



March 28, 2024

For Immediate Release

Name of Company: Sumitomo Forestry Co., Ltd.
(Code No. 1911, Prime Market, Tokyo Stock Exchange)
Representative: President and Representative Director Toshiro Mitsuyoshi
Inquiries: Takashi Mizuno, General Manager, Corporate Communications
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Establishment of a Specified Subsidiary Company

Sumitomo Forestry Co., Ltd. (hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary Sumirin Vietnam Company Limited (hereinafter, SV) has joined hands with Kumagai Gumi Co., Ltd. (hereinafter, Kumagai Gumi) and NTT Urban Development Corporation (hereinafter, NTT Urban Development) to establish the joint venture company SKN Green Development Ltd. (hereinafter, SKN). Given that SKN's capital is equivalent to 10/100 of Sumitomo Forestry's capital, SKN will be classified as a Sumitomo Forestry specified subsidiary.

1. Purpose of establishment

The three Japanese companies – Sumitomo Forestry, Kumagai Gumi and NTT Urban Development – will work with the local Vietnamese real estate development company Kim Oanh Group to participate in a real estate development project in Thuan An City, Binh Duong Province.

This project is located 25km (about 45 minutes by car) from central Ho Chi Minh City on an approximate 41-hectare site. The development will be a large-scale township with both low-rise and high-rise condominiums. All lots are scheduled to be completed by 2034 at a total project cost of approximately 140.0 billion yen.

Sumitomo Forestry's wholly owned subsidiary SV, Kumagai Gumi and NTT Urban Development's wholly owned subsidiary NTT UD Asia Pte. Ltd. will establish the joint venture company SKN (see table below for SKN investment ratios). The developer of the project will be an SKN and Kim Oanh Group joint venture company.

Please see the reference material for further details.

2. Subsidiary outline

(1) Name	SKN Green Development Ltd.
(2) Location	Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam
(3) Representative name and title	Koichi Nomoto (Chairman) Yu Uenishi (General Director)

(4) Business description	Real estate development in the southern Vietnam region of Binh Duong Province	
(5) Capital ^{*1}	USD \$139 million (projected, approximately 20.9 billion yen) ^{*2}	
(6) Major shareholders and shareholding ratios	SV, 50% Kumagai Gumi, 25% NTT UD Asia Pte Ltd., 25%	
(7) Establishment date	May 2024 (scheduled)	
(8) Relationship between subsidiary and listed companies	Capital	50% investment through SV
	Human resources	Assignment of two directors from Sumitomo Forestry
	Business	None to note
(9) Consolidated operating results and consolidated financial condition of the subsidiary for the past three years	The subsidiary is currently in the process of being established and therefore this description is omitted.	

^{*1} Indicates the amount of capital after the scheduled post-establishment capital increase. At the time of SKN's establishment, because SKN's capital will be equivalent to 10/100 of the Sumitomo Forestry's capital, SKN will be classified as a Sumitomo Forestry specified subsidiary.

^{*2} Calculated at the rate of USD = 150.3 yen (the TTM currency exchange rate of March 1, 2024).

3. Schedule

- | | |
|---------------------------------|----------------------------|
| (1) Resolution date | March 28, 2024 |
| (2) Joint venture contract date | March 28, 2024 (scheduled) |
| (3) Establishment date | May 31, 2024 (scheduled) |

*The resolution date is for Sumitomo Forestry's board of directors.

4. Future outlook

The impact this matter will have on the consolidated financial results is currently under investigation and will be disclosed promptly if necessary.

Sumitomo Forestry Co., Ltd.
Kumagai Gumi Co., Ltd.
NTT Urban Development Corporation

Sumitomo Forestry, Kumagai Gumi and NTT Urban Development to jointly participate in a large-scale township development project in Binh Duong Province, Vietnam

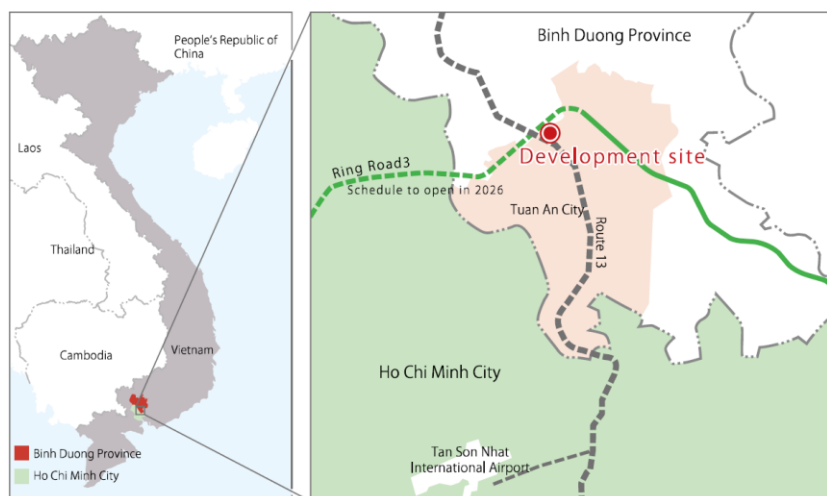
~Developing a sustainable city that contributes to carbon neutrality in Vietnam ~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry), Kumagai Gumi Co., Ltd. (President: Yasunori Sakurano; headquarters: Tokyo; hereinafter, Kumagai Gumi), and NTT Urban Development Corporation (President: Hiroshi Tsujigami; headquarters: Tokyo; hereinafter, NTT Urban Development) will collaborate with Kim Oanh Group, a major local real estate development company, to participate in a township development project in Thuan An City, Binh Duong Province, Vietnam.

1. Project outline

The project is a large-scale township development of low-rise (approximately 1,200 units) and high-rise condominiums (approximately 5,500 units) on a 41-hectare site. The total project cost is estimated at 140.0 billion yen with completion of all units scheduled for 2034. The three Japanese companies – Sumitomo Forestry, Kumagai Gumi and NTT Urban Development – will jointly develop the property with Kim Oanh Group to capture demand for housing not only from manager-level employees of nearby industrial parks, but also from commuters to Ho Chi Minh City.

The development site is about 25km northeast from central Ho Chi Minh City in Thuan An City, Binh Duong Province. The province has a high concentration of industrial parks and foreign companies, making it a leading economic and industrial center in southern Vietnam. Approximately 45 minutes by car to central Ho Chi Minh City using an adjacent highway, the area is expected to become even more convenient with construction underway of Ring Road 3, which will connect the major southern economic zones.



Kim Oanh Group has extensive experience developing a wide range of residential condominiums for sale in southern Vietnam and is actively working to develop environmentally conscious real estate. The project seeks to create a sustainable city that will contribute to carbon neutrality in Vietnam by bringing together Sumitomo Forestry's design expertise cultivated from its global housing operations and its ability to propose building materials with lower environmental impact, with Kumagai Gumi's know-how in large-scale construction and civil engineering, NTT Urban Development's experience in global real estate development, and NTT Group's knowledge of information and communication technologies.

The developer of the project will be a joint venture company formed from a joint investment of SKN Green Development (hereinafter, SKN) and Kim Oanh Group. SKN is a joint venture company of Sumitomo Forestry's wholly owned subsidiary Sumirin Vietnam Company Limited (hereinafter, SV), Kumagai Gumi, and NTT Urban Development's wholly owned subsidiary NTT UD Asia Pte. Ltd. This will be Sumitomo Forestry's second real estate development project with Kim Oanh Group and the first for Kumagai Gumi and NTT Urban Development.

2. Future outlook

Sumitomo Forestry

Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of wood building materials, the contracting of single-family homes and medium- to large-scale wooden buildings, real estate development, and wood biomass power generation. One of our business policies in the medium-term management plan, Mission TREEING 2030 Phase 1, is advancing globalization, and towards this aim, we are strengthening our revenue base in Asia. Sumitomo Forestry Group has been involved in the distribution and manufacture of wood products in Vietnam since 2012. We began participating in a condominium development in Ho Chi Minh City in 2015 and in a low-rise project in Ba Ria Vung Tau Province, a suburb of Ho Chi Minh City, in 2023. The Binh Duong Province project marks our third residential development in Vietnam. By accumulating experience and knowledge of the Vietnamese real estate development business, we will strive to harness synergies among our group companies, further expand our business and strengthen our revenue base.

Kumagai Gumi

In our medium-term management plan (2021~2023), Kumagai Gumi has set out the evolution of the construction peripheral business as one of our business strategies and has been focusing efforts on the real estate development business. In Vietnam, Kumagai Gumi is also participating on a solar power generation project as part of our prioritized renewable energy operations and is considering offshore wind power generation, as well. Through this Binh Duong Province project, the company aims to accelerate the real estate business, another key area of focus, and secure stable earnings by diversifying revenue sources. Furthermore, in line with its ESG policy, Kumagai Gumi seeks to contribute to the realization of

sustainable communities through investments in the real estate development business.

NTT Urban Development

NTT Urban Development is a member of the NTT Urban Solutions Group, which handles NTT Group's urban development businesses. By fully utilizing our experience and know-how in the real estate business and by maximizing NTT Group's resources in ICT, energy and environmental technologies, NTT Urban Development seeks to promote a new type of urban development that addresses a wide array of issues faced by local communities. This Binh Duong Province project marks NTT Urban Development's third housing development project in Southeast Asia, following a 2020 housing project in Binh Duong Province, Vietnam, and a 2024 housing project in Cebu, Philippines. This will be the company's first participation in a township project. Utilizing this accumulated know-how, NTT Urban Development hopes to further expand operations in Vietnam and other Southeast Asian countries.

【Project outline】

Location: Thuan An City, Binh Duong Province
Total units (scheduled): Approximately 6,700 units
Site area: Approximately 41 hectares
Completion and delivery: From 2025 to 2034, in order of completion

【Kim Oanh Group】

Company name: Kim Oanh Group
Headquarters: Thu Duc City, Ho Chi Minh City
Establishment: 2008
History: Established in 2008 under the name Kim Oanh Real Estate Joint Stock Company as a real estate brokerage company, created a real estate development company in 2009, and entered the spec home development business in 2015.

【SKN】

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