



August 3, 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 the Number of Shares to be Issued under
the Capital Increase by way of Third-Party Allotment**

Sumitomo Forestry Co., Ltd. (the “Company”) hereby announces that the Company has received a notice from Daiwa Securities Co. Ltd., the subscriber of the issuance of new shares by way of third-party allotment approved in the board of directors meeting on June 23, 2021, that it will subscribe for all of the number of shares scheduled to be issued.

(1) Number of new shares to be issued		2,400,000 shares
		<u>(Number of shares scheduled to be issued: 2,400,000 shares)</u>
(2) Paid-in amount		<u>1,873.40 yen per share</u>
(3) Total of paid-in amount		<u>4,496,160,000 yen</u>
(4) Amount of capital stock and capital reserve to be increased	Amount of capital stock to be increased	<u>2,248,080,000 yen</u>
	Amount of capital reserve to be increased	<u>2,248,080,000 yen</u>
(5) Subscription date		<u>Thursday, August 5, 2021</u>
(6) Payment date		<u>Friday, August 6, 2021</u>

(For Reference)

1. The capital increase by way of third-party allotment was approved in the board of directors meeting on June 23, 2021 concurrently with the issuance of new shares by public offering (general public offering) and the secondary offering of the Company shares (by over-allotment).

For details of the capital increase by way of third-party allotment, please refer to our “Issuance of New Shares and Secondary Offering of Shares” dated June 23, 2021 and “Notice Regarding Determination of Issue Price, Secondary Offer Price and Other Matters” dated July 5, 2021.

2. Total number of issued shares before and after the capital increase by way of third-party allotment

- (1) Current total number of issued shares: 198,799,936 shares (August 3, 2021)
- (2) Number of shares to be newly issued by way 2,400,000 shares

Disclaimer: This is a press release of the Company to publicly announce information as to the capital increase by way of third-party allotment, and is not prepared to recommend investments.

of capital increase by way of third-party allotment:

- (3) Total number of issued shares after capital increase by way of third-party allotment: 201,199,936 shares

3. Use of proceeds

Of the total proceeds from the capital increase by the third-party allotment and the general public offering approved in the board of directors meeting as of the same day as the said capital increase, which will be approximately 34,290,560,000 yen, 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

Disclaimer: This is a press release of the Company to publicly announce information as to the capital increase by way of third-party allotment, and is not prepared to recommend investments.