>

## <Main Breakdown>

Increase in inventories: (129.1)  
(An increase of 18.5 in previous fiscal year)

New investments

Dividend: (36.1) ((31.2) for the previous fiscal year)  
Increase in equity: (60.5) ((15.7) for the previous fiscal year)

(Cash and deposits on the balance sheet)

# Balance Sheets as of March 31, 2026

◆ Profit amounted to 212.5 billion yen, and equity increased to 2,470.7 billion yen. As a result, the equity ratio rose to 34.4% (up from 32.3% at the end of the previous fiscal year).

(Billion yen)		As of Mar '25	As of Mar '26	Increase/ Decrease
Cash and deposits		99.0	59.1	(39.8)
Real estate for sale (Including real estate for sale in process)		919.5	1,057.1	+137.5
Other current assets		99.1	110.8	+11.6
<b>Current assets</b>		<b>1,117.7</b>	<b>1,227.0</b>	<b>+109.3</b>
Property and equipment and leasehold rights		4,620.3	4,650.9	+30.5
Guarantee and lease deposits		71.4	68.9	(2.4)
Other fixed assets		912.9	1,238.7	+325.8
<b>Fixed assets</b>		<b>5,604.7</b>	<b>5,958.6</b>	<b>+353.8</b>
Interest-bearing debt		3,891.9	3,975.9	+83.9
Guarantee and lease deposits received		270.9	282.7	+11.8
Deposits received / Long-term deposits received		28.1	36.6	+8.4
Other current liabilities		303.0	266.3	(36.7)
Other long-term liabilities		60.2	153.3	+93.0
<b>Liabilities</b>		<b>4,554.3</b>	<b>4,714.9</b>	<b>+160.6</b>
<b>Equity</b>		<b>2,168.1</b>	<b>2,470.7</b>	<b>+302.6</b>

## <Factors behind Increase/Decrease>

Real estate for sale: +142.7  
Real estate for sale in process: (5.1)

New investments: +145.6  
Depreciation: (76.3)  
Reclassified as real estate for sale: (27.7)

Investment securities: +277.4  
(including investment in subsidiary in India: +64.3)

# Forecasts for FY2026 (vs. FY2025)

- ◆ We aim to achieve a record high in ordinary profit for the 6th consecutive year and in profit for the 14th consecutive year.
- ◆ We expect revenue from operations, operating income, ordinary profit and profit all to reach record highs, mainly driven by office building leasing business.

(Billion yen)		FY '25 (Results)	FY '26 (Forecasts)	Increase/ Decrease
Leasing		460.6	480.0	+19.3
Sales		324.0	300.0	(24.0)
Housing		188.9	207.0	+18.0
Step		75.3	70.0	(5.3)
<b>Revenue from Operations</b>		<b>1,057.7</b>	<b>1,070.0</b>	<b>+12.2</b>
Leasing		210.1	224.0	+13.8
Sales		76.2	81.0	+4.7
Housing		13.4	17.0	+3.5
Step		23.6	22.0	(1.6)
<b>Operating Income</b>		<b>299.1</b>	<b>320.0</b>	<b>+20.8</b>
Non-operating income		(9.9)	(20.0)	(10.0)
<b>Ordinary Profit</b>		<b>289.2</b>	<b>300.0</b>	<b>+10.7</b>
<b>Profit</b>		<b>212.5</b>	<b>223.0</b>	<b>+10.4</b>

## <Factors behind Increase/Decrease>

New buildings and full-year operations: +2.5  
Existing buildings and others: +16.8

Units delivered: (1,168) units (3,368→2,200)

"Shinchiku Sokkurisan" remodeling: +11.6  
Custom homes: +6.4

Number of transactions: (1,848) txns (28,848→27,000)

New buildings and full-year operations: +1.0  
Existing buildings and others: +12.8

Operating income margin: +3.5pt (23.5%→27.0%)

Operating income margin: +1.1pt (7.1%→8.2%)

Operating income margin: +0.1pt (31.3%→31.4%)

# Cash Flow Forecasts for FY2026 (Apr 1, 2026 – Mar 31, 2027)

- ◆ We expect net cash provided by operating activities to be 150.0 billion yen, and net cash used in investing activities to be 45.0 billion yen.
- ◆ We expect a total of 110.0 billion yen in investments in Prime Assets in Tokyo and in India business.

(Billion yen)		FY '25 (Results)	FY '26 (Forecasts)	Increase/ Decrease
	Ordinary profit	289.2	300.0	+10.7
	Depreciation	76.3	75.0	(1.3)
	Payments for income tax and other taxes	(102.3)	(105.0)	(2.6)
	Others	(135.9)	(120.0)	+15.9
<b>Net cash provided by operating activities</b>		<b>127.2</b>	<b>150.0</b>	<b>+22.7</b>
	Purchases of property and equipment	(145.6)	(60.0)	+85.6
	Guarantee and lease deposits received	12.9	15.0	+2.0
	Guarantee and lease deposits	2.2	-	(2.2)
	Sale of property and equipment	0.6	-	(0.6)
	Investment in India business	(64.3)	(50.0)	+14.3
	Others	39.8	50.0	+10.1
<b>Net cash provided by (used in) investing activities</b>		<b>(154.3)</b>	<b>(45.0)</b>	<b>+109.3</b>
	Increase (decrease) in interest-bearing debt	83.9	(60.0)	(143.9)
	Others	(96.7)	(45.0)	+51.7
<b>Net cash provided by (used in) financing activities</b>		<b>(12.7)</b>	<b>(105.0)</b>	<b>(92.2)</b>
Net increase (decrease) in cash and cash equivalents		(39.9)	-	+39.9
	cash and cash equivalents at end of year	59.1	59.1	-
	Interest-bearing debt at end of year	3,975.9	3,915.9	(60.0)
<b>Net interest-bearing debt</b>		<b>3,916.7</b>	<b>3,856.7</b>	<b>(60.0)</b>

## <Main Breakdown>

Dividend: (45.0) ((36.1) for the previous fiscal year)  
Increase in equity: ((60.5) for the previous fiscal year)

## Principal New Office Building Projects

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

\* GFA = Gross Floor Area, 1 tsubo≈3.3m<sup>2</sup>

Total gross floor area including areas owned by third parties outside our group.

# 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 (Apr 2025 – Mar 2026) 1/2

Date	E	S	G	ESG Initiatives
May 2025	●	●		Hotel Villa Fontaine Haneda Airport: Awarded the highest rating in the “DBJ Green Building Certification for Hotels”
Jun 2025			●	Reduced the prescribed number of directors from 12 to 9 Shortened the term of office of directors from 2 years to 1 year
Jul 2025	●			“Energy-saving Renovation Task Force” launched to raise awareness and promote widespread adoption of insulation and energy-saving renovation for existing houses
Aug 2025	●			Residential Solar Power Service “SUMIFU × ENEKARI” started a pilot installation of ultra-lightweight, ultra-thin solar panels
Sep 2025			●	Expanded the scope of the Stock Compensation Plan to Reward Long Service and Dedication for employees of the Group
Oct 2025		●		Held the “Sumitomo Realty Venture Summit 2025,” a large-scale business matchmaking event, in the Shinjuku Subcenter
Nov 2025			●	Established a voluntary Nominating Committee as part of preparations for the transition to a Company with an Audit and Supervisory Committee
Dec 2025	●			Held the "Insulation Can Change the Way You Live! - <i>Ouchi no Kaiteki-ten</i> " (Home Comfort Exhibition) in Nagoya
		●		Conducted a drill to practice operation of a temporary site for accommodating stranded commuters as a member of an association for disaster prevention in Shinjuku Station area
		●		Held the 1st “INDIA CONNECT” by Sumitomo Realty to create growth opportunities for Japanese companies seeking to expand into India
		●		Held the 121st “Christmas Step Concert,” a family-friendly classic concert (registration required, free-of-charge entrance on invitation)

## List of ESG Initiatives (Apr 2025 – Mar 2026) 2/2

Date	E	S	G	ESG Initiatives
Jan 2026	●			Introduced "Ai-Glies," an energy-saving system designed for air conditioning, in "newly-built" condominiums for the first time in Japan
		●		Held the 2nd "INDIA CONNECT" by Sumitomo Realty
Feb 2026			●	Elected an additional Outside Director to establish an effective supervisory system
	●			Held the "Tokyo Garden Theater Evacuation Drill Concert"
	●			Held the "Sankaku Hiroba Matsuri – Kids Sports Festival 2026"
Mar 2026		●		Recognized as a 2026 Outstanding Organization of KENKO Investment for Health under the large enterprise category
			●	Entered into a trust agreement for the sale of listed securities based on a first-of-its-kind scheme in Japan, under which the Company will sell its listed securities in a reliable and systematic manner through a trust

# ESG Topics

## Hotel Villa Fontaine Haneda Airport: Awarded the highest rating in the “DBJ Green Building Certification for Hotels”

Hotel Villa Fontaine Haneda Airport has earned the highest five-star rating under the “DBJ Green Building Certification for Hotels.” In the certification assessment, the hotel was recognized for (1) its high level of disaster preparedness and safety with due consideration for the environment and society, (2) the introduction of equipment and other features that contribute to energy savings, (3) its success in both reducing environmental impact and enhancing guest satisfaction through ancillary facilities designed with comfort and convenience in mind, and (4) its potential for further improvements through the integrated management of ownership and operations.



## “INDIA CONNECT” held to create growth opportunities for Japanese companies seeking to expand into India

We held “INDIA CONNECT,” a business event at Shinjuku Sumitomo Building designed to support the expansion of Japanese companies into India. Aimed primarily at Japanese companies considering entry into the Indian market, the event facilitated the sharing of know-how and insights from companies already operating there, while also helping create growth opportunities through business matching.



## “Energy-saving Renovation Task Force” launched to promote awareness and adoption of insulation and energy-saving renovations for existing houses

We launched the “Energy-saving Renovation Task Force” in collaboration with Sankyo Tateyama, Inc., JBN (Japan Builders Network), the Association for Greener Residential Windows and Doors (AGW), Sumitomo Fudosan Housing Co., Ltd., LIXIL Corporation, and YKK AP Inc., with the Company serving as the representative entity.

The Task Force has been established as part of “Decokatsu (Decarbonization Action),” a national movement promoted by Japan’s Ministry of the Environment, to promote the widespread adoption of insulation and energy-saving renovation for existing houses.



## Residential Solar Power Service “SUMIFU × ENEKARI” started a pilot installation of ultra- lightweight, ultra-thin solar panels

In collaboration with Sumitomo Fudosan Housing Co., Ltd., TEPCO Energy Partner, Inc., and TEPCO HomeTech, Inc., we have started a pilot test using ultra-lightweight, ultra-thin Solar panels for detached houses with the aim of launching a new “SUMIFU × ENEKARI” product.

Ultra-lightweight,  
ultra-thin solar panel

Detached  
wooden houses



J-URBAN COURT  
Model Home (Narita, Chiba)

## Included in ESG index

<p><b>FTSE</b></p>  <p><b>FTSE4Good</b></p>  <p><b>FTSE JPX Blossom Japan Index</b></p>  <p><b>FTSE JPX Blossom Japan Sector Relative Index</b></p>	<p><b>MSCI</b></p> <p><b>2025</b> CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</p> <p><b>2025</b> CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX</p> <p><b>2025</b> CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>	<p><b>S&amp;P</b></p> <p><b>SOMPO</b></p>	 <p><b>S&amp;P/JPX Carbon Efficient Index</b></p> <p><b>2025</b></p>  <p>Sompo Sustainability Index</p>
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**Sumitomo Realty & Development Co., Ltd.**  
**Investor Relations & ESG Section, Public Relations Department**

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