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For Immediate Release

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Sumitomo Forestry Group
Medium-Term Management Plan "Mission TREEING 2030 Phase 2"
(FY December 2025 - FY December 2027)

Sumitomo Forestry Group has formulated its Medium-Term Management Plan "Mission TREEING 2030 Phase 2" covering the three-year period from FY December 2025 to FY December 2027, which we hereby announce.

1. Summary of the Medium-Term Management Plan "Mission TREEING 2030 Phase 1" (fiscal years ending December 31, 2022 through 2024)

The Company, under the Medium-Term Management Plan "Mission TREEING 2030 Phase 1," drove forward the building of a foundation that will secure future growth and enable us to contribute to decarbonization, based on the five basic policies of "efforts to address decarbonization challenges using wood resources," "promotion of a more resilient earnings base," "acceleration of global expansion," "strengthen management base for sustainable growth," and "further integration of business operations and ESG."

Numerical targets and results are shown in the table below.

	Period covered by "Mission TREEING 2030 Phase 1"				Targets for FY12/2024 (Note 1)
	FY12/2022 Results	FY12/2023 Results	FY12/2024 Results	Difference from target	
Net sales	¥1,669.7 billion	¥1,733.2 billion	¥2,053.7 billion	+¥283.7 billion	¥1,770.0 billion
Recurring income (Note 2)	¥195.0 billion	¥158.9 billion	¥198.0 billion	+¥25.0 billion	¥173.0 billion
Net income attributable to shareholders of parent	¥108.7 billion	¥102.2 billion	¥116.5 billion	+¥0.5 billion	¥116.0 billion
Return on equity (ROE)	19.4%	14.8%	13.9%	(1.1)%	15% or higher

(Notes)1. Numerical targets in the Medium-Term Management Plan "Mission TREEING 2030 Phase 1" are target values

for the fiscal year ended December 31, 2024, set at the time when the plan was prepared.

2. Recurring income includes actuarial differences related to retirement benefit accounting. Actuarial differences related to retirement benefit accounting for the fiscal year ended December 31, 2024 was ¥9.8 billion.

2. Advancement of the Medium-Term Management Plan "Mission TREEING 2030 Phase 2" (fiscal years ending December 31, 2025 through 2027)

The Company has formulated the Medium-Term Management Plan "Mission TREEING 2030 Phase 2," which covers the three years from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2027. Under the plan, we aim to achieve net sales of ¥3,220.0 billion, recurring income of ¥280.0 billion, net income attributable to shareholders of parent of ¥176.0 billion, and ROE of 15% or higher in three years, by the end of the fiscal year ending December 31, 2027. The overall theme of this Medium-Term Management Plan is "Three years for reform and materialization toward dramatic growth." Under the five basic policies of "efforts to address decarbonization challenges," "improvement of earning capacity," "deepening of global expansion," "strengthening of management base," and "further integration of business operations and ESG," we will work to achieve the targets.

	FY12/2024 Results	Targets for FY 12/2027
Net sales	2,053.7 billion yen	3,220.0 billion yen
Recurring income (Note 1)	198.0 billion yen	280.0 billion yen
Net income attributable to shareholders of parent	116.5 billion yen	176.0 billion yen
Return on equity (ROE)	13.9%	15% or higher

(Note) 1. Recurring income includes actuarial differences related to retirement benefit accounting. Actuarial differences related to retirement benefit accounting for the fiscal year ended December 31, 2024 was ¥9.8 billion.

Furthermore, based on the profit and loss plan in our Medium-Term Management Plan, we will revise the profit targets for FY12/2030, the final year of our long-term vision "Mission TREEING 2030." We will increase the recurring income target for FY12/2030 to ¥350.0 billion, raising it by ¥100.0 billion from the current target of ¥250.0 billion.

<Basic policy>

(1) Efforts to address decarbonization challenges

- We will create new value of forests that are properly managed and expand sustainable forests.
- We will aim to further utilize wood by expanding the manufacturing business and build a foundation for the expansion of the range of use and consumption.
- We will increase the supply of wooden houses and promote the use of wood for medium- to large-scale constructions in and outside Japan.

(2) Improvement of earning capacity

- We will accelerate innovation and structural reforms in businesses in Japan.
- We will establish a foundation for the real estate development business in and outside Japan.
- We will pay attention to capital costs and aim to further improve the efficiency and profitability of assets and investments.

(3) Deepening of global expansion

- We will further improve the profitability of the overseas housing and real estate business and expand the business base for its stable growth.
- We will expand the scope and scale of business in each of the Japan, the U.S., Oceania, Southeast Asia, and

Europe regions, build the foundation for and deepen the concept of Wood Cycle, and enhance the support by corporate departments.

(4) Strengthening of management base

- We will secure and nurture human resources that transform and create businesses, foster a free and open-minded organizational culture, and promote health and productivity management.
- We will revamp our business base through the use of IT and digitalization, and fundamentally transform operations and improve efficiency by promoting digital transformation.
- We will accelerate value creation with technology at the core, and advance the improvement of the quality of our work.

(5) Further integration of business operations and ESG

- We will steadily implement initiatives to achieve SBTs (Science Based Targets).
- We will draw attention to the value of sustainable products and services that contribute to decarbonization, and promote their market penetration.
- We will thoroughly ensure “safety first” and “zero defects.”
- We will make sure that our business operations give due consideration to local stakeholders.

3. Policy on return to shareholders

Sumitomo Forestry Co., Ltd. considers providing returns to shareholders to be one of its highest priorities. Our shareholder return policy under the Medium-Term Management Plan “Mission TREEING 2030 Phase 2” is to provide returns in accordance with profits, with a payout ratio of 30% or higher of net income attributable to shareholders of parent, as well as to ensure an annual dividend of at least ¥150.00 per share from the perspective of paying out stable dividends.

(Reference) Historical Trends in Annual Dividends

Fiscal Year	FY12/2021	FY12/2022	FY12/2023	FY12/2024 (Forecast)	FY12/2025 (Forecast)
Dividend per Share	80 yen	125 yen	125 yen	145 yen	182 yen

(Supplementary Information)

Explanatory materials regarding this matter will be posted on our company website.

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

(Important Notice)

The performance forecasts and other forward-looking statements in this document are based on information available at the time of preparation and actual results may differ from these forecasts.

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