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To whom it may concern:

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Securities code:	8830 (TSE Prime Market)
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### **Our Long-term Value Creation Strategy: Business-Embedded Sustainability Outcomes**

Sumitomo Realty & Development Co., Ltd. (the Company) will make growth investments totaling approximately 3 trillion yen in Tokyo and Mumbai, India, to further expand its portfolio of Prime Assets. Our business activities inherently generate sustainability outcomes, and in this announcement we will present, in concrete terms, our long-term value creation strategy across the past, present, and future.

- 1 . Expanding Our Earnings Base—Inherently Addressing Societal Challenges
- 2 . Conservation of Natural and Cultural Assets
- 3 . Our Unique Personnel System Driving Sustainable Growth

## 1. Expanding Our Earnings Base—Inherently Addressing Societal Challenges

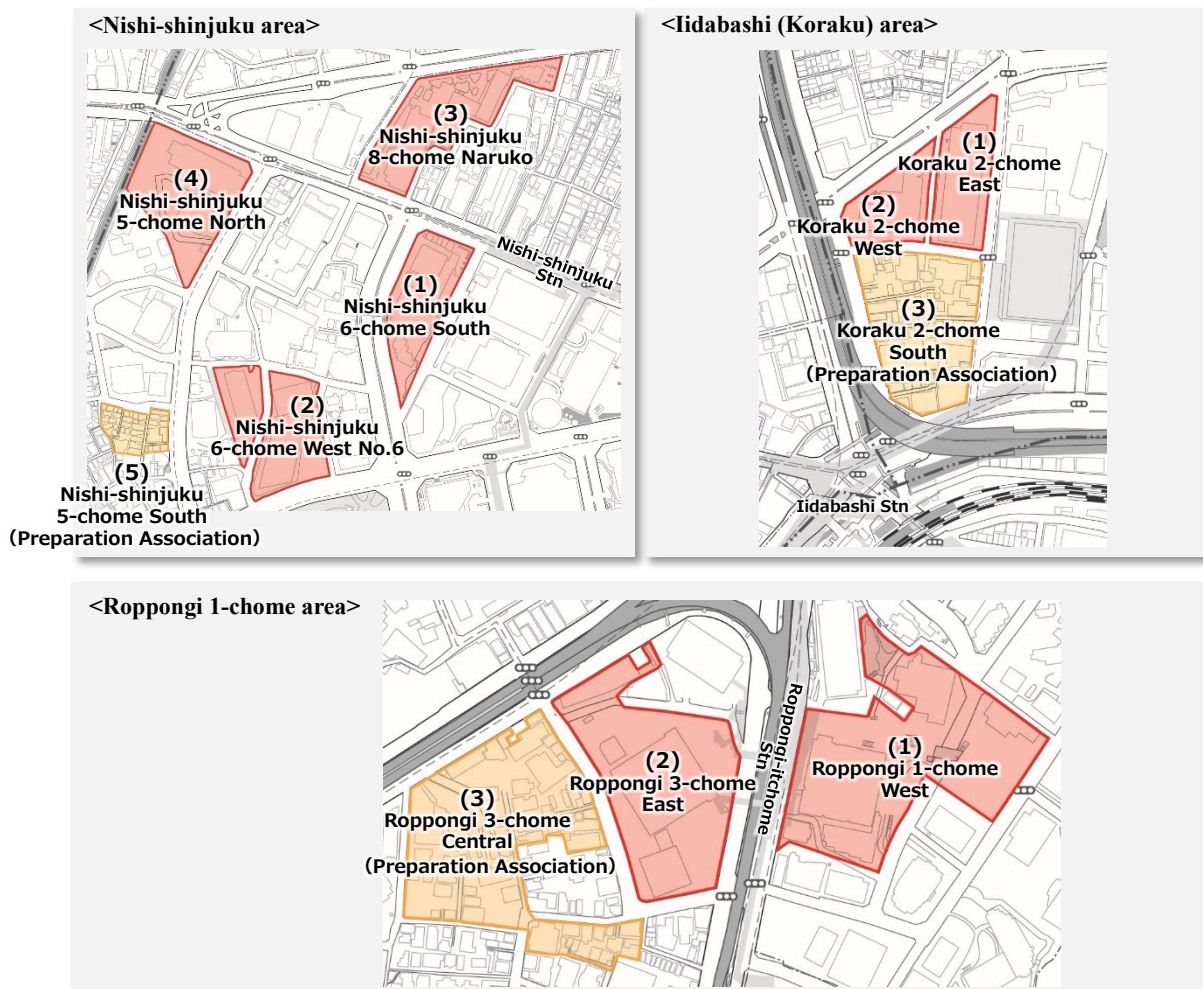
### (1) Sustainable Urban Development Addressing Regional Challenges

Over the past half century, primarily in Tokyo, we have pursued integrated redevelopment by assembling small land parcels into larger sites in densely built-up wooden housing districts that are highly vulnerable to disasters and where residents' safety and peace of mind are not fully assured. With these efforts, we have helped rebuild the foundations of local residents' lives and enhance regional disaster preparedness, such as widening streets that emergency vehicles were previously unable to access.

Building on these efforts, we now continue to pursue sustainable urban development through initiatives such as the redevelopment of established office districts and large-scale renovations of existing high-rise buildings, which not only enhance environmental performance but also strengthen disaster preparedness and revitalize urban vibrancy.

#### <<Catalyzing Further Redevelopment in Surrounding Areas >>

Our urban development through redevelopment has built up a strong track record, catalyzing new momentum for further redevelopment in surrounding areas and creating a ripple effect.



### <<Large-scale Renovation of Shinjuku Sumitomo Building>>

The Shinjuku Sumitomo Building, completed in 1974, underwent a large-scale renovation in 2020. Leveraging the framework of the National Strategic Special Zones, we undertook an unprecedented large-scale renovation project to create Sankaku Hiroba (Triangular Plaza), one of the largest all-weather event spaces in Japan, on the building's lower levels. This project has contributed to addressing key challenges facing the Nishi-shinjuku district by strengthening disaster preparedness, including providing temporary shelter for stranded commuters in the event of a disaster, and by revitalizing daily vibrancy.

*Contribution to Local Communities—Revitalization of Nishi-Shinjuku Area:*

<https://www.sumitomo-rd.co.jp/uploads/Shinjuku-Sumitomo-BuildingSanaku-Hiroba.pdf>

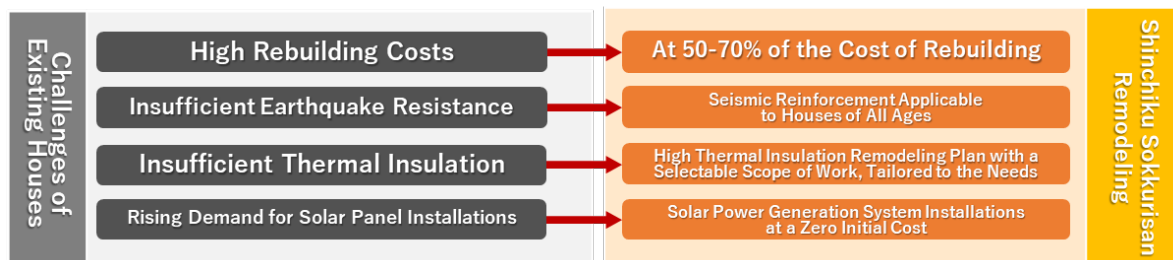
(2) CO<sub>2</sub> Emissions Reductions Enabled by Our Business—Addressing a Key Societal Challenge in Japan

We have expressed our support for 2050 carbon neutrality, and established an interim target by fiscal 2030 to reduce CO<sub>2</sub> emissions by 50% compared with fiscal 2014, the fiscal year immediately prior to the Paris Agreement. Below are three of our representative business initiatives that contribute to decarbonization.

(i) Shinchiku Sokkurisan full remodeling: Cumulative total of units contracted exceeds 180,000

Shinchiku Sokkurisan implements seismic reinforcement while retaining existing components—such as foundations, pillars, and beams—wherever possible. Compared with demolishing and rebuilding the entire building, this approach can dramatically reduce waste generation and, as a result, is expected to cut CO<sub>2</sub> emissions by approximately 47%. In Japan, expanding the adoption of insulation and energy-saving renovation for existing houses is essential to reduce CO<sub>2</sub> emissions.\* Shinchiku Sokkurisan makes it possible to improve housing insulation performance to a level comparable to that of new houses at a low cost.

\* Only about 18% of the housing stock (approximately 54 million units) meets current energy efficiency standards.



(ii) SUMIFU × ENEKARI: zero-initial-cost solar power generation system

SUMIFU × ENEKARI, jointly developed with the Tokyo Electric Power Group, has gained popularity for enabling the installation of solar power generation systems at a zero initial cost, driving the installation rate in newly-built custom homes from 30% to over 70%. In addition, in April 2025, we have launched New SUMIFU × ENEKARI, which boosts the self-consumption rate of solar-generated electricity from about 40% to 60% by enabling daytime water heating. With export prices for surplus solar power now lower than grid purchase prices, we focus on on-site use to help customers reduce utility costs. This has made a significant contribution to expanding customer cost benefits and promoting the wider adoption of solar power generation systems.

*“SUMIFU × ENEKARI”—Residential Solar Power Generation Service:*

<https://www.sumitomo-rd.co.jp/uploads/SUMIFU-x-ENEKARI.pdf>

(iii) Supporting our tenants in reducing CO<sub>2</sub> emissions—leveraging our position as Tokyo’s No.1 office building owner

For our office buildings, we have started offering Sumitomo Realty’s Green Power Plan, the first of its kind in Japan, which allows each tenant company to choose a green power plan that best suits its needs. The plan offers multiple options, including not only virtual green power using common non-fossil fuel energy certificates, but also raw green power sourced from newly-built power plants, which can directly contribute to Japan’s decarbonization. This helps to advance the decarbonization efforts of many of our tenants (about 1,800 companies). We also actively obtain the DBJ Green Building Certification, which is awarded to properties that demonstrate high environmental performance. Accordingly, our tenants highly value the fact that moving into our buildings is, in itself, an environmentally conscious choice.

*Sumitomo Realty’s Green Power Plan Offering Selectable Green Power Introduction Methods:*

<https://www.sumitomo-rd.co.jp/uploads/Sumitomo-Realtys-Green-Power-Plan.pdf>

*Acquisition of DBJ Green Building Certification:*

<https://www.sumitomo-rd.co.jp/uploads/DBJ-Green-Building-Certification.pdf>

<For many of our other initiatives, please refer to the link below.>

Sustainability News: <https://www.sumitomo-rd.co.jp/en/sustainability/>

## 2. Conservation of Natural and Cultural Assets

In large-scale development projects, preserving the natural environment rooted in the land and cultural heritage for future generations while creating new value is important.

Below are our representative initiatives to preserve natural and cultural assets.

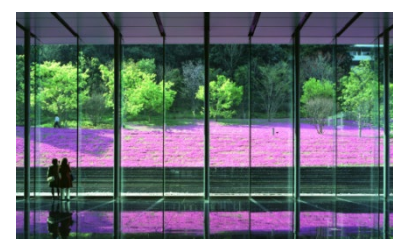
### (1) La Tour Sapporo Ito Garden (Completed in 2019)

This property was developed on a part of the former site of Kairakuen, one of Japan's first municipal parks, which opened in 1871. The vast grounds contain native plant species typical of the Sapporo area, remnants of spring-fed ponds (*memu*), and distinctive local topography. The development was carried out while preserving these precious natural environments that retain Sapporo's original landscape to the greatest extent possible.



### (2) Sumitomo Fudosan Tokyo Mita South Tower (Completed in 2006) and Sumitomo Fudosan Tokyo Mita Garden Tower (Completed in 2023)

While preserving the existing grove to maintain a habitat where a diverse range of organisms can thrive, we also planted approximately 100,000 moss phlox on about 5,500 m<sup>2</sup> of sloped green space, creating a new flower-viewing spot. Together with the newly created green plaza of about 4,800 m<sup>2</sup>, these areas serve as venues for community interaction.



### (3) [\*News Release: Sumitomo Realty Forest has been certified as one of the Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment\*](#)

### (4) Preserving the Former Aisaku Hayashi House, Designed by Frank Lloyd Wright, Master of Modern Architecture

We are making dedicated efforts to preserve the Former Aisaku Hayashi House, which still stands within our development site in the Komazawa 1-chome 1-ban area.

Although relocation was initially considered, it was determined, as a result of investigations involving experts, that preserving it in its current location holds greater academic value. If preservation in its current location is achieved, we are considering opening it to local residents and Frank Lloyd Wright enthusiasts, and also making certain areas accessible to local residents. In order to achieve this plan, it is necessary to gain the understanding and cooperation of the relevant authorities and local residents in ensuring economic feasibility that takes restoration and ongoing maintenance into account and developing a building plan for the site. Going forward, we will continue to engage in discussions with stakeholders to preserve the cultural value of the Former Aisaku Hayashi House for future generations.

\*Former Aisaku Hayashi House: a historic building designed by architect Frank Lloyd Wright, and one of only four of his buildings still standing in Japan.





### 3. Our Unique Personnel System Driving Sustainable Growth

About 30 years ago, after the bursting of the bubble economy, we launched our new built-to-order Shinchiku Sokkurisan remodeling business, where revenue was generated by people without requiring up-front investment. This prompted us to make a major shift from the former seniority-based personnel system focused on hiring new graduates to a job-specific personnel system centered on mid-career hires—a system unique to our Company, without relying on detailed job descriptions, that enables employees to expand the scope of their roles horizontally and grow vertically into leadership responsibilities based on their aspirations, leading to fair and equitable pay increases and promotions. Since then, we have established a personnel system with roughly 70 types of job-specific wage structures. As a result, mid-career hires now account for about 80% of employees across our Group.

Below are four key features of our personnel system that have driven our sustainable growth.

#### (1) Achieving Continuous Pay Increases Through Mutual Growth of Employees and the Company

Instead of automatic annual raises, our salary system evaluates employees based solely on their job responsibilities and achievements, regardless of age, gender, or level of seniority, and determines annual salary increases commensurate with each employee's growth. This system not only motivates employees but also increases our productivity and corporate value as our employees' annual compensation rises in line with their performance—embodying the principle that “personnel expenses are not a cost, but an investment.”

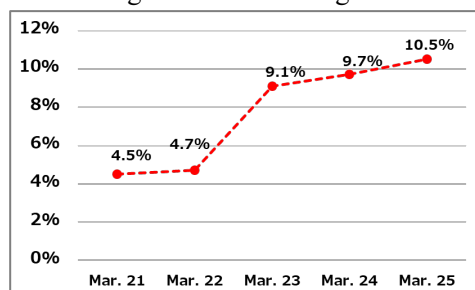
Under this system, we expect an overall pay increase of 6.4% this fiscal year, with a 19.8% increase for employees in their 20s and a 10.4% increase for those in their 30s.

#### (2) Equal Opportunity Realized by Enhancing Childbirth and Childcare Support Programs

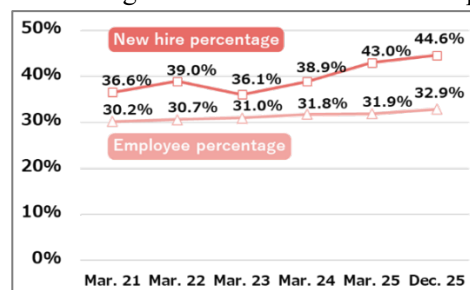
By enhancing our childbirth and childcare support programs, we enable employees raising children to return to work earlier and continue building their careers on an equal footing—for example, by taking on roles with significant responsibilities after returning. This initiative helps ensure equal opportunities for career development.

Although we have intentionally not set a numerical target for the percentage of female managers, the current percentage across the Group has steadily increased to 10.5% (up 0.8 percentage points year on year).

<Percentage of female managers>



<Percentage of female new hires and employees>



#### (3) Integrated Group Management That Fully Leverages Diverse Talent

To promote talent mobility across the Group, we have standardized health insurance and employee benefits, which previously varied among Group companies, at a high standard. In line with this, we have introduced initiatives such as establishing the Career Change Support System and appointing Group company employees to managerial positions at the head office. Through these efforts, we are realizing the integrated group management that fully leverages talent with extensive experience, outstanding skills, and diverse perspectives and values.

(4) A Stock Compensation Plan to Reward Long Service and Dedication: Allowing Employees to Share in Corporate Value Growth

In December 2024, we introduced a stock compensation plan to reward long service and dedication, and have since expanded its scope to about 10,000 of our 14,000 Group employees. We expect that the benefits of share price appreciation—reflected in the higher value of shares granted through the stock compensation plan—will be shared with a broader range of employees, creating a reinforcing cycle that encourages them to further contribute to enhancing corporate value.

*News Release: [Further Expansion of the Scope of the Stock Compensation Plan to Reward Long Service and Dedication for Employees of the Group](#)*

Going forward, we will continue to strengthen human capital investment, thereby building a virtuous cycle in which employees and the company grow together.