

**Launch of our first overseas timber industrial complex with
the group integration of a major US lumber company**
~Promoting synergies with existing US operations to drive further growth~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that, on July 1st, 2025, we acquired 100% of the membership interests of Teal Jones Louisiana Holdings LLC (hereinafter, TJLH) through our wholly owned subsidiary Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; headquarters: Dallas, Texas; hereinafter, SFAM) from the major North American lumber company Teal Jones Group. As part of our acquisition of TJLH, we also indirectly acquired 57.05% of the membership interests of Teal Jones Plain Dealing LLC (hereinafter, TJPD), and made it into a consolidated subsidiary. With these acquisitions, we will begin the launch of our first timber industrial complex*¹ in the US. In addition to dimension lumber*² and other materials to build houses and multi-family residential buildings in Louisiana, this complex will consider manufacturing mass timber*³ to maximize the value of wood through the cascading utilization of logs where nothing goes to waste. Harnessing the synergy effect with our existing US operations in residential property development, real estate development and FITP,*⁴ we are aiming to further grow our businesses in the US.



TJPD's existing plant

■Business overview

Utilizing approximately 100 hectares of vast land and plant in Plain Dealings, Louisiana, TJPD manufactures dimension lumber (structural lumber) and other materials used to build houses. Every year, the plant receives delivery of approximately 1 million m³ of logs and manufactures 500,000 m³ of dimension lumber and other materials, equivalent to about 14,000 standard US homes.*⁵ In addition to outside purchasers, TJPD plans to supply product to our group operations, such as our FITP operations and our residential property and real estate development operations. Furthermore, we plan to utilize the

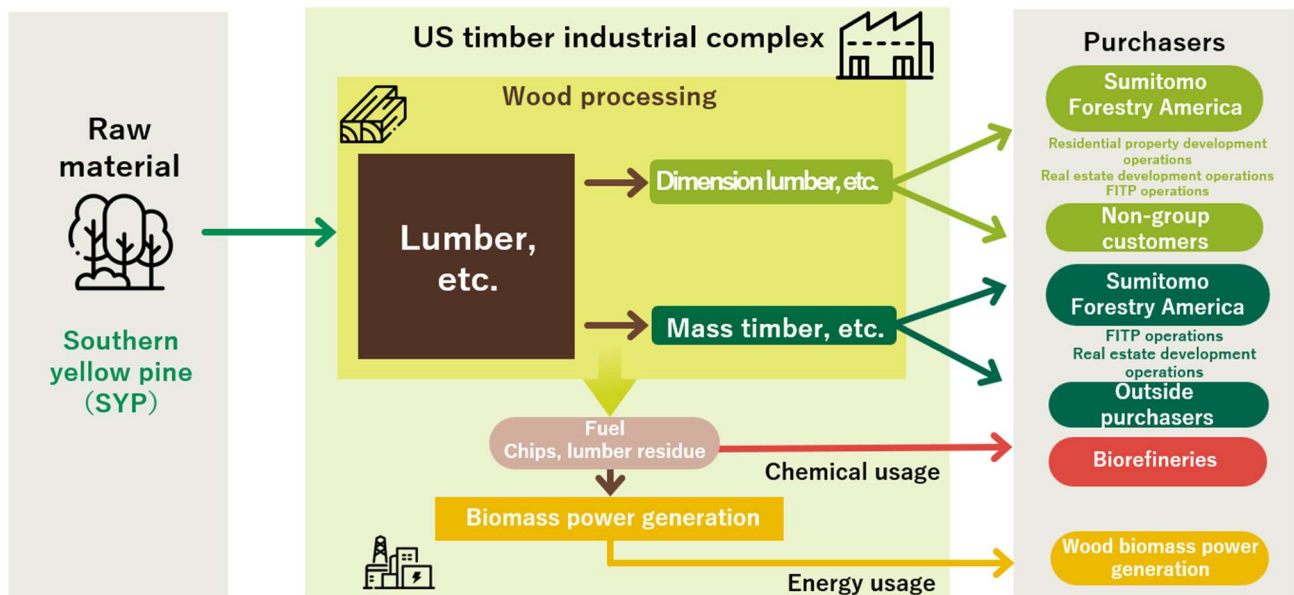


TJPD's production line



Dimension lumber

approximate 40 hectares of unused land on the site to manufacture and sell mass timber and wood products in preparation for future increased demand. We are also considering processing wood chips and lumber residue generated from the manufacturing process into biomass power generation fuel, biorefineries and other. With the launch of a timber industrial complex in the US, we are seeking to maximize the value of wood through the cascading utilization of wood.



■Features

[Reinforcement of our existing US operations]

The plant is located in an area where Sumitomo Forestry is actively expanding its housing operations. The plant's sales region includes Dallas, where demand for wood products in Texas is especially high. This region and its surrounding vicinity are the location of numerous FITP operated sites where the design, manufacture and processing of housing panels, trusses and other products take place. We currently plan to increase the number of plants in the US from the 10 plants to 15 by 2027.

DRB and Bloomfield, two of the four builders that develop residential properties in Texas, supply around 40% of 11,267 units which Sumitomo Forestry Group had sold in 2024. Our real estate development operations are handled by JPI, which is headquartered in Dallas, Texas. Leveraging its advantageous location in an area of high demand for our existing businesses, we will supply wood products for our housing operations and real estate development operations through our FITP operations. These synergies with our existing businesses will help us further expand our operations in the US market. With a comprehensive supply chain that encompasses raw material procurement, the manufacture and sale of wood products as well as the supply of housing, we are working to promote the Sumitomo Forestry Wood Cycle in United States, which is our value chain.



[Stable procurement network for raw materials]

Southern yellow pine (SYP) is a widely distributed, native species in the southeastern region of the US where the plant is located. Sustainable forest management has resulted in a wealth of forest resources and analyses of growth forecasts and harvestable yields indicate that this accumulation will increase. The demand for wood is high for houses, multi-family residential buildings, DIY, industrial materials and a wide variety of other applications. The state of Texas, where Sumitomo Forestry operates our housing business, boasts one of the largest demand for wood. Furthermore, with ongoing increases in population and shortages in housing, we forecast continued stable demand for wood products for housing.

[A business foundation resilient to external factors]

Because this plant uses domestic SYP as its raw material, we are able to secure a stable supply that is not easily affected by sudden, extreme price increases in building materials, US tariff policies or other external factors. With the current US administration placing importance on strengthening of domestic manufacturing, the domestic production ratio in a wide variety of industries, including the lumber industry, is rising. The increased cost competitiveness of US-produced wood products will create a favorable market environment for this project.

While US immigration policies are increasing concerns about labor shortages and rising labor costs in the housing industry as a whole, through our FITP operations, we will work to streamline the construction process and ensure a stable supply of materials. With a stable supply of lumber from the plant, we will reinforce our existing operations to make them less susceptible to external environmental factors.

Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of wood building materials, the contracting of single-family homes and medium- to large-scale wooden buildings, real estate development, and wood biomass power generation. In our long-term vision Mission TREEING 2030, we are seeking to promote the Sumitomo Forestry Wood Cycle, our value chain to contribute to the decarbonization for not only our own company but also the whole of society by increasing the CO₂ absorption of forests and popularizing wooden buildings that store carbon for long periods of time. By promoting the use of wood and wood-derived materials in construction and the substitution of wood for other materials, we are also working to accelerate decarbonization.

TJPD company profile

Name	Teal Jones Plain Dealing LLC
Head office location	Lafayette, Louisiana, USA
Representative	Teal Jones Louisiana Holdings LLC (Manager of Teal Jones Plain Dealing LLC)
Establishment date	August 12, 2021
Business description	Manufacture of SYP dimension lumber, deck materials, squared timber, etc.
Capital at time of acquisition	USD \$94 million (approximately 13.9 billion yen) ^{*6}
Employees	94 (as of June 30, 2025)
Plant site area	98 hectares (of which approximately 40 hectares is unused land)
Start of commercial production	August 2025 (scheduled)

*1 Timber industrial complexes: From wood utilization to energy and chemical applications, timber industrial complexes aim to enhance the value of wood and achieve long-term carbon sequestration. Specifically, these complexes are wood processing operations that promote the cascade use of logs sourced from sustainable forests and maximize the value of low-grade wood and offcuts to ensure that nothing goes to waste.

*2 Dimension lumber: Indicates structural lumber, including 2x4. Is primarily used to build houses with the wooden frame wall construction method (2x4 construction).

*3 Mass timber: Relatively large mass and volume wood products made by combining multiple pieces of wood, such as CLT.

*4 FITP operations: Fully Integrated Turn-key Provider. Provides builders and developers a solution that integrates all processes, from the design of panels, flooring and roof trusses to their manufacture, delivery and installation. Promotes efficiencies throughout the entire construction process with a stable supply of high-quality components and a unified system that covers both materials and construction.

*5 Source: "Survey on the Use of Wood Products in New Residential Construction" (2021 edition), National Association of Home Builders

*6 1USD=148.36 yen(as of March 6,2025)