



February 13, 2025

For Immediate Release

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(Code No. 1911, Prime Market, Tokyo Stock Exchange)
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Notice Regarding the Implementation of Our Employee Stock Compensation Plan

Sumitomo Forestry Co., Ltd. (hereinafter, Sumitomo Forestry or the Company) announces that at a Board of Directors meeting held on January 31, 2025, it was resolved to implement a trust-based employee stock compensation plan (hereinafter, the Plan).

1. Aim of the Plan

The new Plan aims not only to enhance employee benefits, but also to nurture among employees a greater sense of belonging and management participation and to raise awareness of the Company's rising financial results and stock prices. In doing so, we hope to heighten employee engagement and increase medium- to long-term corporate value.

2. Outline of the Plan

For this Plan, a trust will be established using funds contributed by the Company. The trust will acquire shares of the Company and employees who meet certain criteria will be granted shares at the time of retirement based on the number of points they have earned. Points will be awarded in accordance with the Share Delivery Regulations formulated by the Board of Directors, taking into account such factors as the number of years of service and the Company's financial performance. The number of points earned by the employee will determine the number shares granted.

As the trust will acquire Company shares using funds contributed by the Company, employees will bear no financial burden.

To realize Sumitomo Forestry Group's long-term vision Mission TREEING 2030, we have formulated a basic human resources development policy that encompasses the three pillars of our human resources strategy: (1) Securing and developing human resources who will transform and create businesses; (2) Creating a system and a free and open corporate culture that maximizes employee performance; and (3) Promoting health management. This new Plan is one initiative of our human resources strategy. Going forward, we will pursue synergies of our various initiatives based on these three pillars to build an even stronger business foundation and realize our long-term vision.

<Overview of the system's structure> *Subject to change based on future considerations

