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Internet Disclosure Items for Notice of Convocation of the 89th Ordinary General Meeting of Shareholders

Overview of the Corporate Group
Major Lenders and Borrowing Amounts

Matters regarding Share Option of the Company, etc.

Matters regarding Independent Auditor

Systems for Ensuring Appropriateness of
Business Operations and its Operational Status

(from April 1, 2021 to March 31, 2022)

The above-stated matters constitute information deemed to have been provided to shareholders by their being posted on the Company's website on the Internet (<https://www.sumitomo-rd.co.jp/>) in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company.

Sumitomo Realty & Development Co., Ltd.

Overview of the Corporate Group

Major Lenders and Borrowing Amounts (as of March 31, 2022)

(Million yen)

Lender	Borrowing amount
Sumitomo Mitsui Banking Corporation	641,539
MUFG Bank, Ltd.	482,000
Mizuho Bank, Ltd.	355,000
Sumitomo Mitsui Trust Bank, Limited	351,976
Development Bank of Japan Inc.	138,768

Note: Indicated amounts have been rounded down to the nearest million yen.

Matters regarding Share Option of the Company, etc.

Not applicable.

Matters regarding Independent Auditor

Name:

KPMG AZSA LLC

Amount of Compensation, etc.:

(Million yen)

Total amount of monetary compensation or other property benefits to be paid by the Company and its subsidiaries	208
Amount of compensation, etc. to be paid by the Company	140

- Notes: 1. The audit contract between the Company and the Independent Auditor does not separate the compensation for audits pursuant to the Companies Act from the compensation for audits pursuant to the Financial Instruments and Exchange Act, and it is not possible to make a practical differentiation between them. Accordingly, the amount of compensation, etc. to be paid by the Company is the total of these amounts.
2. The Board of Corporate Auditors decides to consent to the amount of compensation, etc. of the Independent Auditor, after having performed the necessary verification with respect to the appropriateness of the content of the Independent Auditor's audit plan, the status of performance of accounting audit duties, and the basis for the calculation of the estimated compensation.

Details of Non-auditing Services

The Company entrusts the Independent Auditor with the "preparation of comfort letters related to issuance of straight bonds," which is a service other than those stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing services), and pays compensation thereto.

Policy regarding Decision for Dismissal or Non-reappointment

In addition to the dismissal of the Independent Auditor by the Board of Corporate Auditors pursuant to Article 340 of the Companies Act, in cases where it is recognized that it would be difficult for the Independent Auditor to execute their duties appropriately, the Board of Corporate Auditors makes a proposal to the shareholders' meeting that the Independent Auditor be dismissed or not be reappointed.

Systems for Ensuring Appropriateness of Business Operations and its Operational Status

Systems for Ensuring Appropriateness of Business Operations (as of March 31, 2022)

Basic Policy

The Company considers that establishment of internal control systems is one of the important management issues concerning the improvement of corporate value and sustainable development of the Company and its subsidiaries (hereinafter referred to as the “Group”) as a whole. With regard to the matters listed below, the Company shall establish systems in which roles and responsibilities of the Group’s directors and employees are clarified, and through operation and appropriate review of such systems, the Company shall strive to establish appropriate systems for governance of the Group’s directors and employees.

(1) Systems for ensuring that the execution of duties of the Group’s directors and employees complies with laws and regulations and with the articles of incorporation

In order to enhance and strengthen internal control of the Group, the Company has established the Risk Management Committee chaired by the Company’s President. The Internal Control Meeting (hosted by the Company’s Internal Audit Department), which is a subordinate organization of the Risk Management Committee, monitors compliance promotion activities of the Group, and reports the result to the Risk Management Committee.

The Company’s Internal Audit Department performs internal audits including those of subsidiaries, and several contacts for whistleblowing are established within and outside the Company to detect and prevent any misconduct or illegal acts.

(2) Systems for retention and management of information concerning the execution of duties of the Company’s directors

Minutes of meetings of the Board of Directors of the Company, requests for managerial decision and other documents (including electromagnetic records) are prepared, and these documents are retained and managed by the respective responsible departments in accordance with the Criteria for Document Retention Periods and the Information Management Rules.

(3) Rules and other systems related to management of risks of losses of the Group

Among the risks of the Group, the risks associated with the business, such as investment risk and market risk, are monitored and addressed by the respective departments and subsidiaries properly, and important matters are discussed and determined at meetings of the Board of Directors and other important meetings such as management meetings. Moreover, in order to address risks of large-scale disasters, etc. affecting business continuity, the BCP Subcommittee (hosted by the Company’s General Affairs Department), a subordinate organization of the Risk Management Committee, monitors the status of management of business continuity planning (BCP) by the Group, and reports the result to the Risk Management Committee.

(4) Systems for ensuring that the execution of duties of the Group’s directors is performed efficiently

The Group’s directors direct and supervise business operations of the respective departments and subsidiaries in accordance with the Company’s management plan.

Moreover, the Group’s employees efficiently perform their duties under the direction and supervision of the Board of Directors and heads of respective departments, etc.

(5) Systems for ensuring appropriateness of business operations of the corporate group consisting of the Company and its subsidiaries and systems related to reporting of matters concerning the execution of duties to the Company

The Company periodically receives reports from each subsidiary on the execution of duties, such as the status of business execution and financial conditions, and provides advice and guidance concerning business operations properly, depending on the nature of the matter in question.

Moreover, the Company’s corporate auditors and the Company’s Internal Audit Department audit each subsidiary, as necessary.

(6) Particulars related to employees when the Company's corporate auditors request that employees be appointed to assist with the duties of the corporate auditors and particulars related to ensuring independence of such employees from directors and effectiveness of the instructions of the Company's corporate auditors to the employees

If the Company's corporate auditors make requests to personnel of the Company's Internal Audit Department concerning matters necessary for audit practices, such personnel shall proactively offer cooperation. In such a case, the personnel who provide assistance shall not be in the chain of command of directors or any other personnel concerning the matters for which they are requested to provide assistance.

(7) Systems for reporting to the Company's corporate auditors by the Group's directors etc. and employees or by a person who received reports from such persons and other systems related to reporting to the Company's corporate auditors

When the Group's directors, etc. and employees or a person who received reports from such persons report to the Company's corporate auditors, or when they are requested by the Company's corporate auditors to report, necessary reports shall be provided swiftly and persons who make reports shall not be treated disadvantageously for reasons of making such reports.

Moreover, the Independent Auditor and the Company's Internal Audit Department shall report to the Company's corporate auditors concerning the audit status properly.

(8) Particulars related to policies concerning the procedures for advance payment or reimbursement of expenses that arise with regard to the execution of duties of the Company's corporate auditors or any other processing of expenses or obligations that arise with regard to the execution of duties

When, concerning the execution of duties, a corporate auditor of the Company requests advance payment or reimbursement, etc. of expenses in accordance with the Japanese Corporate Law, the Company shall process such expenses or obligations, excluding any cases deemed unnecessary for the execution of duties of the said corporate auditor.

(9) Other systems for ensuring that audits by the Company's corporate auditors are performed effectively

Opportunities are ensured for the Company's corporate auditors to attend meetings of the Board of Directors and other important meetings so that they can comprehend the Group's important issues, etc., and state opinions, as necessary.

* The aforementioned system was revised by resolution of the Board of Directors on May 25, 2022. For details, see the Corporate Governance Report available on the Company's website (<https://www.sumitomo-rd.co.jp/>).

Overview of Operational Status of Systems for Ensuring Appropriateness of Business Operations

- (1) The Internal Control Meetings (hosted by the Company's Internal Audit Department), attended by the major managerial officers of the corporate administration divisions, monitor the compliance promotion activities of the Group. The results are reported to the Risk Management Committee and important matters are also reported to the Board of Directors and other bodies.
- (2) The BCP Subcommittee (hosted by the Company's General Affairs Department) monitors the status of the management of business continuity planning (BCP) by the Group and reports the results to the Risk Management Committee.
- (3) In order to ensure appropriate audits, the corporate auditors conduct, in addition to their regular audit duties, regular interviews with executive management and the officers responsible for each department, and carry out visiting audits of operational sites and the Group's various offices. Further, the corporate auditors collaborate with the Internal Audit Department and the Independent Auditor to accurately grasp the actual situation of the Group through auditing the execution of duties by directors and employees through monitoring the status of internal control.