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

Fiscal 2026 (Year ending March 31, 2027)

August 6, 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 First Quarter (April 1, 2026 - June 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	%
Three months ended Jun 30, 2026	**281,016**	**(4.2)**	**102,846**	**1.0**	**108,735**	**3.3**	**85,161**	**15.4**
Three months ended Jun 30, 2025	293,304	(7.1)	101,792	3.7	105,244	2.1	73,776	(1.0)
(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, 1st quarter: 111,624 millions of yen, 13.0%; Fiscal 2025, 1st quarter: 98,781 millions of yen, 14.2%

2: Percentages represent changes year on year.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun 30, 2026	**92.20**	**—**
Three months ended Jun 30, 2025	78.95	—
(Reference) Fiscal 2025	228.42	—

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

Fiscal 2026, 1st quarter: 923,630,958 shares; Fiscal 2025, 1st quarter: 934,422,414 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	Shareholders' equity	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Jun 30, 2026	**7,242,118**	**2,560,194**	**35.4**
As of Jun 30, 2025	6,720,562	2,226,251	33.1
(Reference) Fiscal 2025	7,185,691	2,470,712	34.4

Note: Number of shares issued and outstanding (consolidated)

As of Jun 30, 2026 : 923,652,685 shares; As of Jun 30, 2025 : 932,223,968 shares

2. Dividend Position

	Dividends per share		
	Interim	Year end	Annual
	Yen	Yen	Yen
Fiscal 2025	**42.00**	**23.00**	**—**
Forecast for Fiscal 2026	26.00	26.00	52.00

Forecast for Fiscal 2026 announced on May 13, 2026 has not 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	**1,070,000**	**320,000**	**300,000**	**223,000**

Consolidated business forecasts announced on May 13, 2026 have not 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)

	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	Increase (Decrease)	Forecast for Fiscal 2026	Achieved (%)
Leasing	112,699	121,187	+8,488	480,000	25
Sales	137,650	122,533	(15,116)	300,000	41
Housing	21,756	18,612	(3,144)	207,000	9
Step	19,199	16,104	(3,095)	70,000	23
Other and Elimination/Corporate	1,997	2,578	+580	13,000	–
Total	293,304	281,016	(12,288)	1,070,000	26

(2) Operating income

(Millions of yen)

	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	Increase (Decrease)	Forecast for Fiscal 2026	Achieved (%)
Leasing	52,924	58,128	+5,204	224,000	26
Sales	50,650	48,941	(1,708)	81,000	60
Housing	(2,545)	(4,033)	(1,488)	17,000	–
Step	6,246	4,617	(1,629)	22,000	21
Other and Elimination/Corporate	(5,483)	(4,807)	+676	(24,000)	–
Total	101,792	102,846	+1,054	320,000	32

(1) Explanation of Financial Results

Operating income, ordinary profit, and profit (net income) all achieved record highs, with steady progress toward record-high profit for the 14th consecutive year

In the first quarter, operating income, ordinary profit, and profit all achieved record highs for the first quarter. Ordinary profit and profit reached 36% and 38% of their respective full-year forecasts, and performance remains on track for record-high ordinary profit for the sixth consecutive year and record-high profit for the 14th consecutive year.

The Leasing Business achieved record-high profit, driving overall performance

The Leasing Business, mainly focusing on office buildings in Tokyo, achieved record-high profit for the first quarter and drove overall performance, as increased rental income from existing buildings, resulting from improved occupancy rates and rent increases taking effect, continued to make a significant contribution. In addition, the Sales Business, centered on condominium sales, maintained high profit levels, supported by higher selling prices, and its performance remains on track.

Non-operating income/loss improved by ¥2.4 billion year on year, as an increase in dividend income more than offset higher interest expenses. Extraordinary income/loss improved by ¥14.9 billion year on year, mainly due to gain on sale of pure investment shares placed in a trust for orderly disposition.

As a result, revenue from operations was ¥281.0 billion (down 4.2% year on year), operating income was ¥102.8 billion (up 1.0% year on year), ordinary profit was ¥108.7 billion (up 3.3% year on year), and profit attributable to owners of parent (profit) was ¥85.1 billion (up 15.4% year on year).

Leasing Business

Achieved record-high profit with increased revenue and profit

In the first quarter, in the Tokyo office market, where rent growth driven by tightening supply-demand conditions continues, increased rental income from existing buildings, resulting from improved occupancy rates and rent increases taking effect, as well as the full-year operation of Sumitomo Fudosan Roppongi Central Tower, contributed to the performance. As a result, both revenue and operating income reached record highs for the first quarter.

Operating income has already reached 26% of the full-year forecast, and performance in this segment remains firmly. The positive effects of improved rental income resulting from improved occupancy rates and rent increases are expected to grow further.

Newly leased area continued to exceed canceled area; the vacancy rate stood at 3.6% (down 2.1 percentage points year on year)

In the first quarter, the vacancy rate improved significantly to 3.6% (down 2.1 percentage points year on year). Demand for new office leases remains strong 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. In addition, Sumitomo Fudosan Osaki Twin Building West and Sumitomo Shibakoen Building, both completed in the previous fiscal year, each commenced operations with more than 90% of their tenant space leased.

	End of Fiscal 2025 (March 31, 2026)	As of June 30, 2026
Vacancy rate for existing buildings	4.3%	3.6%

Sales Business

High profit level maintained, with operating income reaching 60% of the full-year forecast

In the first quarter, a total of 1,076 condominium units, detached houses, and land lots were delivered (down 435 units year on year), including units from projects where deliveries commenced during the quarter, such as Grand City Tower Ikebukuro and Garden House Narimasu. Although the number of units delivered decreased significantly year on year, this segment maintained high profit levels, supported by higher selling prices, and operating income remained on par with the same period of the previous fiscal year. Operating income reached 60% of the full-year forecast, and performance in this segment continues to be solid.

Steady progress in condominium contracts, with most units scheduled for delivery in the current fiscal year already under contract

In the first quarter, the number of condominium units sold was 520 (down 4 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.

	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026
Number of condominium units sold	524	520	(4)	2,398	2,500
Number of units delivered	1,511	1,076	(435)	3,368	2,200
Condominiums/detached houses	1,493	1,029	(464)	3,276	—
Land lots	18	47	+29	92	
Revenue from operations (Million yen)	125,921	110,536	(15,384)	276,007	250,000
Condominiums/detached houses	120,902	91,345	(29,557)	252,267	—
Land lots/others	5,018	19,191	+14,172	23,740	

	End of Fiscal 2025	As of June 30, 2026	Increase/ Decrease
Completed condominium units for sale (Over one year since completion)	1,141	1,177	+36
Completed condominium units for sale (One year or less since completion)	320	183	(137)

Housing Business

Order trends improving; contract backlog built up in the previous fiscal year expected to be recognized going forward

In the first quarter, the number of units contracted was 1,718 in Shinchiku Sokkurisan remodeling business (down 5 units year on year) and 430 in custom homes business (up 18 units year on year). Due to an increase in the average contract value, total contract value was ¥26.8 billion in Shinchiku Sokkurisan remodeling business (up ¥0.6 billion year on year) and ¥19.3 billion in custom homes business (up ¥2.4 billion year on year).

In the first quarter, revenue and profit decreased due to a decline in the number of units delivered. However, given that order trends are improving and the contract backlog built up in the previous fiscal year is expected to be recognized as revenue going forward, we believe that progress toward the full-year forecasts for this segment remains in line with plan.

	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026
Number of units contracted	2,135	2,148	+13	8,345	8,800
Shinchiku Sokkurisan remodeling	1,723	1,718	(5)	6,559	6,700
Custom Homes	412	430	+18	1,786	2,100
Total contract value (Million yen)	43,146	46,199	+3,053	187,998	207,000
Shinchiku Sokkurisan remodeling	26,223	26,852	+628	104,811	115,000
Custom Homes	16,923	19,347	+2,424	83,187	92,000
Number of units delivered	1,076	923	(153)	8,343	8,500
Shinchiku Sokkurisan remodeling	889	756	(133)	6,453	6,500
Custom Homes	187	167	(20)	1,890	2,000
Revenue from operations (Million yen)	21,754	18,611	(3,142)	188,876	207,000
Shinchiku Sokkurisan remodeling	13,288	10,635	(2,652)	103,344	115,000
Custom Homes	8,465	7,975	(490)	85,531	92,000

Step Business

In the existing condominium market, the number of contracts declines while the average price per transaction continues to rise

In the first quarter, in the existing condominium market, the core market for this segment, although the average price per transaction continued to rise, the number of contracts decreased year on year particularly in central Tokyo, due to buyers' cautious stance amid prolonged price increases and other factors. Against this market backdrop, the number of transactions in this segment was limited to 5,818 (down 1,699 year on year). In addition, due to the temporary impact of rebuilding the sales structure accompanying reforms to the personnel and compensation systems, including the abolition of the commission-based payment system, as well as costs associated with the reorganization of the brokerage office network, operating income stood at 21% of the full-year forecast, and performance in this segment is currently soft.

(On a delivery basis)	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026
Number of transactions	7,517	5,818	(1,699)	28,848	27,000
Transaction value (Million yen)	368,816	320,157	(48,659)	1,488,451	1,400,000
Average price per transaction (Million yen)	49.0	55.0	+5.9	51.6	52.0

(On a contract basis)	Three months ended Jun 30, 2025	Three months ended Jun 30, 2026	YoY change	Fiscal 2025	Forecast for Fiscal 2026
Number of transactions	7,282	4,794	(2,488)	27,668	27,000
Transaction value (Million yen)	357,471	271,840	(85,631)	1,460,795	1,400,000
Average price per transaction (Million yen)	49.0	56.7	+7.6	52.8	52.0

(2) Explanation of Financial Position

Total assets as of the end of the first quarter amounted to ¥7,242.1 billion (up ¥56.4 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 ¥4,681.9 billion (down ¥33.0 billion from the end of the previous fiscal year). The main factors were the redemption of corporate bonds and decreases in accounts payable and accrued income taxes.

Total net assets amounted to ¥2,560.1 billion (up ¥89.4 billion from the end of the previous fiscal year). Profit attributable to owners of parent for the first quarter stood at ¥85.1 billion, and retained earnings increased. As a result, the equity ratio improved to 35.4% (34.4% at the end of the previous fiscal year).

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

As stated above, we believe that our financial results for the current fiscal year remain on track, and there are no changes to the earnings forecasts announced on May 13, 2026.

(4) Sale of Listed Securities, Including Strategic Shareholdings

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. At the end of the previous fiscal year, with the aim of steady sales going forward, 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.

In the previous fiscal year, we sold securities with a market value of ¥49.0 billion, and in the first quarter of the current fiscal year, we sold securities with a market value of ¥24.5 billion.

Consolidated Balance Sheets

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

Assets		*Millions of yen* June 30, 2026		March 31, 2026
Current assets:				
Cash and deposits	¥	59,231	¥	59,172
Accounts receivable—trade		15,463		23,823
Real estate for sale		533,586		544,676
Real estate for sale in process		532,541		512,426
Costs on uncompleted construction contracts		11,434		4,647
Other inventories		1,286		1,128
Other current assets		72,943		81,249
Allowance for doubtful accounts		(38)		(36)
Total current assets		1,226,449		1,227,086
Fixed assets:				
Property and equipment				
Buildings and structures, net		1,257,377		1,264,794
Land		3,236,709		3,233,825
Construction in progress		77,850		70,629
Other property and equipment, net		12,606		12,547
Total property and equipment		4,584,543		4,581,795
Intangibles				
Leasehold rights		69,118		69,118
Other intangibles		3,573		3,738
Total intangibles		72,692		72,857
Investment and other assets				
Investments securities		1,168,729		1,119,615
Guarantee and lease deposits		69,189		68,979
Net defined benefit asset		2,403		2,420
Deferred income taxes		20,170		20,305
Other investments and other assets		98,406		93,095
Allowance for doubtful accounts		(465)		(465)
Total investment and other assets		1,358,434		1,303,951
Total fixed assets		6,015,669		5,958,604
Total assets	¥	7,242,118	¥	7,185,691

Liabilities and Net Assets		Millions of yen June 30, 2026		March 31, 2026
Current liabilities:				
Notes and accounts payable—trade	¥	12,112	¥	33,514
Short-term debt		19,778		22,767
Long-term debt due within one year		313,175		313,062
Long-term non-recourse debt due within one year		34,674		34,819
Commercial paper		247,000		236,000
Corporate bonds due within one year		40,000		20,000
Non-recourse bonds due within one year		6,000		6,000
Accrued income taxes		37,878		50,066
Provision for bonuses		1,605		5,158
Other current liabilities		182,859		212,848
Total current liabilities		895,081		934,237
Long-term liabilities:				
Corporate bonds		180,000		210,000
Non-recourse bonds		16,100		16,100
Long-term debt		3,018,132		2,998,320
Long-term non-recourse debt		118,366		118,852
Net defined benefit liability		3,775		3,829
Deferred tax liabilities		149,998		138,053
Guarantee and lease deposits received		287,150		282,764
Provision for share awards		5,534		5,458
Other long-term liabilities		7,785		7,364
Total long-term liabilities		3,786,843		3,780,741
Total liabilities		4,681,924		4,714,979
Net assets:				
Shareholders' equity				
Capital		122,805		122,805
Capital surplus		104,144		104,144
Retained earnings		1,911,240		1,848,307
Treasury stock		(45,721)		(45,807)
Total shareholders' equity		2,092,468		2,029,449
Accumulated other comprehensive income (loss)				
Net unrealized holding gains on securities		411,323		389,573
Net deferred gains (losses) on hedges		47,539		43,436
Foreign currency translation adjustments		8,111		7,251
Remeasurements of defined benefit plans		751		1,001
Total accumulated other comprehensive income		467,725		441,262
Total net assets		2,560,194		2,470,712
Total liabilities and net assets	¥	7,242,118	¥	7,185,691

Consolidated Statements of Income

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

	Millions of yen			
	Fiscal year ended June 30,			
	2026		2025	
Revenue from operations	¥	281,016	¥	293,304
Cost of revenue from operations		160,933		173,655
Gross profit		120,083		119,649
Selling, general and administrative expenses		17,236		17,856
Operating income		102,846		101,792
Non-operating income				
Interest and dividend income		14,278		10,005
Other non-operating income		117		60
Total non-operating income		14,395		10,065
Non-operating expenses				
Interest expenses		8,206		6,412
Other non-operating expenses		300		200
Total non-operating expenses		8,507		6,612
Ordinary profit		108,735		105,244
Extraordinary income				
Gain on sale of property and equipment		88		54
Gain on sale of investment securities		15,973		5,126
Total extraordinary income		16,061		5,181
Extraordinary loss				
Provision for share awards		—		4,298
Loss on disposal of property and equipment		658		179
Loss on sale of investment securities		1		—
Other extraordinary loss		20		242
Total extraordinary loss		679		4,721
Income before income taxes		124,116		105,705
Income taxes		38,955		31,929
Profit		85,161		73,776
Profit attributable to non-controlling interests		—		—
Profit attributable to owners of parent	¥	85,161	¥	73,776

Consolidated Statements of Comprehensive Income

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

	Millions of yen	
	Fiscal year ended June 30,	
	2026	**2025**
Profit	¥ 85,161	¥ 73,776
Other comprehensive income (loss)		
Net unrealized holding gains (losses) on securities	21,749	27,402
Net deferred gains (losses) on hedges	4,103	(611)
Foreign currency translation adjustments	859	(1,685)
Remeasurements of defined benefit plans	(250)	(100)
Total other comprehensive income (loss)	26,463	25,005
Comprehensive income	111,624	98,781
Comprehensive income attributable to:		
Owners of the parent	111,624	98,781
Non-controlling interests	—	—