



February 13, 2026

For Immediate Release

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(Code No.1911, Prime Market, Tokyo Stock Exchange)  
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## Notice of Partial Amendment to Articles of Incorporation and Shelf Registration with Respect to Issuance of Series 1 Bond-Type Class Shares

Sumitomo Forestry Co., Ltd. (the "Company") hereby announces that, at the meeting of the Board of Directors held on February 13, 2026, the Company resolved to propose an item concerning partial amendment to the Articles of Incorporation (the "Amendment to Articles of Incorporation") to the 86th Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") to be held on March 27, 2026 and to file a shelf registration statement with respect to the issuance of Series 1 Bond-Type Class Shares, as described below.

Additionally, as the contents of this press release are supplemented in the "Information Material and Q&A regarding Bond-Type Class Shares", please refer to it as well.

### I. Amendment to Articles of Incorporation

#### 1. Purpose of and Reasons for Amendment to Articles of Incorporation

The Company develops business activities towards achievement of the Long-Term Vision, "Mission TREEING 2030", looking ahead to 2030. In the Medium-Term Management Plan, "Mission TREEING 2030 Phase 2" formulated in February 2025, the Company designates this period as "Three years for reform and materialization toward dramatic growth", while securing financial soundness and continuing to make aggressive investments through profit reinvestment. The Company continues its efforts towards decarbonization, including expanding the supply of wooden house and promoting medium- to large-scale wooden constructions both domestically and internationally. In addition, the Company is further deepening the global expansion by enhancing management base in the overseas housing and real estate business to improve profitability.

In order to achieve enhancement of medium to long-term corporate value, it is necessary to invest continually in overseas housing and real estate-related business, mainly in the United States and Australia where market expansion persists against the backdrop of structural housing shortages. Particularly in the U.S. housing business, expansion of investment opportunities, including M&A, is expected. Therefore, the Company believes that it is important to continue to secure flexibility in financing and to maintain financial soundness and credit ratings by further strengthening the

Company's financial foundation to support aggressive growth investments.

In accordance with this belief, the Company has decided to propose the Amendment to the Articles of Incorporation at the General Meeting of Shareholders to secure the "Bond-Type Class Shares" as a new financing option that enables the Company to increase shareholders' equity while avoiding dilution of common shares and considering capital efficiency. To be specific, the Company intends to add provisions to its Articles of Incorporation, among others, for the issuance of new class shares, Series 1 Bond-Type Class Shares through Series 10 Bond-Type Class Shares (the "Bond-Type Class Shares").

The Company continues to develop multinational "WOOD CYCLE", the value chain centered on "wood", and creates value for our planet, value for people and society and value for the market economy to enhance the sustainable corporate value.

(Main features of the Bond-Type Class Shares)

- The Bond-Type Class Shares will not cause any dilution of voting rights of the holders of the Company's common shares (the "Common Shareholders") because the holders of the Bond-Type Class Shares do not have the rights to vote at general shareholders meetings or to convert the Bond-Type Class Shares into common shares. (The Bond-Type Class Shares are not products designed for use as a takeover protection measure and are not anticipated to be used in that manner.)
- As "non-participating" class shares, no dividend is paid beyond the preferred dividend to be determined at the time of issuance, and only Common Shareholders have the right to participate in dividends other than such preferred dividend. In addition, the cost of equity of the Bond-Type Class Shares is equivalent to the annual dividend ratio to be determined at the time of issuance, the cost of equity in approximately five years from the issuance is expected to be lower than that of common shares. (\*1)
- Although the shareholders' equity of the Company increases, the impact on the key financial indicators such as ROE for the common shares will be limited. (\*2)
- There is no change to the number of shares authorized to be issued (the total number of shares of common shares and Bond-Type Class Shares authorized to be issued).

\*1 If the issuance is realized within the assumed range of an annual dividend ratio of 5% or less as stated in the shelf registration statement for the Series 1 Bond-Type Class Shares submitted on February 13, 2026.

\*2 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.

## 2. Content of Amendment to Articles of Incorporation

Please refer to the Attachment, "Proposed Amendment to Articles of Incorporation".

## 3. Schedule of Amendment to Articles of Incorporation

Date of General Meeting of Shareholders to approve Amendment to Articles of Incorporation	: March 27, 2026 (planned)
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Planned effective date of Amendment to Articles of Incorporation : March 27, 2026  
(planned)

#### 4. Product Nature of Bond-Type Class Shares

##### (1) Product nature as "bond-type" class shares

From the perspective of protecting the interests of the Company's Common Shareholders, the Bond-Type Class Shares have a hybrid design with a combination of "bond" features (i.e., no dividend paid more than the amount of the preferred dividends to be determined at the time of issuance and no dilution of the voting rights), and "stock" features (i.e., increasing the shareholders' equity of the Company).

Therefore, the Company believes that if the proposed Amendment to Articles of Incorporation is approved at the General Meeting of Shareholders, the Bond-Type Class Shares will be an option as a financing method for the Company to realize an increase in shareholders' equity to secure a sound financial foundation without dilution of the voting rights of Common Shareholders, while taking into more consideration the impact on the Company's financial indicators, including ROE and EPS for common shares (\*3), compared to a public offering of common shares.

\*3 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.

##### (2) Product nature similar to that of hybrid bonds

In order for the Bond-Type Class Shares (if issued) to be evaluated as having the equity credits (50% of the amount of financing) by the rating agency (Rating and Investment Information, Inc.) for the purpose of rating, the Company envisions a product nature similar to that of hybrid bonds, and is considering a design with the following main features.

###### (Main features)

Preferred dividend	Fixed for approximately five years from the issuance (*4) and floating thereafter, senior to the common shares, cumulative, non-participating
Clause for Acquisition by the Company (Call Option)	The Company may acquire the Bond-Type Class Shares in exchange for cash after five years from the issuance, etc.
Replacement restrictions	Capital financing with equal or greater equity credit will be required in principle if the Company acquires the Bond-Type Class Shares by exercising the call option, etc. However, this is except as determined at the time of the resolution of issuance (*5)
Voting rights	None
Rights to convert into common shares	None

\*4 Under the market conditions as of February 13, 2026, the annual dividend rate will be 5% or less for the first five years from the issuance of the Series 1 Bond-Type Class Shares.

\*5 In the case of hybrid bonds, it is common for hybrid bonds, etc. with equal or greater equity credit to be issued in accordance with Replacement restrictions when the

issuer makes early redemption (call).

Meanwhile, as opposed to typical hybrid bonds, the amount raised through the issuance of the Bond-Type Class Shares will be also recorded as capital for accounting purposes.

(3) Issuance by public offering; listing on the Prime Market of the Tokyo Stock Exchange

Any future issuance of Bond-Type Class Shares is anticipated to be through a public offering rather than a shareholder allotment (including gratis allotment) or third-party allotment, and a listing application in respect of such shares for the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE") is planned to be made. This is intended to make the product available for investment by retail investors.

(4) General Meetings of Class Shareholders

Holders of the Bond-Type Class Shares (the "Bond-Type Class Shareholders") may resolve only the matters provided in the Companies Act and the Articles of Incorporation at General Meetings of Class Shareholders. The Amendment to Articles of Incorporation, if passed, will require a resolution of the General Meeting of Class Shareholders composed of Bond-Type Class Shareholders if the Company performs any of the following acts and it is likely to cause detriment to the Bond-Type Class Shareholders.

- a merger with the Company as an absorbed company or a share exchange or share transfer with the Company as the wholly owned subsidiary company (except for a sole-share transfer conducted by the Company); or
- an approval by the Board of Directors of the Company of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

As stated above, the Company believes that the Bond-Type Class Shares will not be disadvantageous to Common Shareholders in a sense that there will be no dilution of Common Shareholders' voting rights. Further, the Company intends to make the Amendment to Articles of Incorporation with the aim of making the Bond-Type Class Shares as one of new financing options to secure flexibility in financing, while aiming to further strengthen the Company's financial foundation to support aggressive growth investments.

## II. Shelf Registration with respect to the Issuance of Series 1 Bond-Type Class Shares

The Company today filed a shelf registration statement with respect to the Series 1 Bond-Type Class Shares as follows.

The issuance conditions and total issuance amount of the Series 1 Bond-Type Class Shares have not yet been determined, except as disclosed in the shelf registration statement. The specific timing of issuance of the Bond-Type Class Shares including Series 1 Bond-Type Class Shares has also not yet been determined. In addition, if the proposed Amendment to Articles of Incorporation is approved at the General Shareholders Meeting, the Company may seek to issue the Series 1 Bond-Type Class Shares with amount of up to 100.0 billion yen, depending on the market environment, and the Board of Directors of the Company will then make a decision in light of the Company's capital policy. The Company proposes to have the authorized share capital through Series 10 so as to realize flexible issuance in the event of any necessity for an increase in equity capital. The specific timing of issuance and conditions of the Series 2 Bond-Type Class Shares and any subsequent series will be determined based on comprehensive consideration of future capital needs and market trends, but at this time,

the Company expects that they would be issued within the range of up to 15 million shares as with the Series 1 Bond-Type Class Shares and are expected to have the same feature as the Series 1 Bond-Type Class Shares, meaning that no voting rights and not convertible into common shares, and therefore they will cause no dilution of voting rights of Common Shareholders.

(1)	Class of offered securities	Series 1 Bond-Type Class Shares
(2)	Planned issue period	Two years from the scheduled effective date of the shelf registration (February 21, 2026 - February 20, 2028)
(3)	Planned issue amount	Up to 100.0 billion yen
(4)	Offering method	Public offering
(5)	Use of proceeds	The proceeds are expected to be used for such as investments and loans, capital expenditures, repayment of borrowings, redemption of bonds and working capital. The details of the foregoing will be determined at the time of the resolution of issuance.

(End of the release)

Note:

This press release has been prepared for the sole purpose of publicly announcing the amendments to the Company's Articles of Incorporation and the shelf registration with respect to Issuance of the Series 1 Bond-Type Class Shares, and not for the purpose of soliciting investment or engaging in any other similar activities in Japan or any foreign country.

Furthermore, this press release does not constitute an offer of securities in the United States. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements. In this case, no offering of securities will be made in the United States.

Attachment

Proposed Amendment to Articles of Incorporation

(Underlines indicate the amended portions.)

Current Articles of Incorporation	Proposed Amendment
Article 1. ~ Article 5. (Omitted)	Article 1. ~ Article 5. (Unchanged)
Article 6. (Total Number of Authorised Shares) The total number of authorised shares of the Company shall be 1,200,000,000 shares.	Article 6. (Total Number of Authorised Shares) The total number of authorised shares of the Company shall be 1,200,000,000 shares, <u>and the total number of shares in each class authorised to be issued shall be as follows:</u> <u>Common Shares:</u> <u>1,200,000,000 shares</u> <u>Series 1 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 2 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 3 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 4 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 5 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 6 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 7 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 8 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 9 Bond-Type Class Shares:</u> <u>15,000,000 shares</u> <u>Series 10 Bond-Type Class Shares:</u> <u>15,000,000 shares</u>
Article 7. (Omitted)	Article 7. (Unchanged)

<p>(Newly Added)</p>	<p><u>Article 8. (Absence of Seller Put Options when the Company Acquires the Bond-Type Class Shares)</u></p> <p><u>If the Company decides to acquire all or part of the Bond-Type Class Shares (Series 1 Bond-Type Class Share through Series 10 Bond-Type Class Share (shares of any one class of the Series 1 Bond-Type Class Share through Series 10 Bond-Type Class Share, hereinafter referred to as the "Shares of Each Series of Bond-Type Class")) held by a specific holder of the Bond-Type Class Shares (a holder of the Bond-Type Class Shares shall be hereinafter referred to as a "Bond-Type Class Shareholder") under an agreement with such Bond-Type Class Shareholder pursuant to a resolution of the General Meeting of Shareholders, and further decides to notify such Bond-Type Class Shareholder of matters prescribed in any item of Paragraph 1, Article 157 of the Companies Act, the provisions of Paragraphs 2 and 3, Article 160 of the Companies Act shall not apply.</u></p>
<p>Article 8. (Share unit number)</p> <p>Share unit number of the Company shall be 100 shares.</p>	<p>Article 9. (Share unit number)</p> <p>Share unit number of the Company shall be 100 shares <u>for each of the Common Shares and the Bond-Type Class Shares.</u></p>
<p>Article 9. and Article 10. (Omitted)</p>	<p>Article 10. and Article 11. (Unchanged)</p>
<p>Article 11. (Shareholder Registry Administrator)</p> <p>The Company shall appoint a Shareholder Registry Administrator.</p> <p>The Shareholder Registry Administrator and the location where the work of said</p>	<p>Article 12. (Shareholder Registry Administrator)</p> <p>The Company shall appoint a Shareholder Registry Administrator.</p> <p><u>(2)</u> The Shareholder Registry Administrator and the location where the work of said</p>

<p>Administrator shall be determined by the Board of Directors and shall be publicized.</p> <p>The creation and retention of the register of shareholders, the original register of subscription rights of new share certificate of the Company, as well as other operations relating to those registries shall be entrusted to the Shareholder Registry Administrator, and shall not be handled by the Company.</p> <p>Article <u>12</u>. and Article <u>13</u>. (Omitted)</p> <p>(Newly Added)</p>	<p>Administrator shall be determined by the Board of Directors and shall be publicized.</p> <p><u>(3)</u> The creation and retention of the register of shareholders, the original register of subscription rights of new share certificate of the Company, as well as other operations relating to those registries shall be entrusted to the Shareholder Registry Administrator, and shall not be handled by the Company.</p> <p>Article <u>13</u>. and Article <u>14</u>. (Unchanged)</p> <p><u>Chapter III: Bond-Type Class Shares</u></p> <p><u>Article 15. (Preferred Dividend to Bond-Type Class Shares)</u></p> <p><u>When the Company makes a distribution of surplus dividends with the last day of fiscal year as the record date pursuant to Article 49, the Company shall pay a dividend in cash in the amount provided for in clause 1 per share of each series of Bond-Type Class (hereinafter referred to as the "Preferred Dividend to Bond-Type Class Shares") to the Bond-Type Class Shareholders or pledgees of Bond-Type Class Shares (collectively with Bond-Type Class Shareholders, hereinafter referred to as the "Bond-Type Class Shareholders, Etc.") recorded in the registry of the shareholders as of the record date of that dividend, in preference to the holders of Common Shares (hereinafter referred to as the "Common Shareholders") and pledgees of Common Shares (collectively with Common Shareholders, hereinafter referred to as the "Common Shareholders, Etc."); provided, however, that if Interim Preferred Dividends to</u></p>
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	<p><u>Bond-Type Class Shares provided for in the following Article have been paid during the fiscal year in which the record date of that dividend falls, the amount of those Interim Preferred Dividends to Bond-Type Class Shares shall be deducted from the Preferred Dividend to Bond-Type Class Shares:</u></p> <ol style="list-style-type: none"> <li><u>1. The product of the equivalent of the Issue Price (defined in clause 2) per Bond-Type Class Share multiplied by the Annual Dividend Rate (defined in clause 3) (if any fractional remainder arises, the fractional remainder shall be as determined by resolution of the Board of Directors before the issuance of those Bond-Type Class Shares)</u></li> <li><u>2. "Issue Price" means the amount per share to be paid to the Company in connection with the offering of those Bond-Type Class Shares (or, if the Bond-Type Class Shares are offered through purchase and sale by underwriters, the amount per share to be paid by the investors as consideration for the Bond-Type Class Shares), as determined prior to the issuance of those Bond-Type Class Shares.</u></li> <li><u>3. "Annual Dividend Rate" means annual dividend rate determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares (not exceeding ten (10) percent).</u></li> </ol> <p><u>(2) If the amount of surplus dividends paid in cash to each Bond-Type Class Shareholders, Etc. per Share of Each Series of Bond-Type Class in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Bond-Type Class Shares payable to those Bond-Type Class Shares for that fiscal</u></p>
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year, that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method determined by a resolution of the Board of Directors based on the Annual Dividend Rate before the issuance of those Bond-Type Class Shares (such accumulated shortfall shall be hereinafter referred to as the "Accumulated Dividends Payable to Bond-Type Class Shares"). The Company shall pay surplus dividends in cash to the Bond-Type Class Shareholders, Etc. until such payment reaches the amount of Accumulated Dividends Payable to Bond-Type Class Shares per Bond-Type Class Share, in preference to any surplus dividends provided for in the preceding item or the following Article.

- (3) No surplus dividends shall be paid to Bond-Type Class Shareholders, Etc. in excess of the total of the Preferred Dividend to Bond-Type Class Shares and the Accumulated Dividends Payable to Bond-Type Class Shares.

Article 16. (Interim Preferred Dividend to Bond-Type Class Shares)

When the Company makes a distribution of surplus dividends with 30 June as the record date (hereinafter referred to as the "Interim Dividend Record Date") pursuant to Article 50, the Company shall pay a dividend in cash in the amount per Share of Each Series of Bond-Type Class determined by the calculation method determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares (the "Interim Preferred Dividend to Bond-Type Class Shares") to the Bond-Type Class Shareholders, Etc. recorded in the registry of the

shareholders as of the Interim Dividend Record Date of that dividend, in preference to the Common Shareholders, Etc.; provided, however, that the amount of Interim Preferred Dividends to Bond-Type Class Shares for which the Interim Dividend Record Date falls in a given fiscal year shall not exceed the amount of the Preferred Dividend to Bond-Type Class Shares for which the record date falls in the same fiscal year.

Article 17. (Distribution of Residual Assets)

When the Company makes a distribution of residual assets, the Company shall pay cash in the following amount per Share of Each Series of Bond-Type Class to the Bond-Type Class Shareholders, Etc., in preference to the Common Shareholders, Etc.:

The amount calculated by the method determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares as the sum of the equivalent of the Issue Price per Bond-Type Class Share plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets

(2) No distribution of residual assets shall be made to Bond-Type Class Shareholders, Etc. other than the distribution provided for in the preceding item.

Article 18. (Voting Rights)

The Bond-Type Class Shareholders shall not be entitled to exercise voting rights at the General Meeting of Shareholders with respect to any matter.

Article 19. (Acquisition by the Company in Exchange for Cash)

If an event provided for by a resolution of the Board of Directors before the issuance of Shares of Each Series of Bond-Type Class arises with respect to the Bond-Type Class Shares, the Company may acquire all or part of those Bond-Type Class Shares upon the arrival of a date separately determined by a resolution of the Board of Directors. In such case, the Company shall deliver to the Bond-Type Class Shareholders cash in the amount per Bond-Type Class Share calculated by the method determined by a resolution of the Board of Directors before the issuance of the Shares of Each Series of Bond-Type Class as the sum of the equivalent of the Issue Price per Bond-Type Class Share plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the acquisition falls to the date of the acquisition, in exchange for the acquisition of those Bond-Type Class Shares. If the Company acquires part of the Bond-Type Class Shares, the Company shall determine the scope of Bond-Type Class Shares to be acquired from Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors.

	<p><u>Article 20. (Share Consolidation or Share Split, etc.)</u></p> <p><u>The Company shall not conduct any share consolidation or share split with respect to the Bond-Type Class Shares, unless otherwise provided by law.</u></p> <p><u>(2) The Company shall not make any gratis allotment of shares or stock acquisition rights to the Bond-Type Class Shareholders.</u></p> <p><u>(3) The Company shall not grant to Bond-Type Class Shareholders any right to receive allotment of shares offered for subscription or stock acquisition rights offered for subscription.</u></p> <p><u>(4) If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to Common Shareholders, Etc. shares issued by the wholly owning parent company incorporated in the share transfer that are of the same class as the Common Shares of the Company in exchange for the Common Shares, and deliver to Bond-Type Class Shareholders, Etc. shares issued by the wholly owning parent company incorporated in the share transfer that are of the same class as the Bond-Type Class Shares in exchange for the Bond-Type Class Shares, in the same ownership ratio respectively.</u></p> <p><u>(5) The adjustment of the Preferred Dividend to Bond-Type Class Shares and Accumulated Dividends Payable to Bond-Type Class Shares in the case provided for in the preceding item shall be conducted by the method determined by a resolution of the Board of Directors before the issuance of the Shares of Each Series of Bond-Type Class.</u></p>
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<p>Chapter <u>III</u>: General Meeting of Shareholders</p> <p>Article <u>14</u>. (Time of Convening the General Meeting of Shareholders)</p> <p>The General Meeting of Shareholders of the Company shall be convened in March every year.</p> <p>In addition to the preceding item, Extraordinary General Meetings of Shareholders shall be convened when deemed necessary.</p> <p>Article <u>15</u>. (Omitted)</p> <p>Article <u>16</u>. (Chairman)</p> <p>The President/Director shall serve as chairman at General Meeting of Shareholders.</p> <p>In the event that the President/Director is unable to perform the above duties due to accidents, another director shall stand in the position in accordance with sequence prearranged by the Board of Directors.</p> <p>Article <u>17</u>. (Assumption of Provision of Materials such as Reference Documents for General Meeting of Shareholders by Disclosure on the Internet)</p> <p>When convening General Meeting of Shareholders, the Company shall assume that</p>	<p><u>Article 21. (Order of Priority)</u></p> <p><u>Payments of Preferred Dividends to Bond-Type Class Shares and Interim Preferred Dividends to Bond-Type Class Shares, and distribution of residual assets to Shares of Each Series of Bond-Type Class are ranked pari passu.</u></p> <p>Chapter <u>IV</u>: General Meeting of Shareholders</p> <p>Article <u>22</u>. (Time of Convening the General Meeting of Shareholders)</p> <p>The General Meeting of Shareholders of the Company shall be convened in March every year.</p> <p>(2) In addition to the preceding item, Extraordinary General Meetings of Shareholders shall be convened when deemed necessary.</p> <p>Article <u>23</u>. (Unchanged)</p> <p>Article <u>24</u>. (Chairman)</p> <p>The President/Director shall serve as chairman at General Meeting of Shareholders.</p> <p>(2) In the event that the President/Director is unable to perform the above duties due to accidents, another director shall stand in the position in accordance with sequence prearranged by the Board of Directors.</p> <p>Article <u>25</u>. (Assumption of Provision of Materials such as Reference Documents for General Meeting of Shareholders by Disclosure on the Internet)</p> <p>When convening General Meeting of Shareholders, the Company shall assume that</p>
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<p>information pertaining to all items recorded or shown in General Meeting of Shareholders such as reference documents, business reports, financial statements and consolidated financial statements has been provided by disclosure on the Internet.</p> <p>Among the matters to be provided by disclosure on the Internet, the Company may not include all or any part of the matters stipulated in ordinances of the Ministry of Justice in a paper-based document to be delivered to shareholders who have requested the delivery of paper-based documents by the record date for voting rights.</p> <p>Article <u>18</u>. (Method of Resolution)</p> <p>With the exception of cases where separate means are stipulated either in relevant laws and ordinances or these Articles of Incorporation, adoption of resolutions by the General Meeting of Shareholders shall be determined by a majority vote by shareholders in attendance with the right exercise voting rights.</p> <p>Paragraph 2, Article 309 of the Companies Act stipulates that the adoption of resolutions requires the attendance of shareholders holding no less than one third of voting rights and a majority vote of two thirds.</p> <p>Article <u>19</u>. (Exercise of Proxy Voting Rights)</p> <p>A proxy who can be delegated the exercise of voting rights owned by a shareholder of the Company shall be restricted to another single shareholder who is entitled to exercise voting rights of the Company in his/her stead.</p> <p>The shareholder or his/her representative must submit to the Company written proof of</p>	<p>information pertaining to all items recorded or shown in General Meeting of Shareholders such as reference documents, business reports, financial statements and consolidated financial statements has been provided by disclosure on the Internet.</p> <p>(2) Among the matters to be provided by disclosure on the Internet, the Company may not include all or any part of the matters stipulated in ordinances of the Ministry of Justice in a paper-based document to be delivered to shareholders who have requested the delivery of paper-based documents by the record date for voting rights.</p> <p>Article <u>26</u>. (Method of Resolution)</p> <p>With the exception of cases where separate means are stipulated either in relevant laws and ordinances or these Articles of Incorporation, adoption of resolutions by the General Meeting of Shareholders shall be determined by a majority vote by shareholders in attendance with the right exercise voting rights.</p> <p>(2) Paragraph 2, Article 309 of the Companies Act stipulates that the adoption of resolutions requires the attendance of shareholders holding no less than one third of voting rights and a majority vote of two thirds.</p> <p>Article <u>27</u>. (Exercise of Proxy Voting Rights)</p> <p>A proxy who can be delegated the exercise of voting rights owned by a shareholder of the Company shall be restricted to another single shareholder who is entitled to exercise voting rights of the Company in his/her stead.</p> <p>(2) The shareholder or his/her representative must submit to the Company written proof of proxy</p>
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<p>proxy voting rights for each General Meeting of Shareholders.</p> <p>(Newly Added)</p>	<p>voting rights for each General Meeting of Shareholders.</p> <p><u>Article 28. (General Meetings of Class Shareholders)</u></p> <p><u>With the exception of cases where separate means are stipulated either in relevant laws and ordinances or these Articles of Incorporation, adoption of resolutions by the General Meetings of Class Shareholders shall be determined by a majority vote by shareholders in attendance with the right exercise voting rights.</u></p> <p><u>(2) Paragraph 2, Article 324 of the Companies Act stipulates that the adoption of resolutions requires the attendance of shareholders holding no less than one third of voting rights and a majority vote of two thirds.</u></p> <p><u>(3) The provisions of Article 24, Article 25 and Article 27 apply mutatis mutandis to General Meetings of Class Shareholders.</u></p> <p><u>(4) The provisions of Article 23 apply mutatis mutandis with respect to any General Meeting of Class Shareholders held within three months after 31 December of each year.</u></p> <p><u>(5) No resolution of a General Meeting of Class Shareholders composed of Bond-Type Class Shareholders of each series is required for the Company to conduct any of the acts provided for in the items of Paragraph 1, Article 322 of the Companies Act, unless otherwise provided by law.</u></p> <p><u>(6) If the Company performs any of the following acts and it is likely to cause detriment to the Bond-Type Class Shareholders, that act shall not take effect without a resolution of the General Meeting of Class Shareholders composed of Bond-Type Class Shareholders.</u></p>
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	<p><u>in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Bond-Type Class Shareholders who are entitled to vote at that General Meeting of Class Shareholders:</u></p> <p><u>1. a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly owned subsidiary company (except for a sole-share transfer conducted by the Company); or</u></p> <p><u>2. an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.</u></p>
Chapter <u>IV</u> : Directors and the Board of Directors	Chapter <u>V</u> : Directors and the Board of Directors
Article <u>20</u> . (Omitted)	Article <u>29</u> . (Unchanged)
Article <u>21</u> . (Method of Appointment) Adoption of resolutions for the appointment of directors shall be dependent upon majority vote by shareholders in attendance holding no less than one third of shareholders' voting rights. Resolutions for appointment of directors shall not adopted by cumulative voting.	Article <u>30</u> . (Method of Appointment) Adoption of resolutions for the appointment of directors shall be dependent upon majority vote by shareholders in attendance holding no less than one third of shareholders' voting rights. (2) Resolutions for appointment of directors shall not adopted by cumulative voting.
Article <u>22</u> . ~ Article <u>29</u> . (Omitted)	Article <u>31</u> . ~ Article <u>38</u> . (Unchanged)
Chapter <u>V</u> : Statutory Auditors and the Board of Statutory Auditors	Chapter <u>VI</u> : Statutory Auditors and the Board of Statutory Auditors
Article <u>30</u> . ~ Article <u>38</u> . (Omitted)	Article <u>39</u> . ~ Article <u>47</u> . (Unchanged)

<p>Chapter <u>VI</u>: Calculations</p> <p>Article <u>39</u>. ~ Article <u>42</u>. (Omitted)</p>	<p>Chapter <u>VII</u>: Calculations</p> <p>Article <u>48</u>. ~ Article <u>51</u>. (Unchanged)</p>
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# Information Material and Q&A regarding Bond-Type Class Shares



This document has been prepared solely for the benefit of the holders of Common Shares of Sumitomo Forestry Co., Ltd. in evaluating the proposal made by us for a partial amendment to the Articles of Incorporation scheduled to be submitted to the 86th Annual General Meeting of Shareholders planned to be held on March 27, 2026 and not for the purpose of soliciting investment or engaging in any other similar activities in Japan or any foreign country. This document does not constitute an offer of securities in the United States. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements. In this case, no offering of securities will be made in the United States.

February 13, 2026

# Features of Bond-Type Class Shares

Bond-Type Class Shares are treated as shares under the Companies Act and lead to an **increase in capital for accounting/rating purposes** through the issuance.

Meanwhile, Bond-Type Class Shares do not have voting rights and are not convertible into Common Shares, and the **product nature of such shares is expected to give consideration to the Common Shareholders.**

		Issuance	Approx. 5 years after issuance
<b>Equity Credit for Accounting Purposes</b>	Entire issue amount will be recorded as equity for accounting purposes	100% equity	
<b>Equity Credit for Rating Purposes</b>	Expected to be evaluated as having the equity credit (50% of the issue amount) by the rating agency (R&I)	Treat 50% of issue amount as equity and 50% as debt	
<b>Voting Rights</b>	No rights to vote at general shareholders meetings	No dilution of Common Shares	
<b>Rights to Convert</b>	No rights to convert into Common Shares		
<b>Tokyo Stock Exchange Listing</b>	A listing application for the Prime Market of the Tokyo Stock Exchange is planned to be made	Listing on Tokyo Stock Exchange	
<b>Preferred Dividend</b>	Fixed dividend for approx. five years from the issuance (floating dividend thereafter) <sup>(*1)</sup> The order of distribution is senior to dividends to Common Shares, Non-participating <sup>(*2)</sup> , Cumulative <sup>(*3)</sup>	Fixed Dividend	Floating Dividend
<b>Call Option in Exchange for Cash (Our Option)</b>	In principle, we may acquire the Bond-Type Class Shares after five years from the issuance <sup>(*4)</sup> (Acquisition in the amount equal to the issue price plus unpaid and accrued dividends payable)		We may acquire the shares for cash

\*1 The annual dividend rate will be the sum of the fixed base rate plus the initial spread for approximately five years from the issuance, and thereafter, the sum of the floating base rate plus the initial spread+1%.

\*2 Bond-Type Class Shares are "non-participating", meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance.

\*3 Bond-Type Class Shares are "cumulative", meaning that any unpaid dividends shall be carried over to subsequent fiscal years.

\*4 The specific events triggering the call option will be determined at the time of issuance.

# Effects and Impacts on Financial Indicators, etc.

Regarding the Bond-Type Class Shares, **the impact on ROE and EPS for Common Shares is limited.**

Dividends and distribution of residual assets are senior to those for Common Shares, and a fixed amount will be paid for the preferred dividend for a certain period of time, and **no dividend is paid beyond the preferred dividend stipulated at the time of issuance.**

In addition, the Bond-Type Class Shares **lead to a decline in the Net D/E Ratio, etc., and contributes to the improvement of financial soundness indicators.**

Impact on Key Financial Indicators	ROE for Common Shares	$\frac{\text{Net Income} - \text{Preferred Dividend}}{\text{Equity capital for Common Shares}^{(*1)}}$	Impact is mostly limited to the preferred dividend amount
	EPS for Common Shares	$\frac{\text{Net Income} - \text{Preferred Dividend}}{\text{Number of issued shares for Common Shares}}$	
	PBR for Common Shares	$\frac{\text{Market Capitalization (Common Shares)}}{\text{Equity capital for Common Shares}^{(*1)}}$	Contribution to improvement of financial soundness
	Net D/E Ratio	$\frac{\text{Interest-Bearing Debt} - \text{Cash and Deposits}}{\text{Equity capital (including Bond-Type Class Shares)}}$	
Distribution to Bond-Type Class Shareholders	Preferred Dividend	Senior to Common Shares, limited to the annual dividend rate determined at the time of issuance (fixed dividend for approx. 5 years from the issuance)	Non-participating product nature
	Distribution of Residual Assets	Senior to Common Shares, limited to the amount equivalent to the issue price and the amount of preferred dividend	

\*1 In calculating equity capital for Common Shares, we have deducted the equity capital for the Bond-Type Class Shares and preferred dividend from equity capital.



# Q&A regarding Bond-Type Class Shares

Question	Answer
1. What is the purpose of Amendment to the Articles of Incorporation?	<ul style="list-style-type: none"> <li>■ In order to achieve enhancement of medium to long-term corporate value, it is necessary to invest continually in overseas housing and real estate-related business where market expansion persists against the backdrop of structural housing shortages. The expansion of investment opportunities including M&amp;A is expected, specifically in the U.S., thus we aim to secure flexibility in financing by strengthening our financial foundation to maintain financial soundness and credit ratings. In order to strengthen our financial foundation to support aggressive growth investments in the future, we believe that the Bond-Type Class Shares will be an useful option as a financing method that enables us to increase shareholders' equity while avoiding dilution of Common Shares and considering capital efficiency.</li> <li>■ In accordance with this belief, we have decided to propose the Amendment to the Articles of Incorporation at the General Meeting of Shareholders to secure the “Bond-Type Class Shares” as a new financing option.</li> </ul>
2. What are the characteristics of Bond-Type Class Shares?	<ul style="list-style-type: none"> <li>■ Bond-Type Class Shares are treated as shares under the Companies Act, but the issuance thereof is a hybrid financing method with an intermediate characteristic between shares and bonds.</li> <li>■ With consideration for the Common Shareholders, Bond-Type Class Shares do not have voting rights and are not convertible into Common Shares, and are expected to have a product nature similar to bonds.</li> <li>■ Bond-Type Class Shares have priority over Common Shares in terms of the order of distribution of dividends and residual assets, and are non-participating, meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance.</li> <li>■ In respect of future issuance of Bond-Type Class Shares, we plan to apply for listing of such shares on the Prime Market of the Tokyo Stock Exchange, with the intention of providing investment opportunities to a wide range of investors.</li> </ul>
3. What is the expected role of Bond-Type Class Shares in our financial strategy and its position in the capital structure?	<ul style="list-style-type: none"> <li>■ Bond-Type Class Shares are considered to be an option that contributes to securing an appropriate capital and debt structure that balances capital efficiency and financial soundness, by limiting the dilution of voting rights of Common Shareholders and the impact on ROE and EPS for Common Shares<sup>(*1)</sup>, while at the same time strengthening our financial foundation.</li> <li>■ As Bond-Type Class Shares are non-participating class shares, meaning no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance, and the cost of equity for Bond-Type Class Shares is limited to amounts corresponding to the annual dividend rate to be determined at the time of issuance, and the cost of equity for the Bond-Type Class Shares is lower than that for Common Shares<sup>(*2)</sup>. Therefore, we believe that the issuance of the Bond-Type Class Shares is a financing option that gives consideration to the interests of Common Shareholders.</li> </ul>

\*1 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for Common Shares.

\*2 It is based on our assumption of the cost of equity in approximately five years after issuance if the issuance is realized within the assumed range of an annual dividend ratio of 5% or less as stated in the shelf registration statement for the Series 1 Bond-Type Class Shares submitted on February 13, 2026. ©SUMITOMO FORESTRY CO.,LTD. ALL RIGHTS RESERVED. 3

# Q&A regarding Bond-Type Class Shares

Question	Answer
4. What is the similarity and the difference between the Bond-Type Class Shares and hybrid bonds?	<ul style="list-style-type: none"> <li>■ As with hybrid bonds, we expect that the Bond-Type Class Shares obtain the equity credit by a rating agency (R&amp;I) for 50% of the issue amount.</li> <li>■ On the other hand, the Bond-Type Class Shares differ from hybrid bonds in that they can increase equity capital for accounting purposes. In addition, the Bond-Type Class Shares can be considered for investment by a wide range of investors through their listing on the Prime Market of the Tokyo Stock Exchange (eligible for NISA).</li> </ul>
5. Will there be any disadvantages to common shareholders?	<ul style="list-style-type: none"> <li>■ The Bond-Type Class Shares have no voting rights and are not convertible into Common Shares, so there will be no dilution of voting rights for Common Shareholders.</li> <li>■ The Bond-Type Class Shares are “non-participating”, meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance, and only Common Shareholders have the right to participate in dividends other than the preferred dividend.</li> <li>■ Issuance of the Bond-Type Class Shares is a financing method that is more considerable of the impact on ROE, EPS, etc. for Common Shares as compared to a public offering through the issuance of Common Shares<sup>(*1)</sup>.</li> </ul>
6. Does the issuance of the Bond-Type Class Shares affect the dividend policy for Common Shares?	<ul style="list-style-type: none"> <li>■ As “non-participating” class shares, no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance, and only Common Shareholders have the right to participate in dividends other than the preferred dividend.</li> <li>■ Therefore, we do not expect our dividend policy for Common Shares as disclosed to be affected by the Series 1 Bond-Type Class Shares if and when issued.</li> </ul>
7. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?	<ul style="list-style-type: none"> <li>■ The Bond-Type Class Shares do not have voting rights and are not convertible into Common Shares. Accordingly, they are not suitable for takeover protection measures and we do not expect to use them as such.</li> <li>■ We do not expect to allot the Bond-Type Class Shares to Common Shareholders by gratis allotment or otherwise.</li> </ul>

\*1 Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for Common Shares.

# Q&A regarding Bond-Type Class Shares

Question	Answer
8. What form of issuance is envisaged?	<ul style="list-style-type: none"> <li>■ The specific timing of the issuance has not yet been determined at this time, but it is envisaged that, if issued, the shares will be offered to a wide range of investors, including retail investors, through a public offering in Japan.</li> <li>■ We also envisage that our Common Shareholders will be able to purchase the Bond-Type Class Shares.</li> </ul>
9. While multiple series of the Bond-Type Class Shares are provided under the proposed Articles of Incorporation, what are your thoughts on the specific issuances?	<ul style="list-style-type: none"> <li>■ At present, the timing of the issue, including Series 1 Bond-Type Class Shares, has not been determined, but we propose to have the authorized share capital through Series 10 so as to realize flexible issuance in the event of any necessity for an increase in equity capital. Providing multiple series will enable us to make capital financing with equity credit by issuance of similar Bond-Type Class Shares with the acquisition of the Bond-Type Class Shares we issued (call) in the future.</li> <li>■ The specific timing of issuance and conditions of the Series 2 Bond-Type Class Shares and any subsequent series will be determined based on comprehensive consideration of future capital needs and market trends, but at this time, we expect that they would be issued within the range of up to 15 million shares as with the Series 1 Bond-Type Class Shares and are expected to have the same feature as the Series 1 Bond-Type Class Shares, meaning that no voting rights and not convertible into Common Shares, and therefore they will cause no dilution of voting rights of Common Shareholders.</li> </ul>
10. What is the planned timing and amount of Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> <li>■ Specific matters including timing of the issuance have not yet been determined at this time. However, when the amendment to the Articles of Incorporation regarding the Bond-Type Class Shares is approved at the General Meeting of Shareholders and we determine the issuance of Series 1 Bond-Type Class Shares as the best financing method, we may seek to issue with amount of up to 100.0 billion yen, depending on the market environment.</li> </ul>
11. Why is the range of fixed dividend's annual dividend rate for Series 1 Bond-Type Class Shares set at 5% or less?	<ul style="list-style-type: none"> <li>■ The range of fixed dividend's annual dividend rate is provided based on the current market environment and other factors, taking into account the product nature, which is positioned between equity and debt, and has been set after comprehensively considering the market price of similar Bond-Type Class Shares and hybrid bonds and other factors.</li> </ul>



# Q&A regarding Bond-Type Class Shares

Question	Answer
12. Why would you consider listing on the Prime Market of the Tokyo Stock Exchange?	<ul style="list-style-type: none"> <li>■ We believe that listing on the Prime Market of the Tokyo Stock Exchange is an important way to raise awareness and provide trading opportunities for a wide range of investors.</li> </ul>
13. Where can be Series 1 Bond-Type Class Shares purchased?	<ul style="list-style-type: none"> <li>■ Although the issuance has not yet been determined at this time, it is expected that Series 1 Bond-Type Class Shares will be sold through each of underwriters if and when issued.</li> <li>■ Nomura Securities Co., Ltd. is stated as an underwriter in the shelf registration statement submitted on February 13, 2026, however, the details, including whether other underwriters will be involved, are expected to be determined at the time of the resolution of issuance.</li> </ul>
14. Do you plan to acquire (call) Series 1 Bond-Type Class Shares for cash in five years?	<ul style="list-style-type: none"> <li>■ We will determine whether to acquire (call) Series 1 Bond-Type Class Shares (if and when issued) for cash five years after the date of issuance or later, taking into consideration the business and financial conditions and market environment and other factors at that time.</li> <li>■ We are well aware that market practice in Hybrid Financing is that many investors expect calls to be made from five years after the date of issuance by the timing of the dividend step-up.</li> </ul>
15. Do you plan to use the proceeds from issuance of Series 1 Bond-Type Class Shares for the acquisition of shares (subsidiarization) of Tri Pointe Homes, Inc. announced on February 13, 2026?	<ul style="list-style-type: none"> <li>■ Notwithstanding the acquisition, we are considering the Amendment to the Articles of Incorporation for Bond-Type Class Shares as part of strengthening our financial foundation to support medium to long-term growth investments.</li> <li>■ At present, specific financing method, including issuance of Series 1 Bond-Type Class Shares, has not been determined for permanent financing related to the acquisition of shares (subsidiarization) of Tri Pointe Homes, Inc. We will consider the best financing method based on comprehensive consideration of future capital needs, market environment and other factors.</li> </ul>