



March 28, 2025

For Immediate Release

Name of Company: Sumitomo Forestry Co., Ltd.
(Code No.1911, Prime Market, Tokyo Stock Exchange)
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**Notice Regarding the Acquisition of Shares (Subsidiarization) of
Teal Jones Louisiana Holdings LLC and the Change of a Specified Subsidiary**

Sumitomo Forestry Co., Ltd. (hereinafter, Sumitomo Forestry) is pleased to announce that on March 28, 2025, the Board of Directors resolved to acquire 100% of the shares of Teal Jones Louisiana Holdings LLC (hereinafter, TJLH) through our wholly owned subsidiary Sumitomo Forestry America, Inc. (hereinafter, SFAM), and to begin procedures to make TJLH a consolidated subsidiary.

The acquisition will be carried out in accordance with procedures outlined under the Companies' Creditors Arrangement Act of Canada and Chapter 15 of the United States Bankruptcy Code. It is subject to approval by the Courts of Canada and the United States. After these procedures, we aim to complete this acquisition by the second quarter of FY2025.

In addition, since TJLH's capital is more than 10% of Sumitomo Forestry's capital, TJLH will become a specified subsidiary of Sumitomo Forestry.

1. Overview of the acquisition of TJLH's shares

(1) Reasons for the acquisition

Teal Jones-Plain Dealing, LLC (hereinafter, TJPD) is a sawmill located in Louisiana, USA, and a consolidated subsidiary of TJLH. Sumitomo Forestry will make TJPD a wholly owned subsidiary with the aim to expand its business and build a stable materials supply system for our overseas housing business and real estate business through sawmill operations in the southern United States and the sale of wood lumber products, such as dimensional lumber.

(2) Overview of the company acquiring shares

SFAM will newly establish WPM Holdco LLC and through this new company, acquire shares of TJLH.

(1) Name	WPM Holdco LLC	
(2) Head office location	15725 Dallas Parkway, Suite 125, Addison, TX 75001, USA	
(3) Name and title of representative	Sumitomo Forestry America, Inc.	
(4) Business description	Holding company of Teal Jones Louisiana Holdings LLC	
(5) Capital	USD 42 million (approximately JPY 6.2 billion)*	
(6) Establishment date	March 28, 2025 (scheduled)	
(7) Major shareholders and shareholding ratios	Sumitomo Forestry America, Inc. 100%	
(8) Relationship with the listed company	Capital relationships	100% investment through Sumitomo Forestry America, Inc.
	Personnel relationships	None
	Business relationships	None
(9) Consolidated operating results and financial position for the past three years		
Details will be omitted as we are currently in the process of preparing for establishment. The outlook of their consolidated financial position at the time of establishment is as follows: Net assets: USD 42 million (approximately JPY 6.2 billion)* Total assets: USD 42 million (approximately JPY 6.2 billion)*		

*Calculated at USD 1=JPY 148.36 (as of March 6, 2025)

(1) Name	Teal Jones Louisiana Holdings LLC		
(2) Head office location	Lafayette, Louisiana, USA		
(3) Name and title of representative	Teal Jones Lumber Services Inc. (Managing Member of Teal Jones Louisiana Holdings LLC)		
(4) Business description	Holding company of Project Horntail, LLC		
(5) Capital at time of acquisition	USD 54 million (approximately JPY 8 billion)* ¹		
(6) Establishment date	November 12, 2021		
(7) Major shareholders and shareholding ratios	Teal Jones Lumber Service Inc., 100%		
(8) Relationship with the listed company	Capital relationships	None	
	Personnel relationships		
	Business relationships		
(9) Consolidated operating results and financial position for the past three years* ²			
Accounting period	December 2022 term	December 2023 term	December 2024 term
Net assets	USD 69 million	USD 91 million	USD 93 million
Total assets	USD 124 million	USD 150 million	USD 175 million
Revenues	-	-	USD 33,000
Net income	-	-	USD -769,000

*¹Calculated at USD 1=JPY 148.36 (as of March 6, 2025)

*²Teal Jones Louisiana Holdings LLC is a pure holding company of Project Horntail, LLC, and the consolidated financial results of Teal Jones Louisiana Holdings LLC are based on the consolidated financial results of Project Horntail, LLC.

(1) Name	Project Horntail, LLC	
(2) Head office location	Lafayette, Louisiana, USA	
(3) Name and title of representative	Teal Jones Louisiana Holdings LLC (Managing Member of Project Horntail, LLC)	
(4) Business description	Holding company of Teal Jones-Plain Dealing, LLC	
(5) Capital at time of acquisition	USD 94 million (approximately JPY 13.9 billion)*	
(6) Establishment date	April 9, 2021	
(7) Major shareholders and shareholding ratios	Teal Jones Louisiana Holdings LLC 57.05%	
(8) Relationship with the listed company	Capital relationships	None
	Personnel relationships	

Business relationships			
(9) Consolidated operating results and financial position for the past three years			
Accounting period	December 2022 term	December 2023 term	December 2024 term
Net assets	USD 69 million	USD 91 million	USD 93 million
Total assets	USD 124 million	USD 150 million	USD 175 million
Revenues	-	-	USD 33,000
Net income	-	-	USD -769,000

*Calculated at USD 1=JPY 148.36 (as of March 6, 2025)

(1) Name	Teal Jones-Plain Dealing, LLC		
(2) Head office location	Lafayette, Louisiana, USA		
(3) Name and title of representative	Teal Jones Louisiana Holdings LLC (Manager of Teal Jones-Plain Dealing, LLC)		
(4) Business description	Sawmill operations		
(5) Capital at time of acquisition	USD 94 million (approximately JPY 13.9 billion)*		
(6) Establishment date	August 12, 2021		
(7) Major shareholders and shareholding ratios	Project Horntail, LLC, 100%		
(8) Relationship with the listed company	Capital relationships	None	
	Personnel relationships		
	Business relationships		
(9) Consolidated operating results and financial position for the past three years			
Accounting period	December 2022 term	December 2023 term	December 2024 term
Net assets	USD 69 million	USD 91 million	USD 93 million
Total assets	USD 124 million	USD 149 million	USD 175 million
Revenues	-	-	USD 33,000
Net income	-	-	USD -769,000

*Calculated at USD 1=JPY 148.36 (as of March 6, 2025)

(3) Overview of the main party from whom the equity stake is being acquired

(1) Name (business description)	Teal Jones Lumber Service Inc.
(2) Location	Sumas, Washington, USA
(3) Name and title of representative	Tom Jones (President and CEO)
(4) Major shareholders and shareholding ratios	Teal Jones Holdings USA Inc., 100%
(5) Relationship with the listed company	There are no capital or personnel relationships between Sumitomo Forestry Co., Ltd. and this company to note.

(4) Teal Jones Louisiana Holdings LLC percentage of equity interests acquired and status of ownership before and after the acquisition

(1) Percentage ownership before the change	-
(2) Acquisition ratio	100%
(3) Acquisition price	USD 42 million (approximately JPY 6.2 billion)*
(4) Percentage ownership after the change	100%

*Due to a transfer price adjustment clause, there may be a change in the final price.

*Calculated at USD 1=JPY 148.36 (as of March 6, 2025)

(5) Timetable

(1) Date of resolution	March 28, 2025*
(2) Date of contract	March 31, 2025(scheduled)
(3) Execution date of equity transfer	June 2, 2025(scheduled)

*The date of resolution is the day of resolution of the Sumitomo Forestry Board of Directors.

2. Outlook

We are currently studying the impact this event will have on our consolidated financial results for the fiscal year ending December 31, 2025, and will promptly disclose all matters requiring disclosure as they arise.