



July 5, 2021

For Immediate Release

Company name: Sumitomo Forestry Co., Ltd.
(Stock code: 1911 1st section, Tokyo Stock Exchange)
Representative: Toshiro Mitsuyoshi, President & CEO
Inquiries: Toshihiro Horii, General Manager of Corporate Communications Dept.
(Tel: +81-3-3214-2270)

Notice Regarding Determination of Issue Price, Secondary Offer Price and Other Matters

Sumitomo Forestry Co., Ltd. (the “Company”) hereby announces that it has determined the issue price, secondary offer price and other matters for the issuance of new shares and the secondary offering of the Company shares, which were approved in the board of directors meeting held on June 23, 2021, as set forth below.

1. Issuance of new shares by public offering (general public offering)

(1) Issue price (offer price)		<u>1,954 yen per share</u>
(2) Total amount of issue price		<u>31,264,000,000 yen</u>
(3) Paid-in amount		<u>1,873.40 yen per share</u>
(4) Total of paid-in amount		<u>29,974,400,000 yen</u>
(5) Amount of capital stock and capital reserve to be increased	<u>Amount of capital stock to be increased</u>	<u>14,987,200,000 yen</u>
	<u>Amount of capital reserve to be increased</u>	<u>14,987,200,000 yen</u>
(6) Subscription period	<u>From Tuesday, July 6, 2021 to Wednesday, July 7, 2021</u>	
(7) Payment date	<u>Friday, July 9, 2021</u>	

(Note) The new shares are to be underwritten and purchased by the underwriter at the paid-in amount and offered at the issue price (offer price).

2. Secondary offering of the Company shares (by over-allotment)

(1) Number of shares to be issued		<u>2,400,000 shares</u>
(2) Secondary offer price		<u>1,954 yen per share</u>
(3) Total amount of secondary offer price		<u>4,689,600,000 yen</u>
(4) Subscription period	<u>From Tuesday, July 6, 2021 to Wednesday, July 7, 2021</u>	
(5) Delivery date	<u>Monday, July 12, 2021</u>	

Note : This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the issuance of new shares, the secondary offering of its shares and the issuance of new shares by way of third-party allotment, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release does not constitute an offer of investment in nor solicitation for purchase of its shares of common stock within the United State or elsewhere. The Company has not, and will not, registered any of its shares of common stock under the U.S. Securities Act of 1933 or any relevant securities law of any state. The shares may not be offered or sold in the United States absent registration or an exemption from registration requirement under the U.S. Securities Act of 1933. No offer of securities for sale in the United State will be made in connection with the above-mentioned transactions.

3. Issuance of new shares by third-party allotment

(1)	Paid-in amount		1,873.40 yen per share
(2)	Total of paid-in amount		(Max) 4,496,160,000 yen
(3)	Amount of capital stock and capital reserve to be increased	Amount of capital stock to be increased	(Max) 2,248,080,000 yen
		Amount of capital reserve to be increased	(Max) 2,248,080,000 yen
(4)	Subscription date		Thursday, August 5, 2021
(5)	Payment date		Friday, August 6, 2021

(For Reference)

1. Calculation of issue price (offer price) and secondary offer price

(1)	Calculation reference date and reference price	Monday, July 5, 2021	2,015 yen
(2)	Discount rate		3.03 %

2. Syndicate cover transaction period

From Thursday, July 8, 2021 to Tuesday, August 3, 2021

3. Use of proceeds

Of the total proceeds from the general public offering and the capital increase by the third-party allotment, which will be approximately 34,290,560,000 yen at the highest, 32,290,560,000 yen will be allocated to working capital and to the repayment of long-term debts in the business in the United States by December 2022, and 2,000,000,000 yen will be allocated to fund business operations in Australia by December 2022.

In the business in the United States, the Company plans to allocate, through Sumitomo Forestry America, Inc., a subsidiary in the United States, 22,290,560,000 yen to working capital for the acquisition of real estate for sale such as land and buildings by December 2022, and 10,000,000,000 yen to repay part of the long-term debts by December 2021.

In the business in Australia, the Company plans to allocate 2,000,000,000 yen to fund the real estate development project of the medium-to-large wooden construction business by December 2022. In this project, in order to contribute to the promotion of the utilization of forest resources and to the realization of the decarbonized society, the Company plans to create buildings with high energy efficiency and indoor environments of high quality aiming to obtain the environmental certification from a public organization.

The above proceeds will be retained in the Company's bank account appropriately until they are actually used.

End

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