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Consolidated Financial Results for the Second Quarter of Fiscal 2026 (April 1, 2026 - September 30, 2026)

Fiscal 2026 (Year ending March 31, 2027)

November 10, 2026

SUMITOMO REALTY & DEVELOPMENT CO., LTD.

Stock Exchange Listings	TSE Prime Market
Securities Code	8830
Location of Head Office	Tokyo, Japan
URL	https://www.sumitomo-rd.co.jp/english/

1. Results for Second Quarter (April 1, 2026 - September 30, 2026)

(1) Consolidated financial results (Amounts less than one million yen, except for per share amounts, are omitted.)

	Revenue from operations		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep 30, 2026	**527,960**	**(0.8)**	**181,480**	**8.4**	**178,715**	**9.0**	**140,132**	**18.4**
Six months ended Sep 30, 2025	532,243	(1.4)	167,479	7.4	163,906	5.0	118,340	8.1
(Reference) Fiscal 2025	1,057,765	4.3	299,155	10.2	289,233	7.8	212,535	10.9

Notes 1: Comprehensive Income

Fiscal 2026, 2nd quarter : 164,429 millions of yen, (12.3%); Fiscal 2025, 2nd quarter : 187,522 millions of yen, 69.7%

2: Percentages represent changes year on year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep 30, 2026	**151.72**	**—**
Six months ended Sep 30, 2025	126.87	—
(Reference) Fiscal 2025	228.42	—

Note: Average number of shares issued and outstanding (consolidated)

Fiscal 2026, 1H : 923,648,249 shares; Fiscal 2025, 1H : 932,760,072 shares

A two-for-one stock split of common stock became effective on January 1, 2026. Earnings per share and average number of shares issued and outstanding have been calculated assuming that the stock split had become effective at the beginning of the prior consolidated fiscal year.

(2) Consolidated financial position (Amounts less than one million yen, except for per share amounts, are omitted.)

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep 30, 2026	**7,284,301**	**2,613,983**	**35.9**
As of Sep 30, 2025	6,834,192	2,311,120	33.8
(Reference) Fiscal 2025	7,185,691	2,470,712	34.4

Note: Number of shares issued and outstanding (consolidated)

As of Sep 30, 2026 : 923,682,935 shares; As of Sep 30, 2025 : 930,798,148 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2026	**27.00**	**—**	**—**
Fiscal 2025	42.00	23.00	—
Forecast for Fiscal 2026	—	28.00	55.00

Forecast for Fiscal 2026 announced on May 13, 2026 has been revised.

Note: A two-for-one stock split of common stock became effective on January 1, 2026. Dividend per share for the interim period of FY2025 is stated on a pre-stock split basis.

3. Consolidated Business Forecasts for Fiscal 2026 (Year ending March 31, 2027)

	Revenue from operations	Operating income	Ordinary profit	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2026	**1,060,000**	**330,000**	**315,000**	**230,000**

Consolidated business forecasts announced on May 13, 2026 have been revised.

Note: The foregoing estimates were based on information available as of the date this data was released, and actual results may differ from estimates due to various arising in the future.

4. Results of main segments

(1) Revenue from operations

(Millions of yen)

	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	Increase (Decrease)	Forecast for Fiscal 2026	Achieved (%)
Leasing	225,524	245,641	+20,117	490,000	50
Sales	199,943	187,064	(12,879)	300,000	62
Housing	66,337	59,888	(6,449)	200,000	30
Step	36,538	30,833	(5,704)	60,000	51
Other and Elimination/Corporate	3,899	4,533	+634	10,000	—
Total	532,243	527,960	(4,282)	1,060,000	50

(2) Operating income

(Millions of yen)

	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	Increase (Decrease)	Forecast for Fiscal 2026	Achieved (%)
Leasing	104,310	117,894	+13,584	234,000	50
Sales	63,881	69,273	+5,392	93,000	74
Housing	331	(2,001)	(2,332)	15,500	—
Step	11,204	7,922	(3,282)	15,000	53
Other and Elimination/Corporate	(12,248)	(11,609)	+639	(27,500)	—
Total	167,479	181,480	+14,001	330,000	55

(1) Explanation of Financial Results

Operating income, ordinary profit, and profit (net income) all achieved record highs for the first half; the full-year earnings forecast revised upward

In the first half of the fiscal year, operating income, ordinary profit, and profit all exceeded the previous year's figures and achieved record highs for the first half. (Operating income for the fifth consecutive year, ordinary profit for the sixth consecutive year, and profit for the fourth consecutive year.)

Reflecting the results for the first half, we have revised upward our full-year earnings forecast announced on May 13, 2026. As detailed in "(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Information," we have raised our full-year forecast for profit from the initial forecast of ¥223.0 billion to ¥230.0 billion. (Profit in the previous fiscal year: ¥212.5 billion, up ¥17.4 billion, or 8.2% year on year.)

Office building leasing and condominium sales both achieved record-high profit, driving overall performance

The mainstay Leasing Business achieved record-high revenue from operations and operating income for the first half and drove overall performance, as rent growth for office buildings in Tokyo accelerated further and rent revisions for existing buildings contributed to earnings growth. In addition, the Sales Business, centered on condominium sales, also achieved record-high profit for the first half, supported by factors including further improvements in profit margins.

Non-operating income/loss improved by ¥0.8 billion year on year, as an increase in dividend income more than offset the increase in interest expenses. Extraordinary income/loss improved by ¥21.2 billion year on year, mainly due to gain on sale of pure investment shares (placed in a trust for orderly disposition at the end of the previous fiscal year), which we have been actively selling to offset the anticipated increase in future interest expenses.

As a result, revenue from operations was ¥527.9 billion (down 0.8% year on year), operating income was ¥181.4 billion (up 8.4% year on year), ordinary profit was ¥178.7 billion (up 9.0% year on year), and profit attributable to owners of parent (profit) was ¥140.1 billion (up 18.4% year on year).

Leasing Business

Rent growth has accelerated; we achieved record-high profit for the first half

In the first half of the fiscal year, rent growth for office buildings in Tokyo accelerated further due to tightening supply-demand conditions, and significant progress was made in rent revisions for existing buildings. In addition, the significant improvement in the vacancy rate to 3.3% at the end of the first half (down 2.1 percentage points from 5.4% at the end of the same period last year), along with the full-year operation of Sumitomo Fudosan Roppongi Central Tower, completed in January 2025, also contributed to the performance. As a result, both revenue from operations and operating income in this segment reached record highs for the first half, and we revised our full-year forecast upward.

In addition, Sumitomo Fudosan Osaki Twin Building West and Sumitomo Shibakoen Building, both completed in the previous fiscal year, have 100% and over 95% of their tenant space leased, respectively, and are expected to contribute to earnings as tenants move in.

Strong demand for new office leases continues; vacancy rate improved to 3.3%

The vacancy rate at the end of the first half was 3.3%, a significant improvement from the same period last year (down 2.1 percentage points). Demand for new office leases remains strong, particularly from companies seeking more employee-friendly office environments and those stepping up recruitment to support business expansion, with newly leased area continuing to exceed canceled area.

	End of Fiscal 2025 (March 31, 2026)	End of the first half of Fiscal 2026 (September 30, 2026)
Vacancy rate for existing buildings	4.3%	3.3%

Sales Business

Performance ahead of plan, achieving record-high profit for the first half

In the first half of the fiscal year, a total of 1,499 condominium units, detached houses, and land lots were delivered (down 567 units year on year), including units from projects where deliveries commenced during this first half, such as Grand City Tower Ikebukuro and Grand City Tower Tsukishima. Although the number of units delivered decreased year on year, this segment achieved record-high profit for the first half, driven by factors including a significant improvement in profit margins. As a result, performance is expected to exceed our initial forecast, and we have therefore revised our full-year forecast upward.

Sales activities are now focused on units scheduled for delivery in the next fiscal year to maintain high profit levels

In the first half of the fiscal year, the number of condominium units sold was 987 (down 423 units year on year). Most units scheduled for delivery in the current fiscal year are already under contract, and our sales activities are now focused on units scheduled for

delivery in the next fiscal year. Supported by improved profit margins, we aim to maintain high profit levels in the next fiscal year as well.

	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026
Number of condominium units sold	1,410	987	(423)	2,398	2,500
Number of units delivered	2,066	1,499	(567)	3,368	2,200
Condominiums/detached houses	2,025	1,415	(610)	3,276	—
Land lots	41	84	+43	92	
Revenue from operations (Million yen)	176,545	162,522	(14,023)	276,007	250,000
Condominiums/detached houses	162,893	137,196	(25,697)	252,267	—
Land lots/others	13,651	25,326	+11,674	23,740	

	End of Fiscal 2025	End of the first half of Fiscal 2026
Completed condominium units*	7,245	6,381

* Includes units under contract but not yet delivered and units not yet offered for sale.

Housing Business

Revenue and profit are expected to increase year on year while the initial forecast has been revised downward

In the first half of the fiscal year, the number of units contracted was 3,195 in Shinchiku Sokkurisan remodeling business (down 79 units year on year) and 817 in custom homes business (down 18 units year on year). Due to an increase in the average contract value, total contract value was ¥52.0 billion in Shinchiku Sokkurisan remodeling business (up ¥1.7 billion year on year) and ¥37.9 billion in custom homes business (up ¥1.8 billion year on year).

We have revised our full-year forecast downward for this segment, taking into account factors such as the limited year-on-year increase in total contract value in the first half, although the contract backlog built up in the previous fiscal year will be recognized as revenue going forward. We still expect both revenue and profit to increase year on year.

Since the launch of the Shinchiku Sokkurisan remodeling business in 1996, not a single house that underwent seismic reinforcement by our Shinchiku Sokkurisan remodeling has been completely or partially destroyed. We will focus on selling high-value-added products, including seismic retrofitting backed by this proven track record, High Thermal Insulation Remodeling Plan with enhanced environmental performance, and “SUMICA” with the ZEH (Zero Energy House) specifications as standard, to further expand the business.

	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026 (Revised on November 10, 2026)
Number of units contracted	4,109	4,012	(97)	8,345	8,500
Shinchiku Sokkurisan remodeling	3,274	3,195	(79)	6,559	6,600
Custom Homes	835	817	(18)	1,786	1,900
Total contract value (Million yen)	86,408	90,024	+3,615	187,998	200,000
Shinchiku Sokkurisan remodeling	50,311	52,077	+1,767	104,811	111,000
Custom Homes	36,098	37,946	+1,848	83,187	89,000
Number of units delivered	3,133	2,800	(333)	8,343	8,500
Shinchiku Sokkurisan remodeling	2,563	2,269	(294)	6,453	6,600
Custom Homes	570	531	(39)	1,890	1,900
Revenue from operations (Million yen)	66,335	59,887	(6,447)	188,876	200,000
Shinchiku Sokkurisan remodeling	40,853	35,357	(5,496)	103,344	111,000
Custom Homes	25,481	24,530	(950)	85,531	89,000

Step Business

Promoting structural reforms to enhance medium- to long-term profitability

In the first half of the fiscal year, in the existing condominium market, the core market for this segment, buyers' cautious stance became more evident amid prolonged price increases and other factors, resulting in a year-on-year decrease in the number of contracts, particularly in central Tokyo. Against this market backdrop, the number of transactions in this segment was limited to 10,907 (down 3,563 year on year).

In this segment, structural reforms are underway, including the reorganization of the brokerage office network and reforms to the personnel and compensation systems, including the abolition of the commission-based payment system. Due to temporary costs associated with personnel changes and the reorganization of the brokerage office network, as well as the accelerated implementation of structural reforms, we have revised down the full-year forecast. We will continue to promote these reforms to enhance medium- to long-term profitability and compliance.

(On a delivery basis)	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026 (Revised on November 10, 2026)
Number of transactions	14,470	10,907	(3,563)	28,848	21,000
Transaction value (Million yen)	715,410	601,272	(114,138)	1,488,451	1,155,000
Average price per transaction (Million yen)	49.4	55.1	+5.6	51.6	55.0

(On a contract basis)	Six months ended Sep 30, 2025	Six months ended Sep 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026 (Revised on November 10, 2026)
Number of transactions	14,373	9,366	(5,007)	27,668	20,000
Transaction value (Million yen)	731,598	521,196	(210,401)	1,460,795	1,100,000
Average price per transaction (Million yen)	50.9	55.6	+4.7	52.8	55.0

(2) Explanation of Financial Position

Total assets as of the end of the first half of the fiscal year amounted to ¥7,284.3 billion (up ¥98.6 billion from the end of the previous fiscal year). This was mainly due to an increase in investment securities, including investments in our subsidiary in India.

Total liabilities amounted to ¥4,670.3 billion (down ¥44.6 billion from the end of the previous fiscal year), mainly due to a decrease in long-term debt.

Total net assets amounted to ¥2,613.9 billion (up ¥143.2 billion from the end of the previous fiscal year). Profit attributable to owners of parent for the first half stood at ¥140.1 billion, and retained earnings increased. As a result, the equity ratio improved to 35.9% (34.4% at the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Information

Based on our financial results for the first half and the future outlook, we have revised upward our initial full-year earnings forecast announced on May 13, 2026 for operating income, ordinary profit, and profit attributable to owners of parent, as shown in the table below.

The revisions for each major business segment are as follows.

In the Leasing Business, as rent growth for office buildings in Tokyo accelerated further, rent revisions for existing buildings contributed to earnings growth. We expect significant increases in both revenue and profit and have revised upward our forecasts for both revenue from operations and operating income.

In the Sales Business, we have revised our operating income forecast upward, reflecting continued strong demand driven primarily by owner-occupiers in the condominium market, as well as further improvements in profit margins.

In the Housing Business, we have revised our forecasts for both revenue from operations and operating income downward, reflecting factors including the limited year-on-year increase in total contract value in the first half. We expect both revenue and profit to increase year on year.

In the Step Business, we have revised our forecasts for both revenue from operations and operating income downward from our initial forecasts, as we have accelerated the implementation of our structural reforms, including the restructuring of our sales operations through the reorganization of the brokerage office network and reforms to the personnel and compensation systems, including the abolition of the commission-based payment system.

(Million yen) (Reference)

	Previous forecast (Announced on May 13, 2026)	Revised forecast (Revised on November 10, 2026)	Change	Fiscal 2025
Revenue from operations	1,070,000	1,060,000	(10,000)	1,057,765
Operating income	320,000	330,000	+10,000	299,155
Ordinary profit	300,000	315,000	+15,000	289,233
Profit attributable to owners of parent	223,000	230,000	+7,000	212,535

Forecasts by main segments

(Million yen) (Reference)

Revenue from operations	Previous forecast (Announced on May 13, 2026)	Revised forecast (Revised on November 10, 2026)	Change	Fiscal 2025
Leasing	480,000	490,000	+10,000	460,637
Sales	300,000	300,000	-	324,033
Housing	207,000	200,000	(7,000)	188,905
Step	70,000	60,000	(10,000)	75,360
Consolidated total	1,070,000	1,060,000	(10,000)	1,057,765

(Million yen) (Reference)

Operating income	Previous forecast (Announced on May 13, 2026)	Revised forecast (Revised on November 10, 2026)	Change	Fiscal 2025
Leasing	224,000	234,000	+10,000	210,181
Sales	81,000	93,000	+12,000	76,223
Housing	17,000	15,500	(1,500)	13,420
Step	22,000	15,000	(7,000)	23,601
Consolidated total	320,000	330,000	+10,000	299,155

(4) Sale of Investment Securities

We plan to sell listed securities, including strategic shareholdings, with an aggregate market value of ¥400.0 billion over roughly the next 10 years. By using gain on sale to offset extraordinary losses and the anticipated increase in interest expenses, and allocating the proceeds from the sales to growth investments, including our business in Mumbai, India, we aim to achieve both sustainable growth and improved asset efficiency. Under this policy, at the end of the previous fiscal year, with the aim of systematic and reliable sales, we placed shares of 56 issuers, with an acquisition cost of ¥82.2 billion (equivalent to an approximate market value of ¥288.2 billion as of the end of the previous fiscal year), into a trust for orderly disposition, and reclassified those shares to pure investment shares.

We have been actively selling these pure investment shares to offset the burden of an expected increase in interest expenses with gains on share sales. In the previous fiscal year, we sold investment securities (including strategic shareholdings and unlisted shares) with a market value of ¥49.0 billion, and in the first half of the current fiscal year, we sold investment securities with a market value of ¥44.2 billion.

<Breakdown of Investment Securities>

(Billion yen)

	End of Fiscal 2025	Changes from acquisitions/sales and capital changes	Changes from market value fluctuations*	End of the first half of Fiscal 2026
Shares in unconsolidated subsidiaries and affiliates	301.0	+41.0	—	342.1
Investment shares held for pure investment purposes	288.2	(41.0)	+8.7	255.8
Investment shares held for purposes other than pure investment	518.4	(3.1)	+37.6	552.8
Other securities	11.8	+0.3	+0.7	12.9
Total	1,119.6	(2.8)	+47.0	1,163.7

* Changes from market value fluctuations are calculated by adjusting the amount as of the end of the first half of fiscal 2026 for changes from acquisitions/sales and capital changes.

(5) Accelerating Dividend Increases—Aiming to Double the Dividend within Five Years to ¥100; ¥400 Billion in Ordinary Profit within Five Years and ¥500 Billion within 10 Years Achievable through Sustainable Profit Growth

We announced the above release today. The key points are as follows. Please refer to the release for further details.

Key points

1. Rent growth at existing prime assets in central Tokyo is the primary growth engine
2. New development of approximately 1.1 million tsubo* of prime assets is the second growth engine (* 1 tsubo≈3.3m^2)
3. The domestic housing business will maintain a high level of profit while promoting structural reforms to drive the next stage of growth
4. The 1.1 million tsubo of new development will be funded by cash flow without relying on borrowings
   The current increase in interest expenses will be offset by gains on share sales, allowing growth in operating income to translate directly into growth in profit (net income)

Summary: As a first step, targeting ¥400 billion in ordinary profit and a ¥100 dividend within five years

Consolidated Balance Sheets

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

	Millions of yen	
Assets	**September 30, 2026**	**March 31, 2026**
Current assets:		
Cash and deposits	¥ 56,930	¥ 59,172
Accounts receivable—trade	17,666	23,823
Real estate for sale	533,510	544,676
Real estate for sale in process	550,870	512,426
Costs on uncompleted construction contracts	14,779	4,647
Other inventories	1,135	1,128
Other current assets	75,004	81,249
Allowance for doubtful accounts	(44)	(36)
Total current assets	1,249,853	1,227,086
Fixed assets:		
Property and equipment		
Buildings and structures, net	1,252,155	1,264,794
Land	3,250,414	3,233,825
Construction in progress	82,260	70,629
Other property and equipment, net	12,366	12,547
Total property and equipment	4,597,197	4,581,795
Intangibles		
Leasehold rights	69,093	69,118
Other intangibles	3,735	3,738
Total intangibles	72,829	72,857
Investment and other assets		
Investment securities	1,163,780	1,119,615
Guarantee and lease deposits	68,852	68,979
Net defined benefit asset	2,407	2,420
Deferred income taxes	20,053	20,305
Other investments and other assets	109,791	93,095
Allowance for doubtful accounts	(464)	(465)
Total investment and other assets	1,364,421	1,303,951
Total fixed assets	6,034,448	5,958,604
Total assets	¥ 7,284,301	¥ 7,185,691

Liabilities and Net Assets	Millions of yen September 30, 2026	 March 31, 2026
Current liabilities:		
Notes and accounts payable—trade	¥ 13,977	¥ 33,514
Short-term debt	19,805	22,767
Long-term debt due within one year	251,262	313,062
Long-term non-recourse debt due within one year	1,852	34,819
Commercial paper	242,000	236,000
Corporate bonds due within one year	30,000	20,000
Non-recourse bonds due within one year	—	6,000
Accrued income taxes	65,990	50,066
Provision for bonuses	4,387	5,158
Other current liabilities	237,801	212,848
Total current liabilities	867,076	934,237
Long-term liabilities:		
Corporate bonds	180,000	210,000
Non-recourse bonds	16,100	16,100
Long-term debt	3,035,445	2,998,320
Long-term non-recourse debt	117,932	118,852
Net defined benefit liability	3,675	3,829
Deferred tax liabilities	148,028	138,053
Guarantee and lease deposits received	289,828	282,764
Provision for share awards	5,552	5,458
Other long-term liabilities	6,677	7,364
Total long-term liabilities	3,803,240	3,780,741
Total liabilities	4,670,317	4,714,979
Net assets:		
Shareholders' equity		
Capital	122,805	122,805
Capital surplus	104,144	104,144
Retained earnings	1,967,102	1,848,307
Treasury stock	(45,629)	(45,807)
Total shareholders' equity	2,148,423	2,029,449
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities	400,817	389,573
Net deferred gains (losses) on hedges	54,108	43,436
Foreign currency translation adjustments	10,132	7,251
Remeasurements of defined benefit plans	501	1,001
Total accumulated other comprehensive income	465,560	441,262
Total net assets	2,613,983	2,470,712
Total liabilities and net assets	¥ 7,284,301	¥ 7,185,691

Consolidated Statements of Income

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

	Millions of yen	
	Fiscal year ended September 30,	
	2026	**2025**
Revenue from operations	¥ 527,960	¥ 532,243
Cost of revenue from operations	308,079	324,609
Gross profit	219,881	207,633
Selling, general and administrative expenses	38,401	40,154
Operating income	181,480	167,479
Non-operating income		
Interest and dividend income	15,095	10,813
Other non-operating income	220	112
Total non-operating income	15,315	10,925
Non-operating expenses		
Interest expense	16,929	12,892
Other non-operating expenses	1,151	1,605
Total non-operating expenses	18,080	14,498
Ordinary profit	178,715	163,906
Extraordinary income		
Gain on sale of property and equipment	88	62
Gain on sale of investment securities	30,310	11,516
Total extraordinary income	30,398	11,578
Extraordinary loss		
Provision for share awards	—	4,614
Loss on sale of property and equipment	115	—
Loss on impairment of fixed assets	465	—
Loss on disposal of property and equipment	2,287	769
Loss on sale of investment securities	138	—
Other extraordinary loss	325	385
Total extraordinary loss	3,331	5,768
Income before income taxes	205,781	169,716
Income taxes	65,649	51,376
Profit	140,132	118,340
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	¥ 140,132	¥ 118,340

Consolidated Statements of Comprehensive Income

Sumitomo Realty & Development Co., Ltd. and its consolidated subsidiaries

	Millions of yen	
	Fiscal year ended September 30,	
	2026	**2025**
Profit	¥ 140,132	¥ 118,340
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	11,243	68,654
Net deferred gains (losses) on hedges	10,672	3,579
Foreign currency translation adjustments	2,881	(2,850)
Remeasurements of defined benefit plans	(500)	(201)
Total other comprehensive income (loss)	24,297	69,182
Comprehensive income	164,429	187,522
Comprehensive income attributable to:		
Owners of the parent	164,429	187,522
Non-controlling interests	—	—