

To whom it may concern:

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Representative: Kojun Nishima,

Representative Director and President

Securities code: 8830 (TSE Prime Market)

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Department

Announcement on the Further Expansion of the Scope of the Stock Compensation Plan (Stock Delivery Trust) to Reward Long Service and Dedication for Employees of the Sumitomo Realty Group

Sumitomo Realty & Development Co., Ltd. (the "Company") hereby announces that, at the meeting of the Board of Directors held today, it has resolved to further expand the scope of the stock compensation plan to reward long service and dedication (hereinafter referred to as the "Plan"), which has been introduced for employees of the Sumitomo Realty Group, as outlined below.

1. Reason for expanding the scope of the Plan

The Plan is a form of human capital investment aimed at encouraging the employees to actively drive the enhancement of corporate value through sustainable growth, which is our fundamental policy. We expect the Plan to foster their expectations that their share allocations will increase annually based on their contributions each year, and that their compensation received will further increase with the rise in the Company's stock price.

In order to strongly promote integrated group management, the Company has implemented various measures to eliminate barriers between Group companies. These efforts include standardizing personnel and welfare systems that previously varied across Group companies, as well as integrating health insurance unions. As a further measure to ensure that Group employees work together as one to enhance corporate value, we first introduced the Plan to Group employees who are not covered by the retirement benefit system. The Plan was implemented in July of this year.

In line with our aim to further advance integrated group management, we have decided to expand the eligibility for the Plan to include Group employees who are covered by a retirement benefit system. Accordingly, employees of four additional Group companies will now be included under the Plan. As a result of this expansion, approximately 9,500 out of the total 14,000 Group employees will be covered.

2. Overview of the Plan

For an overview of the Plan, please refer to the "Announcement on the Expansion of the Scope of the Stock Compensation Plan (Stock Delivery Trust) to Reward Long Service and Dedication for Employees of the Sumitomo Realty Group," released on February 6, 2025.