FASF MEMBERSHIP

Jan 8, 2026

Company name : Kumagai Gumi Co., Ltd.
Representative : Shin Ueda, President
(Code: 1861, Prime Market in the Tokyo Stock Exchange)
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Notice Concerning the Secondary Offering of Shares

Kumagai Gumi Co., Ltd. (the "Company") announces that at its Board of Directors meeting held today, it resolved to undertake a secondary offering of our common shares, as detailed below.
As announced in the "Notice of Capital and Business Alliance Between Sumitomo Forestry Co., Ltd. and Kumagai Gumi Co., Ltd." on November 9, 2017, the Company entered into an agreement concerning a capital and business alliance (the "Alliance") with Sumitomo Forestry Co., Ltd. ("Sumitomo Forestry"), and in the time since, we have pursued the sharing of technology and expertise, new market development, and the development of technologies with high added value, yielding steady results.
However, to enhance capital efficiency and further boost shareholder value, we have decided to partially sell their mutually held shares to optimize their capital relationship. The Company has therefore resolved to carry out a secondary offering of our shares, under which the sales will be carried out on an equal basis for both companies, applying the same proportion to their respective shareholdings.
Note that even after the sale of our shares by Sumitomo Forestry, Sumitomo Forestry is expected to continue to be classified as an "other associate" of the Company.
For details, please see "Notice of Change to Shareholding Ratios of Sumitomo Forestry Co., Ltd. and Kumagai Gumi Co., Ltd.," which was announced today.

1. Secondary offering of the Company's shares (secondary offering through purchase and underwriting by the Underwriter)

(1)	Class and number of shares offered	9,976,900 shares of common stock of the Company
(2)	Seller	Sumitomo Forestry Co., Ltd.
(3)	Offer price	TBD (according to the method stipulated in Article 25 of the JSDA Rules Concerning Underwriting, Etc. of Securities, after taking into account demand conditions and other factors, a provisional price will be set by multiplying the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on any day between Monday, January 19, 2026 and Thursday, January 22, 2026 ("offer price determination date"; if there is no closing price on the day, the closing price on the most recent trading day preceding it) by 0.90 to 1.00 (rounded

down to the nearest 1 yen)).

(4)	Method of secondary offering	A secondary offering will be carried out where the underwriter (the "Underwriter") purchases and underwrites all shares. The compensation of the Underwriter is the total amount obtained by subtracting the underwriting price to be paid by the Underwriter to the seller from the amount of the offer price.
(5)	Delivery date	Fifth business day after the offer price determination date

(6) Approval of the offer price and all other matters necessary for the secondary offering by purchase and underwriting by the Underwriter shall be given by the President and Representative Director or a person they delegate.

2. Secondary offering of the Company's shares (secondary offering via over-allotment) (Please refer to <Reference> 1 below.)

(1)	Class and number of shares offered	1,496,500 shares of common stock of the Company Note that the above number of shares subject to the secondary offering represents an upper limit. The number may be decreased due to the demand situation or other factors, or the secondary offering via over-allotment may not be carried out at all. The final number of shares subject to secondary offering will be determined on the offer price determination date, after taking into account the demand situation and other factors.
(2)	Seller	the Underwriter
(3)	Offer price	TBD (Determined on the offer price determination date. The offer price will be the same as the offer price in the secondary offering by purchase and underwriting by the Underwriter.)
(4)	Method of secondary offering	Taking into account the demand situation and other factors surrounding the secondary offering by purchase and underwriting by the Underwriter, Ltd. will carry out a secondary offering of up to 1,496,500 shares of the Company's common stock borrowed from the Company's shareholders.
(5)	Delivery date	Same as the delivery date for the secondary offering by purchase and underwriting by the Underwriter

(6) Approval of the offer price and all other matters necessary for the secondary offering via over-allotment shall be given by the President and Representative Director or a person they delegate.