August 7, 2026

For Immediate Release

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Notice Regarding Revisions to the Financial Results Forecast

Sumitomo Forestry Co., Ltd. (hereinafter "the Company") has revised its financial results forecast for FY12/2026 announced on May 7, 2026, 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 FY12/2026 (January 1, 2026 - December 31, 2026)

(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)	2,590,000	157,000	160,000	95,000	155.09
Amended forecast (B)	2,950,000	143,000	115,000	60,000	97.85
Amount of increase/decrease (B-A)	+360,000	-14,000	-45,000	-35,000	-
Rate of increase/decrease (%)	+13.9%	-8.9%	-28.1%	-36.8%	-
(Reference) Actual results for the previous fiscal year (fiscal year ended December 2025)	2,267,577	168,724	174,900	106,666	174.13

2. Reasons for the revision to the financial results forecast

In the Overseas Housing business, net sales are expected to exceed the previously announced amount as a result of Tri Pointe Homes, Inc. (hereinafter "TPH") becoming a subsidiary. On the other hand, operating income, recurring income, and net income attributable to owners of parent are expected to fall below the previously announced amounts. The acquisition of TPH gives rise to the amortization of goodwill and other items, as well as share acquisition-related expenses and interest expenses. In addition, in the U.S. single-family homes business, income is expected to fall below previously announced forecasts, mainly because prospective homebuyers maintained a wait-and-see attitude amid persistently high mortgage rates and uncertainty over the economic outlook, and because of the provision of incentives. Furthermore, in the U.S. real estate business, the number of properties sold decreased, and valuation losses were recorded on certain LP investments following a detailed review of the profitability of individual projects.

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.