

August 7, 2025

For Immediate Release

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Notice Concerning Revisions to the Financial Results Forecast and Dividend Forecast

Sumitomo Forestry Co., Ltd. (hereinafter "Sumitomo Forestry" or "the Company") has revised its financial results forecast for FY12/2025 announced on April 30, 2025, and its dividend forecast for the same fiscal period announced on May 30, 2025, in light of its recent performance trends. The details are as follows.

1. Revisions to the financial results forecast

Revisions to consolidated full-year financial results forecast for FY12/2025 (January 1, 2025 - December 31, 2025)

(millions of yen)

	Consolidated net sales	Consolidated operating income	Consolidated recurring income	Net income attributable to owners of parent	Net income per share (yen)
Previously announced forecast (A)	2,556,000	195,000	205,000	123,000	601.03
Amended forecast (B)	2,320,000	164,000	170,000	96,000	156.45*
Amount of increase/decrease (B-A)	-236,000	-31,000	-35,000	-27,000	-
Rate of increase/decrease (%)	-9.2	-15.9	-17.1	-22.0	-
(Reference) Actual results for the previous fiscal year (fiscal year ended December 2024)	2,053,650	194,588	197,955	116,528	569.40

^{*}A stock split has been carried out in a ratio of three shares for every one share of common stock, with June 30, 2025 as the record date and July 1, 2025 as the effective date.

2. Reasons for the revision to the financial results forecast

Net sales, operating income, recurring income, and net income attributable to owners of parent are expected to fall below the previously announced values primarily because in the Global Construction and Real Estate business, the number of units sold and amount of income in the U.S. single-family homes business, as well as the amount of income in the U.S. real estate development business, are expected to fall below previously announced forecasts.

3. Revisions to the dividend forecast

(yen)

	Dividend per share				
	Second quarter-end	Fiscal year-end	Total		
Previous forecasts (Calculated on a prestock split basis)	91.00 (—)	30.50 (91.50)	(182.50)		
Revised forecasts (Calculated on a prestock split basis)	75.00 (—)	25.00 (75.00)	(150.00)		
Actual dividends paid in the previous fiscal year (fiscal year ended December 2024)	65.00	80.00	145.00		

^{*}A stock split has been carried out in a ratio of three shares for every one share of common stock, with June 30, 2025 as the record date and July 1, 2025 as the effective date. The above year-end dividend per share is shown both before and after taking the stock split into consideration.

4. Reasons for the revisions to the dividend forecast

Sumitomo Forestry recognizes return to shareholders as one of our highest management priorities. Our basic policy is to maintain a dividend payout ratio of 30% or higher of net income attributable to owners of parent, provide returns commensurate with our income levels, and, from the perspective of providing stable dividends, ensure a minimum annual dividend of 150 yen per share (on a pre-stock split basis / 50 yen on a post-stock split basis).

As a result of comprehensively considering the current business results based on the above basic policy, the dividend forecast for the end of the second quarter has been revised from the most recent dividend forecast of 91.00 yen per share to 75.00 yen per share (calculated on a pre-stock split basis). The year-end dividend forecast has also been revised from the most recent dividend forecast of 30.50 yen per share to 25.00 yen per share (on a post-stock split basis).

Note: Earnings forecasts and other forward-looking statements in this release are based on data currently available to the Company and certain assumptions that the Company believes are reasonable and are not intended as a promise by the Company to achieve those forecasts. Actual results may differ substantially due to various factors.