



August 7, 2025

Summary of Financial Results for the Six Months of the Fiscal Year Ending December 2025 [Japanese GAAP] (Consolidated)

Name of Company:	Sumitomo Forestry Co., Ltd.	Stock Exchange Listing: Tokyo
Securities Code:	1911	URL: https://sfc.jp/english/
Representative:	Title: President / Representative Director	Name: Toshiro Mitsuyoshi
Inquiries:	Title: General Manager, Corporate Communications Dept.	Name: Takashi Mizuno
	Phone: +81-3-3214-2270	
Scheduled date to file Semi-annual Securities Report:	August 12, 2025	
Scheduled Date to commence Dividend Payments:	September 8, 2025	
Supplementary Documents on Financial Results:	Yes	
Financial Results Briefing:	Yes (for analysts and institutional investors, in Japanese)	

(Note: Amounts are rounded to nearest million Yen.)

1. Consolidated financial results for the six months of the FY ending December 2025 (January 1, 2025 – June 30, 2025)

(1) Consolidated results of operations (Cumulative total) (%: change from the same period of the previous year)

	Net sales		Operating income		Recurring income		Net income attributable to shareholders of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2025	1,074,750	9.5	82,951	(8.9)	87,454	(5.9)	48,553	(10.3)
Six months ended June 30, 2024	981,416	20.2	91,074	39.6	92,959	38.0	54,149	20.8

(Note) Comprehensive income

Six months ended June 30, 2025	(10,991) Million yen [- %]
Six months ended June 30, 2024	179,474 Million yen [50.7%]

	Net income per share	Net income per share fully diluted
	Yen	Yen
Six months ended June 30, 2025	79.13	79.11
Six months ended June 30, 2024	88.20	88.15

(Notes) 1. Due to the finalization of the provisional accounting treatment for business combination, the figures reflect a significant revision to the initial allocation of acquisition cost.

2. The Company conducted a stock split in a ratio of three shares for every one common share on July 1, 2025. Accordingly, the net income per share and the net income per share fully diluted were calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	2,247,210	981,012	39.1
As of December 31, 2024	2,261,128	1,020,127	40.7

(Reference) Shareholders' equity

As of June 30, 2025	878,227 Million yen
As of December 31, 2024	920,347 Million yen

2. Cash Dividends

	Cash dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY ended December 31, 2024	—	65.00	—	80.00	145.00
FY ending December 31, 2025	—	75.00			
FY ending December 31, 2025 (Forecast)			—	25.00	—

(Note) Revisions to the forecast of cash dividends most recently announced: Yes

- * The Company conducted a stock split in a ratio of three shares for every one common share with a record date of June 30, 2025 and an effective date of July 1, 2025. With regard to the above year-end dividend per share for the FY ending December 31, 2025 (Forecast), the amount after the stock split is stated. Total annual dividend per share for the FY ending December 31, 2025 (Forecast) is not stated as the interim dividend and the year-end dividend cannot be simply totaled due to implementation of the stock split. Without taking the stock split into account, the year-end dividend per share and the total annual dividend per share for the FY ending December 31, 2025 (forecast) are 75.00yen and 150.00 yen, respectively.

3. Forecast of the consolidated financial results for the FY ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(%: change from the previous year)

	Net sales		Operating income		Recurring income		Net income attributable to shareholders of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,320,000	13.0	164,000	(15.7)	170,000	(14.1)	96,000	(17.6)	156.45

(Note) Revisions to the forecast of consolidated results most recently announced: Yes

- * The Company conducted a stock split in a ratio of three shares for every one common share with a record date of June 30, 2025 and an effective date of July 1, 2025. The above net income per share was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ending December 2025. Without taking the stock split into account, the net income per share is 469.35 yen for full year.

* Notice

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included : 1 company (Company name) : LeTech Corporation
Excluded : None (Company name) :

(2) Application of accounting treatment specific to the preparation of the semi-annual consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements

- (a) Changes in accounting policies due to revision of accounting standards and other regulations : Yes
(b) Changes in accounting policies due to other reasons : None
(c) Changes in accounting estimates : None
(d) Restatements : None

(4) Number of issued shares (common stock)

(a) Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2025	618,555,804	As of December 31, 2024	618,202,104
---------------------	-------------	-------------------------	-------------

(b) Number of treasury stock at the end of the period

As of June 30, 2025	7,010,370	As of December 31, 2024	4,250,865
---------------------	-----------	-------------------------	-----------

(c) Average number of shares outstanding during the period (six months from the beginning of the fiscal year)

As of June 30, 2025	613,611,342	As of June 30, 2024	613,939,978
---------------------	-------------	---------------------	-------------

(Notes) 1. The Company conducted a stock split in a ratio of three shares for every one common share on July 1, 2025. Accordingly, the total number of issued shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period and the average number of shares outstanding during the period were calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. The Company has introduced the Employee Stock Compensation Plan from the second quarter cumulative period under review. The number of treasury stock at the end of the period includes the Company's shares held by the Employee Stock Delivery Trust (as of June 30, 2025: 2,758,200 shares, as of June 30, 2024: 0 shares). The Company's shares held by the said trust are included in treasury stock to be deducted in the calculation of the average number of shares outstanding during the period.

* Semi-annual financial results report is exempt from interim review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

Earnings forecasts and other forward-looking statements in this release are based on data currently available to the Company and certain assumptions that the Company believes are reasonable and are not intended as a promise by the Company to achieve those forecasts. Actual results may differ substantially due to various factors.

(Obtain Supplemental Explanatory Material)

The Financial Factbook which is supplementary documents on Financial Results is published on the website as below.

<https://sfc.jp/english/ir/>

Additionally, the Company will hold a financial results briefing for securities analysts and institutional investors on Friday, August 8, 2025. The explanatory material on the financial results will be published on the website.

○ Contents of Accompanying Materials

Semi-annual Consolidated Financial Statements and Main Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Income	7
Consolidated Statements of Comprehensive Income	8
(3) Consolidated Statements of Cash Flows	9
(4) Notes to the Semi-annual Consolidated Financial Statements	11
(Notes related to the Assumption of a Going Concern)	11
(Notes on Significant Changes in Shareholders' Equity)	11
(Changes in Accounting policies)	11
(Notes on Segment Information, etc.)	11
(Significant Subsequent Events)	13

Semi-annual Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(million yen)

	Previous consolidated fiscal year (as of December 31, 2024)	Second quarter cumulative period (as of June 30, 2025)
Assets		
Current assets		
Cash and deposits	181,043	142,198
Notes and accounts receivable-trade	104,734	95,837
Electronically recorded monetary claims	44,652	38,321
Accounts receivable from completed construction contracts and contract assets	93,219	93,229
Marketable securities	5,062	3,000
Merchandise and finished goods	22,970	22,900
Work in process	2,524	2,536
Raw materials and supplies	13,838	12,762
Costs on construction contracts in progress	20,435	22,424
Real estate for sale	178,921	186,254
Real estate for sale in process	681,755	701,939
Short-term loans receivable	30,381	36,338
Accounts receivable-other	101,301	90,288
Other	66,022	67,059
Allowance for doubtful account	(767)	(742)
Total current assets	1,546,090	1,514,342
Non-current assets		
Property, plant and equipment		
Buildings and structures	131,943	134,326
Accumulated depreciation	(66,327)	(67,582)
Buildings and structures, net	65,616	66,744
Machinery, equipment and vehicles	102,615	99,985
Accumulated depreciation	(77,715)	(76,819)
Machinery, equipment and vehicles, net	24,900	23,166
Land	71,641	69,312
Timber	44,356	43,822
Leased assets	43,169	42,120
Accumulated depreciation	(20,486)	(21,656)
Leased assets, net	22,683	20,464
Construction in process	47,958	53,173
Other	28,135	27,011
Accumulated depreciation	(19,185)	(18,480)
Other, net	8,950	8,531
Total property, plant and equipment	286,103	285,210
Intangible assets		
Goodwill	42,246	38,441
Other	32,760	30,419
Total intangible assets	75,006	68,860
Investments and other assets		
Investment securities	268,895	287,607
Long-term loans receivable	30,941	32,950
Retirement benefit assets	14,189	14,886
Deferred tax assets	9,460	9,834
Other	31,288	34,264
Allowance for doubtful account	(843)	(742)
Total investments and other assets	353,929	378,799
Total non-current assets	715,038	732,869
Total assets	2,261,128	2,247,210

(million yen)

	Previous consolidated fiscal year (as of December 31, 2024)	Second quarter cumulative period (as of June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	96,983	82,989
Electronically recorded obligations	33,864	32,730
Accounts payable for construction contracts	156,300	157,511
Short-term borrowings	93,702	114,738
Current portion of bonds payable	10,044	20,063
Lease obligations	5,778	5,430
Income taxes payable	8,910	8,357
Contract liabilities	97,588	99,142
Provision for bonuses	23,742	21,114
Provision for bonuses for directors (and other officers)	168	—
Provision for warranties for completed construction	17,699	15,738
Asset retirement obligations	1,033	579
Other	116,340	103,162
Total current liabilities	662,152	661,552
Long-term liabilities		
Bonds payable	70,116	50,308
Long-term borrowings	413,856	462,700
Lease obligations	19,915	17,958
Deferred tax liabilities	38,340	39,109
Provision for share awards for employees	—	53
Provision for retirement benefits for directors (and other officers)	171	131
Retirement benefits liability	9,724	9,674
Asset retirement obligations	2,568	2,411
Other	24,161	22,303
Total long-term liabilities	578,850	604,646
Total liabilities	1,241,002	1,266,199
Net assets		
Shareholders' equity		
Common stock	55,101	55,332
Capital surplus	34,667	31,615
Retained earnings	613,765	645,856
Treasury shares	(2,521)	(6,522)
Total shareholders' equity	701,012	726,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,902	38,895
Deferred gains (losses) on hedges	8,533	7,232
Foreign currency translation adjustment	172,840	105,760
Remeasurements of defined benefit plans	62	59
Total accumulated other comprehensive income	219,335	151,946
Share acquisition rights	69	51
Non-controlling interests	99,711	102,733
Total net assets	1,020,127	981,012
Total liabilities and net assets	2,261,128	2,247,210

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income
For the second quarter cumulative period (consolidated)

(million yen)

	Previous second quarter cumulative period (January 1, 2024 – June 30, 2024)	Current second quarter cumulative period (January 1, 2025 – June 30, 2025)
Net sales	981,416	1,074,750
Cost of sales	740,196	820,136
Gross profit	241,219	254,615
Selling, general and administrative expenses	150,145	171,664
Operating income	91,074	82,951
Non-operating income		
Interest income	1,627	2,472
Purchase discount	157	235
Dividend income	1,374	1,585
Share of profit of entities accounted for using equity method	–	5,149
Gain on sale of investment securities	700	324
Other	4,790	3,631
Total non-operating income	8,647	13,396
Non-operating expenses		
Interest expense	3,152	5,539
Share of loss of entities accounted for using equity method	779	–
Foreign exchange losses	55	806
Other	2,777	2,547
Total non-operating expenses	6,763	8,893
Recurring income	92,959	87,454
Profit before income taxes	92,959	87,454
Income taxes-current	20,451	21,797
Income taxes-deferred	1,618	1,501
Total income taxes	22,069	23,298
Net income	70,890	64,156
Net income attributable to non-controlling interests	16,741	15,603
Net income attributable to shareholders of parent	54,149	48,553

Consolidated Statements of Comprehensive Income
For the second quarter cumulative period (consolidated)

(million yen)

	Previous second quarter cumulative period (January 1, 2024 – June 30, 2024)	Current second quarter cumulative period (January 1, 2025 – June 30, 2025)
Net income	70,890	64,156
Other comprehensive income		
Valuation difference on available-for-sale securities	7,231	937
Deferred gains (losses) on hedges	1,904	(737)
Foreign currency translation adjustment	85,850	(64,743)
Share of other comprehensive income of entities accounted for using equity method	13,600	(10,604)
Total other comprehensive income	108,585	(75,147)
Comprehensive income	179,474	(10,991)
(Breakdown)		
Comprehensive income attributable to shareholders of parent	153,682	(18,836)
Comprehensive income attributable to non-controlling interests	25,792	7,845

(3) Consolidated Statements of Cash Flows

	(million yen)	
	Previous second quarter cumulative period (January 1, 2024 – June 30, 2024)	Current second quarter cumulative period (January 1, 2025 – June 30, 2025)
Net cash provided by (used in) operating activities		
Income before income taxes	92,959	87,454
Depreciation and amortization	13,934	14,485
Amortization of goodwill	4,058	3,105
Provision for (reversal of) doubtful accounts	(250)	(103)
Provision for (reversal of) employees' bonuses	(2,378)	(2,007)
Provision for (reversal of) directors' bonuses	(144)	(168)
Provision for (reversal of) warranties for completed construction	(594)	(1,317)
Provision for (reversal of) directors' retirement benefits	(213)	(39)
Net defined benefit liability (decrease)	(368)	(638)
Increase (decrease) in provision for share awards for employees	–	53
Interest and dividends income	(3,001)	(4,057)
Interest expenses	3,152	5,539
Equity in (earnings) losses of affiliates	779	(5,149)
Losses (gains) on sale of marketable securities and investment securities	(700)	(324)
Decrease (increase) in notes and accounts receivable-trade and contract assets	(3,133)	13,232
Decrease (increase) in inventories	(71,197)	(74,994)
Decrease (increase) in other current assets	(8,870)	1,587
Increase (decrease) in notes and accounts payable-trade	(22,903)	(17,961)
Increase (decrease) in advances received	3,615	(1,230)
Increase (decrease) in contract liabilities	6,748	4,006
Increase (decrease) in accrued consumption taxes	(2,241)	(100)
Increase (decrease) in other current liabilities	206	1,561
Other	(5,427)	1,788
Subtotal	4,033	24,725
Interest and dividends income received	5,981	11,647
Interest paid	(3,443)	(5,201)
Income taxes paid	(27,038)	(22,699)
Net cash provided by (used in) operating activities	(20,467)	8,473

	(million yen)	
	Previous second quarter cumulative period (January 1, 2024 – June 30, 2024)	Current second quarter cumulative period (January 1, 2025 – June 30, 2025)
Net cash provided by (used in) investment activities		
Payments into time deposits	(215)	(63)
Proceeds from withdrawal of time deposits	62	72
Decrease (increase) in short-term loans receivable	850	604
Proceeds from sales and redemption of securities	5	62
Payments for purchases of property, plant and equipment	(31,071)	(35,624)
Proceeds from sales of property, plant and equipment	1,113	2,416
Payments for purchases of intangible assets	(2,757)	(2,924)
Payments for purchase of investment securities	(20,472)	(20,512)
Proceeds from sales and redemption of investment securities	1,223	2,989
Payments for transfer of business	(16,161)	–
Payments for purchase of subsidiary shares resulting in change in scope of consolidation	(195)	(2,964)
Payments in long-term loans payable	(7,690)	(4,687)
Repayments of long-term loans receivable	28	33
Other payments	(1,192)	(5,243)
Other proceeds	925	361
Net cash provided by (used in) investment activities	(75,548)	(65,481)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	47,188	11,663
Net increase (decrease) in commercial papers	50,000	–
Repayments of finance lease obligations	(2,256)	(3,798)
Proceeds from long-term debt	57,353	105,257
Repayment of long-term debt	(33,256)	(43,619)
Redemption of bonds	(10,022)	(10,022)
Purchase of treasury shares	(3)	(4,001)
Proceeds from stock issuance to non-controlling interests	4,410	8,809
Cash dividends paid	(13,375)	(16,462)
Cash dividends paid to non-controlling interests	(11,732)	(17,393)
Proceeds from sale of subsidiary shares not resulting in change of scope of consolidation	–	380
Payments for purchase of subsidiary shares not resulting in change of scope of consolidation	(5,662)	(3,063)
Net decrease (increase) in deposits with withdrawal and usage restrictions	2,525	(982)
Other proceeds	0	0
Other payments	–	(28)
Net cash provided by (used in) financing activities	85,171	26,740
Effect of exchange rate change on cash and cash equivalents	8,954	(4,456)
Net increase (decrease) in cash and cash equivalents	(1,890)	(34,725)
Cash and cash equivalents at the beginning of period	174,771	206,297
Cash and cash equivalents at the end of period	172,881	171,572

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes related to the Assumption of a Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Current Income Taxes Standard (revised 2022)") and other standards from the beginning of the current second quarter cumulative period.

With regard to the revision related to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Current Income Taxes Standard (revised 2022), and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter "Tax Effect Accounting Guidance (revised 2022).") The changes in accounting policies have no impact on the Semi-annual Consolidated Financial Statements.

With regard to the revision associated with the review of treatment in Consolidated Financial Statements in case that gain or loss on sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Tax Effect Accounting Guidance (revised 2022) has been applied from the beginning of the current second quarter cumulative period. The changes in accounting policies have been retrospectively applied, and the Semi-annual Consolidated Financial Statements and the Consolidated Financial Statements for the previous consolidated fiscal year reflect the changes in accounting policies. The changes in accounting policies have no impact on the Semi-annual Consolidated Financial Statements and the Consolidated Financial Statements for the previous consolidated fiscal year.

(Notes on Segment Information, etc.)

Previous Second Quarter Cumulative Period (Consolidated) (January 1, 2024 to June 30, 2024)

1. Information regarding sales and income (loss) for each reporting segment

(million yen)

	Reporting segment					Other (Note 1)	Total	Adjustment (Note 2)	Total shown in the semi- annual consolidated fiscal statement (Note 3)
	Timber and Building Materials	Housing	Global Construction and Real Estate	Environment and Resources	Total				
Net sales									
(1) Unaffiliated customers	114,187	252,789	594,574	12,147	973,698	7,416	981,114	302	981,416
(2) Intersegment sales/transfer	10,152	258	430	561	11,401	5,976	17,377	(17,377)	—
Total	124,339	253,047	595,004	12,709	985,099	13,392	998,491	(17,075)	981,416
Segment income (loss)	4,962	14,441	74,978	(838)	93,543	556	94,099	(1,140)	92,959

Notes 1. "Other" is business segments not included in the reporting segments. Such segments include private nursing home/private elderly care facilities with nursing care business, insurance agency business, and civil engineering/construction work.

2. The adjusted segment loss of ¥1,140 million includes ¥174 million in eliminated intersegment transactions and ¥1,314 million in corporate losses which are not allocated to any of the reporting segments.

Corporate income (loss) is primarily selling, general and administrative expenses, non-operating income or non-operating expenses not belonging to any reporting segments.

3. Total segment income (loss) is adjusted against recurring income in the semi-annual consolidated statements of income.

2. Information on Impairment Losses on Noncurrent Assets, Goodwill, etc. for Each Reporting Segment

This information has little significance and has therefore been omitted.

Current Second Quarter Cumulative Period (Consolidated) (January 1, 2025 to June 30, 2025)

1. Information regarding sales and income (loss) for each reporting segment

(million yen)

	Reporting segment					Other (Note 1)	Total	Adjustment (Note 2)	Total shown in the semi- annual consolidated fiscal statement (Note 3)
	Timber and Building Materials	Housing	Global Construction and Real Estate	Environment and Resources	Total				
Net sales									
(1) Unaffiliated customers	111,454	278,126	665,228	11,717	1,066,525	7,923	1,074,448	302	1,074,750
(2) Intersegment sales/transfer	10,199	258	575	966	11,998	5,940	17,937	(17,937)	—
Total	121,653	278,383	665,803	12,684	1,078,523	13,862	1,092,385	(17,635)	1,074,750
Segment income (loss)	2,983	19,236	65,621	(622)	87,219	2,416	89,635	(2,181)	87,454

Notes 1. “Other” is business segments not included in the reporting segments. Such segments include private nursing home/private elderly care facilities with nursing care business, insurance agency business, and civil engineering/construction work.

2. The adjusted segment loss of ¥2,181 million includes ¥(250) million in eliminated intersegment transactions and ¥1,930 million in corporate losses which are not allocated to any of the reporting segments.

Corporate income (loss) is primarily selling, general and administrative expenses, non-operating income or non-operating expenses not belonging to any reporting segments.

3. Total segment income (loss) is adjusted against recurring income in the semi-annual consolidated statements of income.

2. Information on Impairment Losses on Noncurrent Assets, Goodwill, etc. for Each Reporting Segment

This information has little significance and has therefore been omitted.

(Significant Subsequent Events)

(Stock split and relevant partial amendment to the Articles of Incorporation)

In accordance with the resolution made at the meeting of the Board of Directors held on May 30, 2025, the Company conducted the stock split and partially amended the Articles of Incorporation in conjunction with the stock split on July 1, 2025.

1. Purpose of the stock split

The purpose of this stock split is to reduce the Company's investment unit, thereby creating a conducive investment environment for investors with the aim of improving the liquidity of the Company's shares and expanding its investor base.

2. Overview of the stock split

(1) Method of the stock split

Each share of common stock of the Company held by shareholders listed or recorded in the final shareholder registry on the record date of June 30, 2025, has been split on the same date in a ratio of three shares for every one share.

(2) Number of shares increased as a result of the stock split

Total number of issued shares before the stock split	206,185,268 shares
Number of shares increased as a result of the stock split	412,370,536 shares
Total number of issued shares after the stock split	618,555,804 shares
Total number of authorized shares after the stock split	1,200,000,000 shares

(3) Schedule for the stock split

Date of public notice of record date	June 13, 2025
Record date	June 30, 2025
Effective date of the stock split	July 1, 2025

(4) Impact on per share information

On the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year, per share information is as follows.

(yen)

	Previous second quarter cumulative period (January 1, 2024 – June 30, 2024)	Current second quarter cumulative period (January 1, 2025 – June 30, 2025)
Net income per share	88.20	79.13
Net income per share fully diluted	88.15	79.11

3. Partial amendment to the Articles of Incorporation in conjunction with the stock split

(1) Reason for the amendment to the Articles of Incorporation

In accordance with Article 184 (Section 2) of the Companies Act, with the implementation of this stock split, the total number of authorized shares specified in Article 6 of the Company's Articles of Incorporation has been changed with effect from July 1, 2025.

(2) Details of the amendment to the Articles of Incorporation

Details of the amendment to the Articles of Incorporation are as follows.

(The amendment is reflected in the underlined text.)

Articles of Incorporation before the amendment	Articles of Incorporation after the amendment
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>400,000,000 shares</u> .	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>1,200,000,000 shares</u> .

(3) Schedule for the amendment to the Articles of Incorporation

Effective date for amendment to the Articles of Incorporation: July 1, 2025

4. Others

(1) Dividend

Since the effective date of this stock split is July 1, 2025, the interim dividend for the fiscal year ending December 2025, with a record date of June 30, 2025, shall be paid out based on the number of shares prior to the stock split.

(2) Amount of the Company's capital

This stock split has not resulted in a change in the amount of the Company's capital.

(Acquisition of stock of real estate development business company in Indonesia)

At the Board of Directors meeting held on February 28, 2025, the Company resolved to acquire a 49% stake in PT. Kurnia Sinergi Mas, an operating company engaged in the urban development business in the outskirts of Jakarta, Indonesia, through its consolidated subsidiary, PT. Sumitomo Forestry Indonesia, and entered into a share transfer agreement on August 1, 2025 (Indonesia time). PT. Kurnia Sinergi Mas is an equity method affiliate of the Company.

1. Purpose of stock acquisition

To participate in the real estate development business in Indonesia

2. Name of the acquiree, business description, and amount of capital

Name of the acquiree: PT. Kurnia Sinergi Mas

Description of business: Real estate development projects in the suburbs of Jakarta, Indonesia

Amount of capital: 2,804,422 million IDR (25,801 million yen) (Note)

3. Date of stock acquisition

August 5, 2025 (Indonesia time)

4. Number of shares acquired and share of equity after acquisition

Number of shares acquired: 1,374,167 shares

Share of equity after acquisition: 49%

Acquisition Cost: 2,488,692 million IDR (22,896 million yen) (Note)

(Note) Amounts are converted into Japanese yen at the rate of exchange for August 1, 2025. (TTM rate)