August 31, 2026

For Immediate Release

Company name: Sumitomo Forestry Co., Ltd.
Name of representative: Toshiro Mitsuyoshi, President and Representative Director
(Securities code: 1911; Prime Market of Tokyo Stock Exchange)
Inquiries: Takashi Mizuno, General Manager, Corporate Communications Department, Corporate Division
(TEL: +81-3-3214-2270)

Notice on Execution of Syndicated Loan Agreement with Subordination Provisions

As announced in the "Notice on Issuance of Publicly Offered Hybrid Bonds (Subordinated Bonds) " dated August 7, 2026, Sumitomo Forestry Co., Ltd. (the "Company") is proceeding with the repayment of the bridge loan for the acquisition (subsidiarization) (the "Acquisition") of Tri Pointe Homes, Inc., a U.S. company, which was completed on May 14, 2026. The Company hereby announces that, as part of such efforts, it has now decided to enter into an agreement for a subordinated syndicated loan (the "Loan") for the purpose of appropriating part of the funds for repayment of the loan procured for the Acquisition.

1. Characteristics of the Loan

While the Loan will not cause a dilution of the existing shares as it is a form of hybrid financing with characteristics intermediate between equity and debt and constitutes a debt instrument, it has properties and characteristics similar to those of equity, including voluntary deferral of interest payments, super-long maturity, and subordination in liquidation and bankruptcy proceedings. Therefore, the Company expects that 50% of the funds to be raised by the Loan will be evaluated as having the equity credits by Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR) (collectively, the "Rating Agencies").

2. Overview of the Loan

	Tranche A	Tranche B
(1) Amount Raised	69.0 billion yen	37.5 billion yen
(2) Signing Date	August 31, 2026	
(3) Drawdown Date	September 4, 2026	
(4) Principal Repayment Date	September 4, 2062	September 4, 2064
(5) Voluntary Prepayment	The Loan may be voluntarily prepaid at the Company’s option on September 4, 2032 and on each Interest Payment Date thereafter, or if a Tax Event or an Equity Characteristics Change Event occurs on or after the Drawdown Date and is ongoing.	The Loan may be voluntarily prepaid at the Company’s option on September 4, 2034 and on each Interest Payment Date thereafter, or if a Tax Event or an Equity Characteristics Change Event occurs on or after the Drawdown Date and is ongoing.

(6) Restrictions on Refinancing	No contractual provisions. The Company intends to refinance the Loan by common shares or any securities or debts to which Rating Agencies are to assign an equity credit equal or greater than that of the Loan (the "Refinancing Securities"), upon voluntary prepayment, during the 12-month period prior to the date of voluntary prepayment. However, if the Company intends to make the voluntary prepayment on or after the initial voluntary prepayment dates of the Loan, the Company may refrain from such refinancing through the Refinancing Securities under certain conditions, such as accumulation of equity capital to build a sufficient financial base and accumulation of sufficient capital compared to the time of the drawdown of the Loan.
(7) Provisions Regarding Interest Payments	Interest payments may be voluntarily deferred.
(8) Subordination Provisions	If any Subordination Event set forth in the Loan Agreement (such as liquidation, bankruptcy, reorganization proceedings, or rehabilitation proceedings) occurs, the priority of repayment of the Loan shall be subordinate to that of all senior creditors. No provisions of the Loan Agreement shall be amended in any manner that would be detrimental to the senior creditors.
(9) Equity Credit Assessment by Rating Agencies (scheduled)	Rating and Investment Information, Inc. (R&I): Class 3, 50% Japan Credit Rating Agency, Ltd. (JCR): Medium, 50%

(End of the release)