

[TRANSLATION]

The following is an unofficial English translation of “Notice of Convocation of the 86th Ordinary General Meeting of Shareholders” (“Notice”) by Sumitomo Forestry Co., Ltd. (“Company”). The Company provides this English translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between it and this English translation.

(Securities Code 1911)

March 9, 2026

(Measures for electronic provision have commenced on March 2, 2026)

To Our Shareholders

Toshiro Mitsuyoshi  
President and Representative Director  
Sumitomo Forestry Co., Ltd.  
1-3-2, Otemachi, Chiyoda-ku, Tokyo

## **NOTICE OF CONVOCAION OF THE 86th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your courtesies always shown to us.

You are hereby notified of our 86th Ordinary General Meeting of Shareholders (“Meeting”) to be held as described hereunder.

To convene this Meeting, information contained in reference documents and other materials for the Meeting (Matters Related to Electronic Provision Measures) will be provided electronically. The matters are posted on the Company’s website. Please access the Company’s website indicated below to confirm.

The Company’s website:

<https://sfc.jp/information/ir/stockholder/information/202512.html>

In addition to the above-mentioned website, Matters Related to Electronic Provision Measures can be accessed using the Tokyo Stock Exchange, Inc. (TSE) website (Listed Company Search) by entering “Sumitomo Forestry” or “1911” in the issue name (company name) or securities code field, selecting “Basic information,” “Documents for public inspection/PR information,” and “Notice of Convocation of the Ordinary General Meeting of Shareholders/General Meeting of Shareholders Information.”

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

**If you are unable to attend the Meeting, you can exercise your voting rights by Writing or by electromagnetic method (the Internet etc.). Please refer to Reference Documents for the General Meeting of Shareholders listed in the Matters Related to Electronic Provision Measures, and exercise your voting rights in accordance with “Guidance Notes on Exercise of Voting Rights” (see page 3).**

1. **Date and Time:** Friday, March 27, 2026 at 10:00 a.m. (Japan Standard Time)
2. **Place:** International Conference Hall, 2nd Floor, Keidanren Kaikan  
1-3-2, Otemachi, Chiyoda-ku, Tokyo
3. **Agenda:**
  - Matters to be reported:**
    - Item No. 1:** Reports on the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements for the 86th business term (from January 1, 2025 to December 31, 2025)
    - Item No. 2:** Report on the Results of Audits of the Consolidated Financial Statements for the 86th business term by the Accounting Auditor and Audit & Supervisory Board
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 3:** Election of Ten (10) Directors
    - Proposal No. 4:** Election of Three (3) Audit & Supervisory Board Members

- Of the Matters Related to Electronic Provision Measures, the following matters are not included in the documents to be delivered to shareholders who requested the delivery of written documents, as they are posted on the Company's website and the TSE website in accordance with laws and regulations and the Articles of Incorporation; therefore, the documents to be delivered to the shareholders who requested the delivery of written documents are part of the subject documents audited by the Audit & Supervisory Board Members and the Accounting Auditors in preparing their respective audit reports and the Independent Auditor's Report:
  1. The Business Report: "Matters concerning stock acquisition rights and other of the Company," "Matters concerning Accounting Auditor" and "System to ensure the appropriateness of business operations and outline of the operational status of such system"
  2. The Consolidated Financial Statements: "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements"
  3. The Non-Consolidated Financial Statements: "Non-Consolidated Statements of Changes in Net Assets" and "Notes to the Non-Consolidated Financial Statements"
  
- When the Matters Related to Electronic Provision Measures need modification by the day before the Meeting, the Company will notify the shareholders by notice on the Company's website and TSE website.

## **【Guidance Notes on Exercise of Voting Rights】**

You can exercise your voting rights as follows;

### **(A): Attending the Meeting**

Please bring the enclosed voting form and submit it to the reception desk at the Meeting.

Date and Time: From Friday, March 27, 2026 at 10:00 a.m. (Japan Standard Time)

### **(B) Exercise of voting rights in writing**

Please indicate your approval or disapproval of each proposal on the enclosed voting form, and return it and ensure it is received by our Administrator of Share Registry no later than the deadline noted below.

Deadline for exercise of voting rights: 5:30 p.m. on Thursday, March 26, 2026 (Japan Standard Time).

### **(C) Exercise of voting rights by “Smart Voting”**

By using your smartphone or tablet device to scan the “Smartphone use voting right exercise website login QR code” on the lower right of the enclosed voting form, you can exercise your voting rights via the website without entering your voting code and password.

**\*You can only vote by “Smart Voting” once.** If you intend to make a correction to the content of your vote after you exercised your voting rights, you are required to scan the QR code again and enter your voting code and password written on the enclosed voting form.

Deadline for exercise of voting rights: 5:30 p.m. on Thursday, March 26, 2026 (Japan Standard Time).

### **(D) Exercise of voting rights via the Internet**

Please use a personal computer, smartphone or cellular phone to access the Online Voting Site (<https://www.web54.net> (Japanese only)) and register your approval or disapproval of each proposal by using your voting code and password written on the enclosed voting form.

Deadline for exercise of voting rights: 5:30 p.m. on Thursday, March 26, 2026 (Japan Standard Time).

## **Matters of Exercising Voting Rights**

- (1) If neither approval nor disapproval of each proposal is indicated on the voting form, it shall be deemed a vote of approval for the Company proposals.
- (2) If you exercise your voting rights more than once by electronic means (the Internet, etc.), we will only accept the last exercise of your voting rights as valid.
- (3) If you exercise your voting rights both in writing and by electronic means (the Internet, etc.), we will only accept the vote registered by electronic means (the Internet, etc.) as valid.

## **Electronic Voting Platform for Institutional Investors**

Institutional investors will be able to use the electronic voting platform for institutional investors operated by ICJ, Inc., only if they have applied in advance for the use of the platform.

\*Any access fees to internet service providers and any communication fees (including, but not limited to telephone fees) for the usage of the voting website for voting shall be borne by the shareholders.

\*Please be aware that exercising voting rights by personal computer or smart phone may not be possible in certain internet user environments. In addition, exercising voting rights by cellular phone may not be possible with certain types of cellular phones.

Please contact the following numbers if you have any questions.

### **Administrator of Share Registry**

**Sumitomo Mitsui Trust Bank, Limited (Help Desk)**

• **Inquiries about exercising voting rights: 0120-652-031**

**(9:00 a.m. to 9:00 p.m., Japan Standard Time) (Japanese only)**

• **Other inquiries: 0120-782-031**

**(weekdays 9:00 a.m. to 5:00 p.m., Japan Standard Time)**

Reference Documents for the General Meeting of Shareholders

**Proposal No. 1: Appropriation of Surplus**

In light of a comprehensive consideration of the balance of our management bases, financial position and cash flow, the Company hereby proposes to appropriate the surplus in the following manner.

1. Year-end dividend

The Company’s shareholder return policy under the Medium-Term Management Plan “Mission TREEING 2030 Phase 2” is to provide returns in accordance with profits, with a payout ratio of 30% or higher of net income attributable to shareholders of parent, as well as to ensure an annual dividend of at least 50 yen per share from the perspective of paying out stable dividends. With regard to the dividend of retained earnings at the end of the fiscal year under review, the Company intends to pay the following year-end dividend in line with the policy stated above, while taking into account the financial results for the fiscal year under review and other items.

(1) Type of dividend assets

Cash

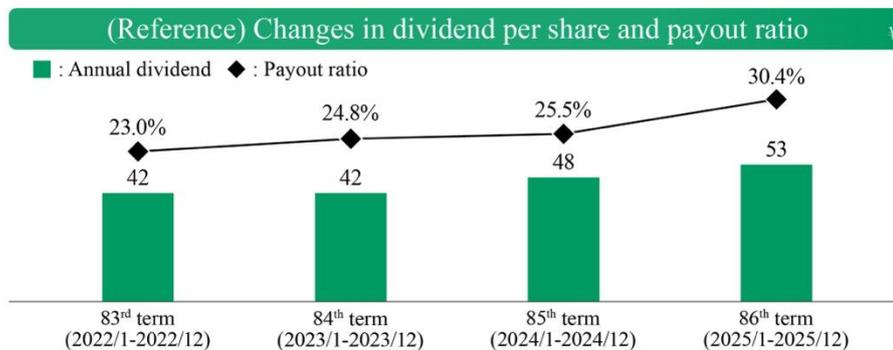
(2) Allocation of dividend assets to shareholders and the total amount thereof

28 yen per common share of the Company Total amount: 17,295,039,104 yen

(3) Effective date of the dividend payment:

March 30, 2026

The Company conducted a stock split in a ratio of three shares for every one common share effective on July 1, 2025. The interim dividend paid on the record date of June 30, 2025 (75 yen per share) is equivalent to 25 yen per share after the stock split. Accordingly, the total annual dividend for the fiscal year under review, including the year-end dividend, amounts to 53 yen per share on a post-stock split basis, representing an increase of 5 yen per share compared to the previous fiscal year.



(Note) Annual dividend per share prior to the 85th fiscal year was calculated on the assumption that the stock split was conducted at the beginning of each fiscal year. Annual dividend and payout ratio are rounded to the nearest unit.

2. Appropriation of other surplus

In order to reinforce its base of operations and prepare for future business development, the Company hereby proposes to provide an amount as general reserve as follows:

(1) The item of surplus to be increased and the amount thereof

General reserve 30,384,000,000 yen

(2) The item of surplus to be decreased and the amount thereof

Retained earnings brought forward 30,384,000,000 yen

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

### 1. Reason for the proposal

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 establish the Company’s financial foundation supporting enhancement of medium to long-term corporate value under this plan, the Company believes that it is useful 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. 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 are as follows.

- The Bond-Type Class Shares will not cause any dilution of voting rights of 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.

In order to enable the issuance of the Bond-Type Class Shares, this proposal requests an approval of the amendment to the Articles of Incorporation to establish new provisions regarding such shares (the “Amendment to Articles of Incorporation”) and to make necessary adjustments in connection therewith and other formal adjustments. 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.

At present, the issuance of the Series 1 Bond-Type Class Shares has not yet been determined. However, if the Amendment to Articles of Incorporation is approved, 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. 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.

2. Details of Amendments

Details of the amendments are as follows:

(Underlines indicate the amended portions.)

Current Articles of Incorporation	Proposed Amendment
<p>Article 1. ~ Article 5. (Omitted)</p>	<p>Article 1. ~ Article 5. (Unchanged)</p>
<p>Article 6. (Total Number of Authorised Shares) The total number of authorised shares of the Company shall be 1,200,000,000 shares.</p>	<p>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></p>
<p>Article 7. (Omitted)</p>	<p>Article 7. (Unchanged)</p>
<p>(Newly Added)</p>	<p><u>Article 8. (Absence of Seller Put Options when the Company Acquires the Bond-Type Class Shares)</u> <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-</u></p>

Current Articles of Incorporation	Proposed Amendment
	<p><u>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 <u>8</u>. (Share unit number) Share unit number of the Company shall be 100 shares.</p>	<p>Article <u>9</u>. (Share unit number) 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 <u>9</u>. and Article <u>10</u>. (Omitted)</p>	<p>Article <u>10</u>. and Article <u>11</u>. (Unchanged)</p>
<p>Article <u>11</u>. (Shareholder Registry Administrator) The Company shall appoint a Shareholder Registry Administrator. The Shareholder Registry Administrator and the location where the work of said Administrator shall be determined by the Board of Directors and shall be publicized. 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>. (Shareholder Registry Administrator) The Company shall appoint a Shareholder Registry Administrator. <u>(2)</u> The Shareholder Registry Administrator and the location where the work of said Administrator shall be determined by the Board of Directors and shall be publicized. <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>12</u>. and Article <u>13</u>. (Omitted)</p>	<p>Article <u>13</u>. and Article <u>14</u>. (Unchanged)</p>
<p>(Newly Added)</p>	<p style="text-align: center;"><u>Chapter III: Bond-Type Class Shares</u></p> <p>Article <u>15</u>. (Preferred Dividend to Bond-Type Class Shares) <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</u></p>

Current Articles of Incorporation	Proposed Amendment
	<p><u>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 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 data-bbox="858 1039 1390 1346">1. <u>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 data-bbox="858 1357 1390 1704">2. <u>“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 data-bbox="858 1715 1390 1906">3. <u>“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 data-bbox="810 1917 1390 2096"><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</u></p>

Current Articles of Incorporation	Proposed Amendment
	<p><u>Bond-Type Class Shares payable to those Bond-Type Class Shares for that fiscal 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.</u></p> <p><u>(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.</u></p> <p><u>Article 16. (Interim Preferred Dividend to Bond-Type Class Shares)</u></p> <p><u>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.</u></p> <p><u>Article 17. (Distribution of Residual Assets)</u></p>

Current Articles of Incorporation	Proposed Amendment
	<p><u>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.:</u></p> <p><u>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</u></p> <p><u>(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.</u></p> <p><u>Article 18. (Voting Rights)</u></p> <p><u>The Bond-Type Class Shareholders shall not be entitled to exercise voting rights at the General Meeting of Shareholders with respect to any matter.</u></p> <p><u>Article 19. (Acquisition by the Company in Exchange for Cash)</u></p> <p><u>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-</u></p>

Current Articles of Incorporation	Proposed Amendment
	<p><u>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.</u></p> <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> <p><u>Article 21. (Order of Priority)</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>Chapter <u>III</u>: General Meeting of Shareholders</p> <p>Article <u>14</u>. (Time of Convening the General Meeting of Shareholders)                      The General Meeting of Shareholders of the Company shall be convened in March every year. 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)                      The President/Director shall serve as chairman at General Meeting of Shareholders.                      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)                      When convening General Meeting of Shareholders, the Company shall assume that 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.                      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><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)                      The General Meeting of Shareholders of the Company shall be convened in March every year.  <u>(2)</u> 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)                      The President/Director shall serve as chairman at General Meeting of Shareholders.  <u>(2)</u> 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)                      When convening General Meeting of Shareholders, the Company shall assume that 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.  <u>(2)</u> 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>

Current Articles of Incorporation	Proposed Amendment
<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)  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.  The shareholder or his/her representative must submit to the Company written proof of proxy voting rights for each General Meeting of Shareholders.</p> <p>(Newly Added)</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><u>(2)</u> 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)  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.  <u>(2)</u> The shareholder or his/her representative must submit to the Company written proof of proxy voting rights for each General Meeting of Shareholders.</p> <p><u>Article 28. (General Meetings of Class Shareholders)</u>  <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>  <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>  <u>(3) The provisions of Article 24, Article 25 and Article 27 apply mutatis mutandis to General Meetings of Class Shareholders.</u>  <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>  <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</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>Chapter <u>IV</u>: Directors and the Board of Directors</p> <p>Article <u>20</u>. (Omitted)</p> <p>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.</p> <p>Article <u>22</u>. ~ Article <u>29</u>. (Omitted)</p> <p>Chapter <u>V</u>: Statutory Auditors and the Board of Statutory Auditors</p> <p>Article <u>30</u>. ~ Article <u>38</u>. (Omitted)</p> <p>Chapter <u>VI</u>: Calculations</p> <p>Article <u>39</u>. ~ Article <u>42</u>.</p>	<p><u>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, 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);</u> <u>or</u> <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> <p>Chapter <u>V</u>: Directors and the Board of Directors</p> <p>Article <u>29</u>. (Unchanged)</p> <p>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. <u>(2) Resolutions for appointment of directors shall not adopted by cumulative voting.</u></p> <p>Article <u>31</u>. ~ Article <u>38</u>. (Unchanged)</p> <p>Chapter <u>VI</u>: Statutory Auditors and the Board of Statutory Auditors</p> <p>Article <u>39</u>. ~ Article <u>47</u>. (Unchanged)</p> <p>Chapter <u>VII</u>: Calculations</p> <p>Article <u>48</u>. ~ Article <u>51</u>.</p>

Current Articles of Incorporation	Proposed Amendment
(Omitted)	(Unchanged)

(Reference Information)

If this proposal is approved at this General Meeting of Shareholders, provisions concerning the Bond-Type Class Shares will be newly established in the Articles of Incorporation of the Company at the time of the closing of this General Meeting of Shareholders. The issuance of the Bond-Type Class Shares under the amended Articles of Incorporation will be decided by resolution of the Board of Directors after this General Meeting of Shareholders in light of our capital policy, taking into account the market environment and other factors (such resolution is hereinafter referred to as the “Resolution of Issuance”). Regarding the issuance of the Series 1 Bond-Type Class Shares, a shelf registration statement was submitted on February 13, 2026. Details of the Series 1 Bond-Type Class Shares described in the shelf registration statement for the Series 1 Bond-Type Shares are as described in the “Description (Details of the Series 1 Bond-Type Class Shares)” published on “Information on General Meetings of Shareholders (FY Ended December 2025)” page on the website of the Company (the outline is shown in the table on the following page). The planned amount of issuance of the Series 1 Bond-Type Class Shares in the shelf registration statement is up to 100.0 billion yen. If the Company decides to issue the Series 1 Bond-Type Class Shares, the details of the offering other than the annual dividend rate, including the contents of the Series 1 Bond-Type Class Shares and the number of shares to be issued, the Issue Price and the subscription price will be determined by the Resolution of Issuance, and the annual dividend rate will be determined after the Resolution of Issuance by indicating tentative terms and conditions for the annual dividend rate in a manner similar to the book building method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities established by the Japan Securities Dealers Association, and taking into account supply and demand under such tentative terms and conditions. Such tentative terms and conditions will be determined comprehensively based on an evaluation report regarding the fair value of the Series 1 Bond-Type Class Shares, which will be received by the Company, the market price and other conditions of Bond-Type Class Shares issued by other operating companies and the market price and other conditions of subordinated bonds, etc. which are issued by operating companies that have obtained credit ratings equivalent to the Company.

Please refer to “Information Material and Q&A regarding Bond-Type Class Shares” published on “Information on General Meetings of Shareholders (FY Ended December 2025)” page on the website of the Company, which is a reference material regarding Bond-Type Class Shares.

<p>The Company's website  <a href="https://sfc.jp/english/ir/stockholder/information/202512.html">https://sfc.jp/english/ir/stockholder/information/202512.html</a></p>
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The outline of the Series 1 Bond-Type Class Shares, for which the shelf registration statement was submitted on February 13, 2026, is as follows:

<p>A. Preferred Dividends</p>	<ul style="list-style-type: none"> <li>• Senior to the common shares</li> <li>• The annual dividend rate will be the sum of the fixed base rate and the initial spread until the end of the fiscal year after 5 years from the issuance, and thereafter will be the floating base rate plus the initial spread and 1%. However, pursuant to the provisions of the Articles of Incorporation, the annual dividend rate will be up to 10%. In addition, on the assumption of matters such as the market environment as of February 13, 2026, the annual dividend rate until the end of the fiscal year after 5 years from the issuance is expected to be 5% or less.</li> <li>• Unpaid dividends shall be accumulated based on a simple interest calculation on the basis of the annual dividend rate.</li> <li>• No distribution of surplus in excess of the sum of preferred dividends and accumulated unpaid dividends shall be made to the shareholders of the Series</li> </ul>
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	1 Bond-Type Class Shares.
B. Distribution of Residual Assets	<ul style="list-style-type: none"> <li>• In preference to Common Shareholders, etc., the Company shall pay the sum of the equivalent of the Issue Price plus the amount of accumulated unpaid dividends and the equivalent of the preferred dividend to the Series 1 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. No distribution of residual assets shall be made other than that distribution.</li> </ul>
C. Voting Rights	<ul style="list-style-type: none"> <li>• No voting rights may be exercised at the General Meeting of Shareholders with respect to any matter.</li> </ul>
D. Call Option in Exchange for Cash by the Company	<ul style="list-style-type: none"> <li>• The Company may acquire all or part of the Series 1 Bond-Type Class Shares upon the occurrence of any event specified in the Resolution of Issuance, such as the completion of 5 years from the date of issuance, and upon the arrival of an acquisition date separately determined by a resolution of the Board of Directors. However, (i) the Company cannot make acquisitions where either acquisition date or a book-entry acquisition date falls in a different calendar year to the settlement date and (ii) the Company's acquisition with a date from January 1 to March 31 as an acquisition date or a book-entry acquisition date may only be made after the date of resolution of the Board of Directors concerning distribution of surplus dividends with the last day of fiscal year immediately preceding the fiscal year in which such book-entry acquisition date falls as the record date.</li> <li>• If the Company acquires the Series 1 Bond-Type Class Shares in exchange for cash, the Company shall not, in principle, make such acquisition in exchange for cash unless the Company has financed during the preceding 12 months by the issuance of replacement securities with equivalent capitalization or otherwise. However, this is except as determined at the time of the Resolution of Issuance.</li> </ul>
E. Listing	<ul style="list-style-type: none"> <li>• A listing application for the Prime Market of the Tokyo Stock Exchange is planned to be made.</li> </ul>

Q&A for Shareholders regarding Bond-Type Class Shares  
Please refer to this Q&A as a reference material for our shareholders.

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 a 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 this General Meeting of</li> </ul>

Question	Answer
	Shareholders to secure the “Bond-Type Class Shares” as a new financing option.
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 (*1), 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 (*2). 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>
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 (*1).</li> </ul>

Question	Answer
<p>6. Does the issuance of the Bond-Type Class Shares affect the dividend policy for Common Shares?</p>	<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>
<p>7. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?</p>	<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>
<p>8. What form of issuance is envisaged?</p>	<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>
<p>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?</p>	<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>
<p>10. What is the planned timing and amount of Series 1 Bond-Type Class Shares?</p>	<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 is approved 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>
<p>11. Why is the range of fixed dividend’s annual dividend rate for Series 1 Bond-Type Class Shares set at 5% or less?</p>	<ul style="list-style-type: none"> <li>• The range of fixed dividend’s annual dividend rate is provided based on the market environment and other factors as of February 13, 2026, 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>
<p>12. Why would you consider listing on the Prime Market of the Tokyo Stock Exchange?</p>	<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>

Question	Answer
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>

\*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.

#### Disclaimer

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.

### Proposal No. 3: Election of Ten (10) Directors

At the conclusion of this Meeting, the term of office of all directors (10) will expire. Therefore, the Company hereby proposes to elect ten (10) Directors.

The nomination of each candidate was decided after consulting with the Nomination and Remuneration Advisory Committee, a voluntary committee chaired by an Outside Director, in which outside officers constitute a majority of its members.

Candidates for Directors are as follows:

Candidate No.	Name	Present Positions	
1	Akira Ichikawa	Representative Director, Chairman of the Board	Re-election
2	Toshiro Mitsuyoshi	Representative Director, President and Representative Director, President and Executive Officer	Re-election
3	Tatsumi Kawata	Representative Director, Executive Vice President	Re-election
4	Atsushi Kawamura	Director, Senior Managing Executive Officer	Re-election
5	Nobuyuki Otani	Director, Managing Executive Officer	Re-election
6	Kenji Inui	Managing Executive Officer	New-election
7	Mitsue Kurihara	Director	Re-election Outside Director Independent Officer
8	Yuko Toyoda	Director	Re-election Outside Director Independent Officer
9	Toshio Iwamoto	Director	Re-election Outside Director Independent Officer
10	Kenji Sukeno	Director	Re-election Outside Director Independent Officer

<p>1</p>	 <p><b>Akira Ichikawa</b> (Born on November 12, 1954)</p> <p><u>Re-election</u></p> <p><b>Number of shares in the Company owned:</b> 269,200 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April</td> <td>1978</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2007</td> <td>Executive Officer</td> </tr> <tr> <td>June</td> <td>2008</td> <td>Director</td> </tr> <tr> <td></td> <td></td> <td>Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2010</td> <td>Representative Director (Current Position)</td> </tr> <tr> <td></td> <td></td> <td>President and Representative Director</td> </tr> <tr> <td></td> <td></td> <td>President and Executive Officer</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Chairman of the Board (Current Position)</td> </tr> </table> <p>[Significant concurrent positions] Outside Director of Sumitomo Chemical Company, Limited Outside Director of Daiwa Securities Group Inc.</p>	April	1978	Joined the Company	June	2007	Executive Officer	June	2008	Director			Managing Executive Officer	April	2010	Representative Director (Current Position)			President and Representative Director			President and Executive Officer	April	2020	Chairman of the Board (Current Position)
	April	1978	Joined the Company																							
June	2007	Executive Officer																								
June	2008	Director																								
		Managing Executive Officer																								
April	2010	Representative Director (Current Position)																								
		President and Representative Director																								
		President and Executive Officer																								
April	2020	Chairman of the Board (Current Position)																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Ichikawa as Director because the Company believes that he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in corporate management which he developed during his career as President and Representative Director and Chairman of the Board.</p>																										
<p>2</p>	 <p><b>Toshiro Mitsuyoshi</b> (Born on May 23, 1962)</p> <p><u>Re-election</u></p> <p><b>Number of shares in the Company owned:</b> 102,700 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April</td> <td>1985</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2010</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2011</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June</td> <td>2014</td> <td>Director</td> </tr> <tr> <td>April</td> <td>2018</td> <td>Senior Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Representative Director (Current Position)</td> </tr> <tr> <td></td> <td></td> <td>President and Representative Director (Current Position)</td> </tr> <tr> <td></td> <td></td> <td>President and Executive Officer (Current Position)</td> </tr> </table>	April	1985	Joined the Company	June	2010	Executive Officer	April	2011	Managing Executive Officer	June	2014	Director	April	2018	Senior Managing Executive Officer	April	2020	Representative Director (Current Position)			President and Representative Director (Current Position)			President and Executive Officer (Current Position)
	April	1985	Joined the Company																							
June	2010	Executive Officer																								
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April	2020	Representative Director (Current Position)																								
		President and Representative Director (Current Position)																								
		President and Executive Officer (Current Position)																								
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Mitsuyoshi as Director because the Company believes that, as he has been engaged in management of the Sumitomo Forestry Group (“Group”) as President and Representative Director since April, 2020, he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in the Group’s business.</p>																										

<p>3</p>	 <p><b>Tatsumi Kawata</b> (Born on October 4, 1962)</p> <p><u>Re-election</u></p> <p><b>Number of shares in the Company owned:</b> 62,600 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April</td> <td>1986</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2017</td> <td>Managing Executive Officer</td> </tr> <tr> <td>June</td> <td>2018</td> <td>Director</td> </tr> <tr> <td>January</td> <td>2022</td> <td>Senior Managing Executive Officer</td> </tr> <tr> <td>January</td> <td>2024</td> <td>Representative Director (Current Position) Executive Vice President (Current Position)</td> </tr> <tr> <td>January</td> <td>2025</td> <td>Divisional Manager of Corporate Division (Current Position)</td> </tr> </table>	April	1986	Joined the Company	June	2016	Executive Officer	April	2017	Managing Executive Officer	June	2018	Director	January	2022	Senior Managing Executive Officer	January	2024	Representative Director (Current Position) Executive Vice President (Current Position)	January	2025	Divisional Manager of Corporate Division (Current Position)			
	April	1986	Joined the Company																							
June	2016	Executive Officer																								
April	2017	Managing Executive Officer																								
June	2018	Director																								
January	2022	Senior Managing Executive Officer																								
January	2024	Representative Director (Current Position) Executive Vice President (Current Position)																								
January	2025	Divisional Manager of Corporate Division (Current Position)																								
<p>[Responsibilities in the Company] Divisional Manager of Corporate Division Overseeing Lifestyle Service Division</p>																										
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Kawata as Director because the Company believes that, as he has been Director since 2018, has served as Executive Officer in charge of Corporate Planning, Finance, Sustainability, among other roles, and currently is Executive Vice President and Divisional Manager of Corporate Division, he is capable of executing his duty as Director appropriately, based on his abundant experience and achievement in the Group's business and management.</p>																										
<p>4</p>	 <p><b>Atsushi Kawamura</b> (Born on February 24, 1965)</p> <p><u>Re-election</u></p> <p><b>Number of shares in the Company owned:</b> 76,000 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td>April</td> <td>1987</td> <td>Joined the Company</td> </tr> <tr> <td>June</td> <td>2016</td> <td>Executive Officer</td> </tr> <tr> <td>April</td> <td>2017</td> <td>Managing Executive Officer</td> </tr> <tr> <td>April</td> <td>2020</td> <td>Divisional Manager of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>June</td> <td>2020</td> <td>Director (Current Position)</td> </tr> <tr> <td>January</td> <td>2023</td> <td>Senior Managing Executive Officer (Current Position) Divisional Manager of Global Housing, Construction and Real Estate Division</td> </tr> <tr> <td>January</td> <td>2024</td> <td>Divisional Manager of Global Construction and Real Estate Division</td> </tr> <tr> <td>January</td> <td>2026</td> <td>Divisional Manager of Real Estate Division (Current Position)</td> </tr> </table>	April	1987	Joined the Company	June	2016	Executive Officer	April	2017	Managing Executive Officer	April	2020	Divisional Manager of Overseas Housing and Real Estate Division	June	2020	Director (Current Position)	January	2023	Senior Managing Executive Officer (Current Position) Divisional Manager of Global Housing, Construction and Real Estate Division	January	2024	Divisional Manager of Global Construction and Real Estate Division	January	2026	Divisional Manager of Real Estate Division (Current Position)
	April	1987	Joined the Company																							
June	2016	Executive Officer																								
April	2017	Managing Executive Officer																								
April	2020	Divisional Manager of Overseas Housing and Real Estate Division																								
June	2020	Director (Current Position)																								
January	2023	Senior Managing Executive Officer (Current Position) Divisional Manager of Global Housing, Construction and Real Estate Division																								
January	2024	Divisional Manager of Global Construction and Real Estate Division																								
January	2026	Divisional Manager of Real Estate Division (Current Position)																								
<p>[Responsibilities in the Company] Divisional Manager of Real Estate Division Overseeing Timber and Building Materials Division and Overseas Housing Division</p>																										
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Kawamura as Director because the Company believes that, as he has been Director since 2020, has served as Divisional Manager of Global Housing, Construction and Real Estate Division, and currently is Senior Managing Executive Officer and Divisional Manager of Real Estate Division, he is capable of executing his duty as Director appropriately, based on his abundant experience in the Group's business.</p>																										

<p>5</p>	 <p><b>Nobuyuki Otani</b> (Born on May 30, 1971)</p> <p><u>Re-election</u></p> <p><b>Number of shares in the Company owned:</b> 15,400 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1995</td> <td>Joined the Company</td> </tr> <tr> <td>April</td> <td>2018</td> <td>General Manager of Management and Administration Department of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>April</td> <td>2021</td> <td>General Manager of Corporate Planning Department</td> </tr> <tr> <td>March</td> <td>2022</td> <td>Executive Officer General Manager of Corporate Planning Department and Productivity Enhancement Department of Corporate Planning Department</td> </tr> <tr> <td>January</td> <td>2024</td> <td>Managing Executive Officer (Current Position)</td> </tr> <tr> <td>March</td> <td>2024</td> <td>Director (Current Position)</td> </tr> <tr> <td>January</td> <td>2025</td> <td>Deputy Divisional Manager of Corporate Division (Current Position)</td> </tr> </table> <p>[Responsibilities in the Company] Deputy Divisional Manager of Corporate Division, Head of Corporate Planning and Finance Overseeing Environment and Resources Division</p>	April	1995	Joined the Company	April	2018	General Manager of Management and Administration Department of Overseas Housing and Real Estate Division	April	2021	General Manager of Corporate Planning Department	March	2022	Executive Officer General Manager of Corporate Planning Department and Productivity Enhancement Department of Corporate Planning Department	January	2024	Managing Executive Officer (Current Position)	March	2024	Director (Current Position)	January	2025	Deputy Divisional Manager of Corporate Division (Current Position)
April	1995	Joined the Company																					
April	2018	General Manager of Management and Administration Department of Overseas Housing and Real Estate Division																					
April	2021	General Manager of Corporate Planning Department																					
March	2022	Executive Officer General Manager of Corporate Planning Department and Productivity Enhancement Department of Corporate Planning Department																					
January	2024	Managing Executive Officer (Current Position)																					
March	2024	Director (Current Position)																					
January	2025	Deputy Divisional Manager of Corporate Division (Current Position)																					
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to re-elect Mr. Otani as Director because the Company believes that, as he has served as General Manager of Management and Administration Department of Overseas Housing and Real Estate Division, General Manager of Corporate Planning Department, has been Director since 2024, and currently is Managing Executive Officer and Deputy Divisional Manager of Corporate Division, he is capable of executing his duty as Director appropriately, based on his abundant experience in the Group's business.</p>																							
<p>6</p>	 <p><b>Kenji Inui</b> (Born on August 26, 1972)</p> <p><u>New-election</u></p> <p><b>Number of shares in the Company owned:</b> 14,100 shares</p>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1995</td> <td>Joined the Company</td> </tr> <tr> <td>April</td> <td>2019</td> <td>General Manager of Asia and Oceania Business Department of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>January</td> <td>2022</td> <td>Deputy Divisional Manager of Overseas Housing and Real Estate Division</td> </tr> <tr> <td>March</td> <td>2022</td> <td>Executive Officer</td> </tr> <tr> <td>January</td> <td>2023</td> <td>Deputy Divisional Manager of Global Housing, Construction and Real Estate Division</td> </tr> <tr> <td>January</td> <td>2024</td> <td>Deputy Divisional Manager of Housing Division</td> </tr> <tr> <td>January</td> <td>2026</td> <td>Managing Executive Officer (Current Position) Divisional Manager of Housing Division (Current Position)</td> </tr> </table> <p>[Responsibilities in the Company] Divisional Manager of Housing Division</p>	April	1995	Joined the Company	April	2019	General Manager of Asia and Oceania Business Department of Overseas Housing and Real Estate Division	January	2022	Deputy Divisional Manager of Overseas Housing and Real Estate Division	March	2022	Executive Officer	January	2023	Deputy Divisional Manager of Global Housing, Construction and Real Estate Division	January	2024	Deputy Divisional Manager of Housing Division	January	2026	Managing Executive Officer (Current Position) Divisional Manager of Housing Division (Current Position)
April	1995	Joined the Company																					
April	2019	General Manager of Asia and Oceania Business Department of Overseas Housing and Real Estate Division																					
January	2022	Deputy Divisional Manager of Overseas Housing and Real Estate Division																					
March	2022	Executive Officer																					
January	2023	Deputy Divisional Manager of Global Housing, Construction and Real Estate Division																					
January	2024	Deputy Divisional Manager of Housing Division																					
January	2026	Managing Executive Officer (Current Position) Divisional Manager of Housing Division (Current Position)																					
<p>[Reasons for nominating a candidate to be Director] The Company requests shareholders to elect Mr. Inui as Director because the Company believes that, as he has served as General Manager of Asia and Oceania Business Department of Overseas Housing and Real Estate Division, and Deputy Divisional Manager of Overseas Housing and Real Estate Division, has been Executive Officer since 2022, and currently is Managing Executive Officer and Divisional Manager of Housing Division, he is capable of executing his duty as Director appropriately, based on his abundant experience in the Group's business.</p>																							



**Mitsue Kurihara**  
(Born on April 7, 1964)

Re-election

Outside Director

Independent Officer

**Number of shares in the Company owned:**  
700 shares

**Attendance at Board of Directors meeting:**  
15/15 meetings

Career summary, positions and responsibilities in the Company, and significant concurrent positions

April	1987	Joined the Japan Development Bank (Currently the Development Bank of Japan Inc.)
June	2008	Visiting Fellow at the Freeman Spogli Institute for International Studies of Stanford University
June	2010	Deputy General Manager of Treasury Department, Development Bank of Japan Inc. (DBJ)
May	2011	General Manager of Healthcare & Hospitality Industry Office, Corporate Finance Department Division 4, DBJ
April	2013	General Manager of Corporate Finance Department Division 6, DBJ
February	2015	Audit & Supervisory Board Member of DBJ.
June	2020	Chairman, Representative Director of Value Management Institute, Inc.
March	2021	Outside Director of the Company (Current Position)
January	2026	Chairman, Director of Value Management Institute, Inc. (Current Position)

[Significant concurrent positions]

Chairman, Director of Value Management Institute, Inc.  
Outside Director of Chubu Electric Power Co., Inc.  
Outside Director of Japan Finance Corporation  
Outside Director (Audit & Supervisory Committee Member) of Mizuho Bank, Ltd.

7

[Reasons for nominating a candidate to be Outside Director and expected roles]

The Company requests shareholders to re-elect Ms. Kurihara as Outside Director because the Company believes that she is playing an appropriate role for the enhancement of our corporate governance based on her abundant experience in the financial industry and deep insight into corporate management. The Company expects that she will contribute to the strengthening of the supervisory function of management by making recommendations to general management based on her experience and insight.

■Special notes related to a candidate for Outside Director

- Ms. Kurihara is a candidate for Outside Director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has notified Tokyo Stock Exchange, Inc. of the designation of Ms. Kurihara as Independent Officer as required by its regulations.
- Chubu Electric Power Co., Inc. for which Ms. Kurihara serves as an Outside Director, received a Payment Order for Surcharge from Japan Fair Trade Commission for violation of the Anti-Monopoly Act regarding supplies of extra-high voltage and high voltage power in the Chubu and other areas on March 30, 2023 and regarding the supply of city gas ordered by large-scale users located in the Chubu on March 4, 2024. In addition, the company announced an improper conduct related to procurement in safety enhancement construction project at the Hamaoka Nuclear Power Station on November 27, 2025, and an improper conduct related to the formulation of standard seismic motion for the new regulatory requirements compliance review on January 5, 2026. The company is conducting investigations into each matter. She has been making recommendations from the standpoint of internal control system development and operation status, auditing, and group governance at meetings of the Board of Directors and on other occasions. In addition, she carries out her assigned duties in terms of confirming, providing advice on, and other assistance in initiatives to ensure a further strengthened compliance framework.
- Ms. Kurihara currently serves as Outside Director of the Company, and her term of office as Outside Director will have been five (5) years at the closing of the Meeting.
- Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Ms. Kurihara to limit her liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Ms. Kurihara subject to approval of her re-election.

8	<div style="text-align: center;">  <p><b>Yuko Toyoda</b> (Born on August 21, 1970)</p> <p><span style="border: 1px solid black; padding: 2px;">Re-election</span></p> <p><span style="border: 1px solid black; padding: 2px;">Outside Director</span></p> <p><span style="border: 1px solid black; padding: 2px;">Independent Officer</span></p> <p><b>Number of shares in the Company owned:</b> 0 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p> </div>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 20px;">October</td> <td style="padding-right: 20px;">2000</td> <td>Registered as Attorney at Law admitted in Japan Nishimura &amp; Partners (Currently Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyo))</td> </tr> <tr> <td></td> <td>June</td> <td>2002 Civil Affairs Bureau, The Ministry of Justice</td> </tr> <tr> <td></td> <td>April</td> <td>2006 Nishimura Tokiwa Law Office (Currently Nishimura &amp; Asahi (Gaikokuho Kyodo Jigyo))</td> </tr> <tr> <td></td> <td>April</td> <td>2011 Deputy General Manager of Group Legal Department, Nomura Holdings, Inc.</td> </tr> <tr> <td></td> <td>December</td> <td>2014 General Manager of Control Room, Compliance Department, Barclays Securities Japan Limited</td> </tr> <tr> <td></td> <td>September</td> <td>2015 Special Counsel of City-Yuwa Partners</td> </tr> <tr> <td></td> <td>January</td> <td>2023 Partner of City-Yuwa Partners (Current Position)</td> </tr> <tr> <td></td> <td>March</td> <td>2023 Outside Director of the Company (Current Position)</td> </tr> </table> <p>[Significant concurrent position] Attorney at Law</p> <p>[Reasons for nominating a candidate to be Outside Director and expected roles] The Company requests shareholders to re-elect Ms. Toyoda as Outside Director because the Company believes that as a lawyer well versed in corporate legal practices, she is playing an appropriate role for the enhancement of our corporate governance based on her experience and insight. The Company expects that she will contribute to the strengthening of the supervisory function of management by making recommendations to general management based on her professional perspective. Although she has not been involved in corporate management other than as Outside Director, for the reasons stated above, the Company has determined that she will be able to appropriately perform the duties of Outside Director.</p> <p>■Special notes related to a candidate for Outside Director</p> <ol style="list-style-type: none"> <li>1. Ms. Toyoda is a candidate for Outside Director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</li> <li>2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Ms. Toyoda as Independent Officer as required by its regulations.</li> <li>3. Ms. Toyoda currently serves as Outside Director of the Company, and her term of office as Outside Director will have been three (3) years at the closing of the Meeting.</li> <li>4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Ms. Toyoda to limit her liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Ms. Toyoda subject to approval of her re-election.</li> </ol>	October	2000	Registered as Attorney at Law admitted in Japan Nishimura & Partners (Currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))		June	2002 Civil Affairs Bureau, The Ministry of Justice		April	2006 Nishimura Tokiwa Law Office (Currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))		April	2011 Deputy General Manager of Group Legal Department, Nomura Holdings, Inc.		December	2014 General Manager of Control Room, Compliance Department, Barclays Securities Japan Limited		September	2015 Special Counsel of City-Yuwa Partners		January	2023 Partner of City-Yuwa Partners (Current Position)		March	2023 Outside Director of the Company (Current Position)
October	2000	Registered as Attorney at Law admitted in Japan Nishimura & Partners (Currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))																								
	June	2002 Civil Affairs Bureau, The Ministry of Justice																								
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	January	2023 Partner of City-Yuwa Partners (Current Position)																								
	March	2023 Outside Director of the Company (Current Position)																								

<p>9</p>	<div style="text-align: center;">  <p><b>Toshio Iwamoto</b> (Born on January 5, 1953)</p> <p>Re-election</p> <p>Outside Director</p> <p>Independent Officer</p> <p><b>Number of shares in the Company owned:</b> 700 shares</p> <p><b>Attendance at Board of Directors meeting:</b> 15/15 meetings</p> </div>	<p>Career summary, positions and responsibilities in the Company, and significant concurrent positions</p> <table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1976</td> <td>Joined Nippon Telegraph and Telephone Public Corporation</td> </tr> <tr> <td>June</td> <td>2004</td> <td>Director; Head of Payment Solution Sector of NTT DATA Corporation (Currently NTT DATA Group Corporation)</td> </tr> <tr> <td>June</td> <td>2007</td> <td>Director, Executive Vice President; Head of Financial Business Sector of NTT DATA Corporation</td> </tr> <tr> <td>June</td> <td>2008</td> <td>Director, Executive Vice President; In charge of Financial Business of NTT DATA Corporation</td> </tr> <tr> <td>June</td> <td>2009</td> <td>Representative Director, Senior Executive Vice President of NTT DATA Corporation</td> </tr> <tr> <td>June</td> <td>2012</td> <td>Representative Director, President and Chief Executive Officer of NTT DATA Corporation</td> </tr> <tr> <td>June</td> <td>2018</td> <td>Advisor of NTT DATA Corporation</td> </tr> <tr> <td>March</td> <td>2024</td> <td>Outside Director of the Company (Current Position)</td> </tr> </table> <p>[Significant concurrent positions]                  Outside Director of Daiwa Securities Group Inc.                  Outside Director of East Japan Railway Company                  Outside Director of Isetan Mitsukoshi Holdings Ltd.</p> <p>[Reasons for nominating a candidate to be Outside Director and expected roles]                  The Company requests shareholders to re-elect Mr. Iwamoto as Outside Director because the Company believes that he is playing an appropriate role for the enhancement of our corporate governance, based on his abundant experience in the IT industry and deep insight into corporate management. The Company expects that he will contribute to the strengthening of the supervisory function of management by making recommendations to general management based on his experience and insight.</p> <p>■Special notes related to a candidate for Outside Director</p> <ol style="list-style-type: none"> <li>1. Mr. Iwamoto is a candidate for Outside Director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</li> <li>2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Mr. Iwamoto as Independent Officer as required by its regulations.</li> <li>3. Mr. Iwamoto currently serves as Outside Director of the Company, and his term of office as Outside Director will have been two (2) years at the closing of the Meeting.</li> <li>4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Mr. Iwamoto to limit his liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Mr. Iwamoto subject to approval of his re-election.</li> </ol>	April	1976	Joined Nippon Telegraph and Telephone Public Corporation	June	2004	Director; Head of Payment Solution Sector of NTT DATA Corporation (Currently NTT DATA Group Corporation)	June	2007	Director, Executive Vice President; Head of Financial Business Sector of NTT DATA Corporation	June	2008	Director, Executive Vice President; In charge of Financial Business of NTT DATA Corporation	June	2009	Representative Director, Senior Executive Vice President of NTT DATA Corporation	June	2012	Representative Director, President and Chief Executive Officer of NTT DATA Corporation	June	2018	Advisor of NTT DATA Corporation	March	2024	Outside Director of the Company (Current Position)
April	1976	Joined Nippon Telegraph and Telephone Public Corporation																								
June	2004	Director; Head of Payment Solution Sector of NTT DATA Corporation (Currently NTT DATA Group Corporation)																								
June	2007	Director, Executive Vice President; Head of Financial Business Sector of NTT DATA Corporation																								
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June	2009	Representative Director, Senior Executive Vice President of NTT DATA Corporation																								
June	2012	Representative Director, President and Chief Executive Officer of NTT DATA Corporation																								
June	2018	Advisor of NTT DATA Corporation																								
March	2024	Outside Director of the Company (Current Position)																								

 <b>Kenji Sukeno</b> (Born on October 21, 1954)  Re-election  Outside Director  Independent Officer  <b>Number of shares in the Company owned:</b> 3,900 shares  <b>Attendance at Board of Directors meeting:</b> 12/12 meetings (Since appointed Director on March 28, 2025)	Career summary, positions and responsibilities in the Company, and significant concurrent positions			
	<table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">                     April 1977 June 2012 June 2013 June 2016 June 2021 June 2023 March 2025                 </td> <td style="vertical-align: top; padding-right: 10px;">                     Joined Fuji Photo Film Co., Ltd. (Currently FUJIFILM Holdings Corporation)                      Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation                      Director, Executive Officer, Divisional Manager of Corporate Planning Division of FUJIFILM Corporation                      Director, Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation                      President of FUJIFILM Holdings Corporation                      President of FUJIFILM Corporation                      Chairman &amp; Representative Director of FUJIFILM Holdings Corporation                      Chairman &amp; Director of FUJIFILM Corporation (Current Position)                      Chairman &amp; Director of FUJIFILM Holdings Corporation (Current Position)                      Outside Director of the Company (Current Position)                 </td> </tr> <tr> <td colspan="2">                     [Significant concurrent positions]                      Chairman &amp; Director of FUJIFILM Holdings Corporation                      Chairman &amp; Director of FUJIFILM Corporation                      Director of FUJIFILM Business Innovation Corporation                      Outside Director of Isetan Mitsukoshi Holdings Ltd.                 </td> </tr> </table>	April 1977 June 2012 June 2013 June 2016 June 2021 June 2023 March 2025	Joined Fuji Photo Film Co., Ltd. (Currently FUJIFILM Holdings Corporation) Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation Director, Executive Officer, Divisional Manager of Corporate Planning Division of FUJIFILM Corporation Director, Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation President of FUJIFILM Holdings Corporation President of FUJIFILM Corporation Chairman & Representative Director of FUJIFILM Holdings Corporation Chairman & Director of FUJIFILM Corporation (Current Position) Chairman & Director of FUJIFILM Holdings Corporation (Current Position) Outside Director of the Company (Current Position)	[Significant concurrent positions] Chairman & Director of FUJIFILM Holdings Corporation Chairman & Director of FUJIFILM Corporation Director of FUJIFILM Business Innovation Corporation Outside Director of Isetan Mitsukoshi Holdings Ltd.
April 1977 June 2012 June 2013 June 2016 June 2021 June 2023 March 2025	Joined Fuji Photo Film Co., Ltd. (Currently FUJIFILM Holdings Corporation) Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation Director, Executive Officer, Divisional Manager of Corporate Planning Division of FUJIFILM Corporation Director, Executive Officer, General Manager of Corporate Planning Division of FUJIFILM Holdings Corporation President of FUJIFILM Holdings Corporation President of FUJIFILM Corporation Chairman & Representative Director of FUJIFILM Holdings Corporation Chairman & Director of FUJIFILM Corporation (Current Position) Chairman & Director of FUJIFILM Holdings Corporation (Current Position) Outside Director of the Company (Current Position)			
[Significant concurrent positions] Chairman & Director of FUJIFILM Holdings Corporation Chairman & Director of FUJIFILM Corporation Director of FUJIFILM Business Innovation Corporation Outside Director of Isetan Mitsukoshi Holdings Ltd.				
10	[Reasons for nominating a candidate to be Outside Director and expected roles]  The Company requests shareholders to re-elect Mr. Sukeno as Outside Director because the Company believes that he is playing an appropriate role for the enhancement of our corporate governance, based on his abundant experience in the financial accounting and deep insight into corporate management. The Company expects that he will contribute to the strengthening of the supervisory function of management by making recommendations to general management based on his experience and insight.			
	■Special notes related to a candidate for Outside Director 1. Mr. Sukeno is a candidate for Outside Director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. 2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Mr. Sukeno as Independent Officer as required by its regulations. 3. Mr. Sukeno currently serves as Outside Director of the Company, and his term of office as Outside Director will have been one (1) year at the closing of the Meeting. 4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Mr. Sukeno to limit his liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Mr. Sukeno subject to approval of his re-election.			

- Notes: 1. None of the candidates above has any special conflicts of interest with the Company.  
 2. The number of shares in the Company owned by each candidate stated above is as of December 31, 2025.  
 3. The Company has concluded an officers liability insurance contract with an insurance company. This insurance contract covers compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Director is approved, they shall be insured under this insurance contract. The insured officers will not pay for the insurance premiums. The Company intends to renew this insurance contract with the same content at the next renewal date.

**Proposal No. 4: Election of Three (3) Audit & Supervisory Board Members**

At the conclusion of this Meeting, an Audit & Supervisory Board Member, Mr. Kazunari Hada, will retire and the term of office of Audit & Supervisory Board Members, Mr. Yoshimasa Tetsu and Mr. Makoto Matsuo, will expire. Therefore, the Company hereby proposes to elect three (3) Audit & Supervisory Board Members.

The nomination of each candidate was decided after consulting with the Nomination and Remuneration Advisory Committee, a voluntary committee chaired by an Outside Director, in which outside officers constitute a majority of its members. The Company has obtained approval for this proposal from the Audit & Supervisory Board.

Candidates for Audit & Supervisory Board Members are as follows:

<div style="text-align: center;">  <p><b>Junko Saishu</b> (Born on May 24, 1966)</p> </div> <p style="text-align: center; border: 1px solid black; padding: 2px;">New-election</p> <p><b>Number of shares in the Company owned:</b> 30,800 shares</p>	1	<p>Career summary, positions in the Company, and significant concurrent positions</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">April</td> <td style="width: 10%; text-align: right;">1989</td> <td>Joined Ministry of Construction (Currently Ministry of Land, Infrastructure, Transport and Tourism)</td> </tr> <tr> <td style="text-align: right;">April</td> <td style="text-align: right;">2011</td> <td>Planning Officer of Coordination Office, Private Project Support, General Affairs Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism</td> </tr> <tr> <td style="text-align: right;">May</td> <td style="text-align: right;">2012</td> <td>Joined the Company</td> </tr> <tr> <td style="text-align: right;">April</td> <td style="text-align: right;">2015</td> <td>Deputy Divisional Manager of Housing Division</td> </tr> <tr> <td style="text-align: right;">June</td> <td style="text-align: right;">2015</td> <td>Executive Officer (Current Position)</td> </tr> <tr> <td style="text-align: right;">October</td> <td style="text-align: right;">2017</td> <td>General Manager of Workstyle Diversification Department of Personnel Department</td> </tr> <tr> <td style="text-align: right;">January</td> <td style="text-align: right;">2022</td> <td>General Manager of Intellectual Property Department</td> </tr> <tr> <td style="text-align: right;">January</td> <td style="text-align: right;">2023</td> <td>General Manager of Legal Department</td> </tr> <tr> <td style="text-align: right;">January</td> <td style="text-align: right;">2025</td> <td>General Manager of Legal Department of Corporate Division</td> </tr> <tr> <td style="text-align: right;">January</td> <td style="text-align: right;">2026</td> <td>Assistant to Divisional Manager of Corporate Division (Current position)</td> </tr> </table>	April	1989	Joined Ministry of Construction (Currently Ministry of Land, Infrastructure, Transport and Tourism)	April	2011	Planning Officer of Coordination Office, Private Project Support, General Affairs Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism	May	2012	Joined the Company	April	2015	Deputy Divisional Manager of Housing Division	June	2015	Executive Officer (Current Position)	October	2017	General Manager of Workstyle Diversification Department of Personnel Department	January	2022	General Manager of Intellectual Property Department	January	2023	General Manager of Legal Department	January	2025	General Manager of Legal Department of Corporate Division	January	2026	Assistant to Divisional Manager of Corporate Division (Current position)
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January	2023	General Manager of Legal Department																														
January	2025	General Manager of Legal Department of Corporate Division																														
January	2026	Assistant to Divisional Manager of Corporate Division (Current position)																														
<p>[Reasons for nominating a candidate to be Audit &amp; Supervisory Board Member]</p> <p>The Company requests shareholders to elect Ms. Saishu as Audit &amp; Supervisory Board Member because the Company believes that, as she served as General Manager of Building Compliance Department of Housing Division and General Manager of Legal Department, she will adequately fulfill the role of Audit &amp; Supervisory Board Member in the effective auditing of the Group based on her extensive practical experience in construction/real estate development, human resource development/DEI(diversity, equity, and inclusion), legal affairs/risk management.</p>																																



**Yoshimasa Tetsu**

(Born on December 23, 1948)

Re-election

Outside Audit &  
Supervisory Board Member

Independent Officer

**Number of shares in the Company owned:**  
0 shares

**Attendance at Board of Directors meeting:**  
15/15 meetings

**Attendance at Audit & Supervisory Board meeting:**  
14/14 meetings

2

Career summary positions in the Company, and significant concurrent positions

November	1976	Joined Daiichi Audit Corporation (Currently Ernst & Young ShinNihon LLC)
August	1981	Registered as a Certified Public Accountant
May	1987	Partner of Century Audit Corporation (Currently Ernst & Young ShinNihon LLC)
August	1997	Representative partner of Century Audit Corporation (Currently Ernst & Young ShinNihon LLC)
June	2011	Retired from ShinNihon LLC (Currently Ernst & Young ShinNihon LLC)
June	2018	Outside Audit & Supervisory Board Member of the Company (Current Position)

[Significant concurrent position]

Certified Public Accountant

[Reasons for nominating a candidate to be Outside Audit & Supervisory Board Member]

The Company requests shareholders to re-elect Mr. Tetsu as Audit & Supervisory Board Member because the Company believes that, as he has high expertise in finance and accounting and abundant experience as an accountant, he will use in his audit work his expertise and experience. Although he has not been involved in corporate management other than as Outside Audit & Supervisory Board Member, for the reasons stated above, the Company has determined that he will be able to appropriately perform the duties of Outside Audit & Supervisory Board Member.

■Special notes related to a candidate for Outside Audit & Supervisory Board Member

1. Mr. Tetsu is a candidate for Outside Audit & Supervisory Board Member as set forth in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Mr. Tetsu as Independent Officer as required by its regulations.
3. Mr. Tetsu was employed by ShinNihon LLC (Currently Ernst & Young ShinNihon LLC), the Company's accounting auditor, until June 2011. However, more than 14 years have passed since he left the firm, and as he has no special conflicts of interest with the Company, we have determined that his independence is assured.
4. Mr. Tetsu currently serves as Outside Audit & Supervisory Board Member of the Company, and his term of office as Outside Audit & Supervisory Board Member will have been seven (7) years and nine (9) months at the closing of the Meeting.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company concluded an agreement with Mr. Tetsu to limit his liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act. The Company is to enter into an agreement of the same nature and content with Mr. Tetsu subject to approval of his re-election.

3	 <b>Naoko Munakata</b> (Born on February 12, 1962)	Career summary positions in the Company, and significant concurrent positions																											
	[New-election] [Outside Audit & Supervisory Board Member] [Independent Officer]	<table border="0"> <tr> <td style="padding-right: 10px;">April</td> <td style="padding-right: 10px;">1984</td> <td>Joined Ministry of International Trade and Industry (Currently Ministry of Economy, Trade, and Industry)</td> </tr> <tr> <td>September</td> <td>2011</td> <td>Director-General of Multilateral Trade System Department, Trade Policy Bureau, Ministry of Economy, Trade, and Industry</td> </tr> <tr> <td>June</td> <td>2013</td> <td>Director-General (Trade Policy Bureau) of Ministry of Economy, Trade, and Industry, and Councillor of Cabinet Secretariat (Member of the Government Headquarters for the TPP)</td> </tr> <tr> <td>July</td> <td>2014</td> <td>Director-General of Trade and Economic Cooperation Bureau</td> </tr> <tr> <td>July</td> <td>2015</td> <td>Executive Secretary to the Prime Minister</td> </tr> <tr> <td>July</td> <td>2017</td> <td>Commissioner of Japan Patent Office</td> </tr> <tr> <td>July</td> <td>2019</td> <td>Retired from Ministry of Economy, Trade, and Industry</td> </tr> <tr> <td>November</td> <td>2019</td> <td>Advisor of Dai-ichi Life Research Institute Inc.</td> </tr> <tr> <td>April</td> <td>2021</td> <td>Professor of Graduate School of Public Policy of the University of Tokyo (Current Position)</td> </tr> </table>	April	1984	Joined Ministry of International Trade and Industry (Currently Ministry of Economy, Trade, and Industry)	September	2011	Director-General of Multilateral Trade System Department, Trade Policy Bureau, Ministry of Economy, Trade, and Industry	June	2013	Director-General (Trade Policy Bureau) of Ministry of Economy, Trade, and Industry, and Councillor of Cabinet Secretariat (Member of the Government Headquarters for the TPP)	July	2014	Director-General of Trade and Economic Cooperation Bureau	July	2015	Executive Secretary to the Prime Minister	July	2017	Commissioner of Japan Patent Office	July	2019	Retired from Ministry of Economy, Trade, and Industry	November	2019	Advisor of Dai-ichi Life Research Institute Inc.	April	2021	Professor of Graduate School of Public Policy of the University of Tokyo (Current Position)
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November	2019	Advisor of Dai-ichi Life Research Institute Inc.																											
April	2021	Professor of Graduate School of Public Policy of the University of Tokyo (Current Position)																											
<b>Number of shares in the Company owned:</b> 300 shares	[Significant concurrent positions] Professor of Graduate School of Public Policy of the University of Tokyo (Scheduled to assume the position of Project Professor at the graduate school effective March 27, 2026) Outside Director (Audit and Supervisory Committee Member) of Murata Manufacturing Co., Ltd. Outside Director of ExaWizards Inc.																												
[Reasons for nominating a candidate to be Outside Audit & Supervisory Board Member] The Company requests shareholders to elect Ms. Munakata as Audit & Supervisory Board Member because the Company believes that, as she served in key positions within the central government and has deep insight and abundant experience in administrative fields, including economics, international trade, and intellectual property, she will use in her audit work her insight and experience. Although she has not been involved in corporate management other than as Outside Director, for the reasons stated above, the Company has determined that she will be able to appropriately perform the duties of Outside Audit & Supervisory Board Member.																													
■Special notes related to a candidate for Outside Audit & Supervisory Board Member																													
<ol style="list-style-type: none"> <li>1. Ms. Munakata is a candidate for Outside Audit &amp; Supervisory Board Member as set forth in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.</li> <li>2. The Company has notified Tokyo Stock Exchange, Inc. of the designation of Ms. Munakata as Independent Officer as required by its regulations.</li> <li>3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with Ms. Munakata to limit her liability under Article 423, Paragraph 1 of said Act. Total liability for damages under such agreement shall be limited to the aggregate sum of the amounts stipulated in each Item of Article 425, Paragraph 1 of said Act.</li> </ol>																													

- Notes: 1. None of the candidates above has any special conflicts of interest with the Company.
2. The number of shares in the Company owned by each candidate stated above is as of December 31, 2025.
3. The Company has concluded an officers liability insurance contract with an insurance company. This insurance contract covers compensation for damages arising as a result of the responsibilities assumed by insured officers in their execution of duties, or any claims made against them with regard to these responsibilities. If the election of each candidate for Audit & Supervisory Board Member is approved, they shall be insured under this insurance contract. The insured officers will not pay for the insurance premiums. The Company intends to renew this insurance contract with the same content at the next renewal date.

(Reference 1) Constitution of the Board of Directors and Selection Policy of Candidates for Directors and Audit & Supervisory Board Members

As outlined below and as stipulated in Sumitomo Forestry Basic Policy on Corporate Governance, the Company selects candidates for Directors and Audit & Supervisory Board Members based on the constitution of the Board of Directors and the thinking regarding qualifications and others of candidates for Directors and Audit & Supervisory Board Members.

1. Constitution of the Board of Directors

The Board of Directors is constituted by not more than seventeen (17) members. In order to effectively discharge the Board of Directors' roles and responsibilities, consideration will be given to the diversity of its members in terms of gender, nationality or otherwise. The board members should also be comprised of persons with professional and diverse knowledge, experience and capability, including:

- (i) those with extensive experience and track record regarding the Group's business;
- (ii) those with extensive experience and track record in corporate management, industries, policies or the like; and Term
- (iii) those with expertise in law, accounting or the like.

2. Eligibility, and Nomination Policies of Candidates for Directors and Audit & Supervisory Board Members

- (1) The Board of Directors determines the candidates for Directors and Audit & Supervisory Board Members from among persons of upstanding character and insight who are valuable to the management of the Company, taking into consideration the opinions from the Nomination and Remuneration Advisory Committee.
- (2) Candidates for Director are selected from those who meet the following criteria:
  - (i) Possess a high standard of ethics
  - (ii) Be capable of embodying the Group's corporate philosophy
  - (iii) Have the management capability (skills) necessary to enhance the Company's corporate value over the mid- to long-term

(Reference 2) Expertise and experience of Directors and Audit & Supervisory Board Members

The table below outlines the skills (expertise, experience) that the Company takes into special consideration for each of the Directors and Audit & Supervisory Board Members (assuming each of the candidates for Directors and Audit & Supervisory Board Members is appointed at this Meeting).

		Title	Corporate management	Resources/Environment	Construction/Real estate development	Global	Finance/Accounting	Human resource development/DEI	Legal affairs/Risk management	IT・DX	Industrial policy
Directors	Akira Ichikawa	Representative Director, Chairman of the Board	●			●	●	●	●	●	●
	Toshiro Mitsuyoshi	Representative Director, President and Representative Director, President and Executive Officer	●	●	●	●					
	Tatsumi Kawata	Representative Director, Executive Vice President	●	●		●	●	●	●	●	
	Atsushi Kawamura	Director, Senior Managing Executive Officer	●	●	●	●					
	Nobuyuki Otani	Director, Managing Executive Officer	●	●		●	●				
	Kenji Inui	Director, Managing Executive Officer			●	●					
	Mitsue Kurihara	Outside Director	●	●		●	●				●
	Yuko Toyoda	Outside Director				●			●		
	Toshio Iwamoto	Outside Director	●			●		●		●	
Kenji Sukeno	Outside Director	●			●	●	●	●			
Audit & Supervisory Board Members	Toshio Kakumoto	Audit & Supervisory Board Member				●			●		
	Junko Saishu	Audit & Supervisory Board Member			●			●	●		●
	Yoshimasa Tetsu	Outside Audit & Supervisory Board Member					●				
	Takashi Kawachi	Outside Audit & Supervisory Board Member			●			●			●
	Naoko Munakata	Outside Audit & Supervisory Board Member				●			●	●	●

Reasons for selection of the skills

Corporate management	To achieve further growth of existing businesses, which cover a wide variety of aspects of people’s lifestyles, such as forestry management, timber and building materials distribution and manufacturing, housing construction, etc. and to fulfill our Long-Term Vision amidst a global movement toward decarbonization, the Company needs board members who have experience in corporate management.
Resources/Environment	In our Long-Term Vision, the Company has set out to enhance the value of “forests” and “trees” through sustainable forestry management, to create the new value of forests that are properly managed forests and expand sustainable forests. To implement measures based on recommendations made by TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Task Force on Nature-related Financial Disclosures) and to steadily implement initiatives to achieve our SBT-based greenhouse gas emissions reduction targets, the Company needs board members who have expertise and experience in resources and the environment.
Construction/Real estate development	To establish a revenue base early on for the Company’s medium- and large-scale wooden construction operations as stated in its Long-Term Vision and Medium-Term Management Plan, and to turn its real estate development operations into operations that sustainably contribute to the realization of the wood cycle, the Company needs board members who have expertise and experience in construction and real estate development.
Global	“Advancing globalization” is one of the business policies of the Company’s Long-Term Vision. To promote the expansion of the business areas and scale of its overseas group operations, the Company needs board members who have global experience.
Finance/Accounting	To achieve sustainable and steady profit growth by executing strategic investments that are conscious of capital costs while ensuring financial soundness, the Company needs board members who have expertise and experience in finance and accounting.
Human resource development/DEI	In the Company’s Long-Term Vision, it has set out to enhance “Value for people and society.” To reinforce its ability to continually retain and nurture human resources that transform and create businesses, to promote a free and open-minded organizational culture that maximizes employee performance and initiatives to maintain and promote health and wellness, the Company needs board members who have expertise and experience in human resource development and DEI (diversity, equity, and inclusion).
Legal affairs/Risk management	To create a corporate governance structure for sustainable growth and mid- and long-term improvement of corporate value, and to build a risk management system for the global growth of the Company’s business operations and other activities, the Company needs board members who have expertise and experience in legal affairs and risk management.
IT/DX	In our Long-Term Vision, the Company has set out to enhance “Value for the market economy.” To revamp the business base through the use of IT and digitalization, to transform operations and improve efficiency by promoting DX (digital transformation), and to enhance the mid- and long-term competitiveness of the business by leveraging new IT technologies, the Company needs board members who have expertise and experience in IT and DX.
Industrial policy	In our Long-Term Vision, the Company has set out to enhance “Value for the market economy.” To draw attention to the value of sustainable products and services that contribute to decarbonization, and promote their market penetration, the Company must create policy frameworks in relation to society and hence needs board members who have knowledge of industrial policy.

## Business Report

(from January 1, 2025 to December 31, 2025);

### 1. Overview of the Results of Operations, etc.

#### (1) Overview of the Results of Operations for the Period under Review

During the fiscal year under review, the global economy experienced a slowing pace of expansion due to a deterioration in consumer mindset in the U.S. as a result of inflationary pressure brought about by the Trump administration's tariff hike policy, the prolonged government shutdown, and tough measures against illegal immigrants, despite strong capital investment driven by AI-related demand. The European economy continued in a recovery trend, supported by robust personal consumption. The Japanese economy showed signs of recovery in the areas of capital investment and personal consumption, despite the impact of continued price increases and U.S. trade policies, and the economy as a whole continued to recover gradually.

With regard to the housing market, new housing starts in Japan fell due to a pullback from the upsurge in demand following amendments to the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) as well as the impact of rising housing prices driven by soaring material costs and the continued decline in real wages. In the U.S., the market environment remained difficult due to high housing prices and high mortgage rates, as well as a decline in consumer willingness to purchase homes and a tendency to defer purchases. In Australia, the market showed signs of recovery as demand expanded due to policy rate cuts and rising selling prices.

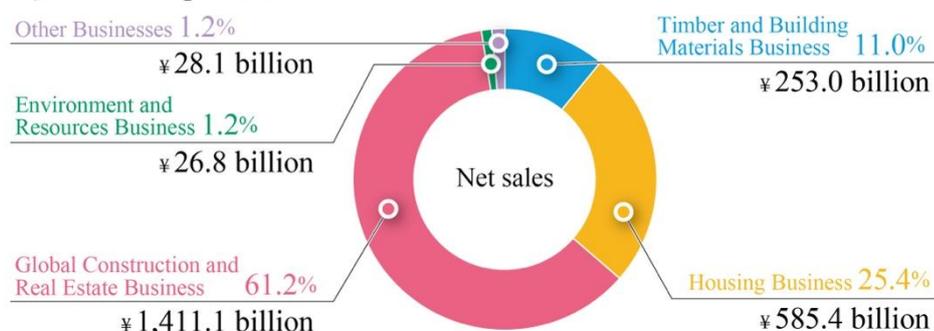
In this business environment, the Group launched its three-year Medium-Term Management Plan "Mission TREEING 2030 Phase 2," the first year of which was the fiscal year under review. Positioning the overall theme of this Medium-Term Management Plan as "Three years for reform and materialization toward dramatic growth," we set out the five basic policies of "efforts to address decarbonization challenges," "improvement of earning capacity," "deepening of global expansion," "strengthening of management base," and "further integration of business operations and ESG." During the fiscal year under review, we expanded the rental housing business in Japan by acquiring a real estate company that develops rental apartments. In the U.S., we put effort into promoting businesses toward the further growth of the Group, including integrating two local subsidiaries and streamlining our management structure in order to expand our business base to achieve stable growth in the single-family homes business.

As a result, net sales were ¥2,267.577 billion (up 10.4% year on year), operating income was ¥168.724 billion (down 13.3%), recurring income was ¥174.900 billion (down 11.6%), and net income attributable to shareholders of parent was ¥106.666 billion (down 8.5%). The actuarial difference related to retirement benefit accounting were ¥2,627 million, so recurring income came to ¥172.273 billion when actuarial differences were excluded.

The following summarizes the performance of each business segment. Note that net sales for each segment include intersegment internal sales.

### Performance by business segment

#### ■ (Reference) Sales composition



■ Sales by Business Segment

Segment	85 <sup>th</sup> term (2024/1-2024/12)		86 <sup>th</sup> term (2025/1-2025/12)		
	Amount	Composition	Amount	Composition	Changes
Timber and Building Materials Business	¥ million 253,156	% 12.1	¥ million 252,974	% 11.0	% (0.1)
Housing Business	542,300	26.0	585,381	25.4	7.9
Global Construction and Real Estate Business	1,239,997	59.3	1,411,136	61.2	13.8
Environment and Resources Business	26,950	1.3	26,763	1.2	(0.7)
Other Businesses	27,314	1.3	28,114	1.2	2.9
Subtotal	2,089,717	100.0	2,304,368	100.0	10.3
Adjustments	(36,067)	—	(36,792)	—	—
Total	2,053,650	—	2,267,577	—	10.4

(Note) Adjustments are used to eliminate intersegment sales, including sales in administrative divisions and others, which cannot be classified into specific business segments.

● Timber and Building Materials Business

In the distribution business, we focused on expanding sales of wood fuels for biomass power generation. Although sales volume increased, sales of timber, building materials and other products remained difficult due to a decline in new housing starts in Japan, resulting in a sluggish performance. Furthermore, in August last year, we entered into a capital and business alliance agreement with GEOLIVE Group Corporation, which operates a timber and building materials distribution business, with the aim of achieving sustainable growth in the timber and building materials distribution industry. Through this alliance, we will promote a business that integrates the functions and expertise of both companies, aiming to build a unique supply chain and a solid earnings base.

In the manufacturing business, results were sluggish in Japan, partly due to soaring raw material prices, despite an increase in sales of interior fittings against a backdrop of strong orders and sales in the housing business. Overseas, results were sluggish due to a decrease in sales volume in the plywood business in Indonesia and a reduction in selling prices in the particle board business in Vietnam. In addition, in July last year, we acquired a lumber company in Louisiana, U.S. as a subsidiary, and will create synergies by supplying lumber products to Group companies engaged in the housing business in the U.S., thereby promoting further business expansion.

Recurring income increased compared with the previous fiscal year, partly due to negative goodwill arising from domestic and overseas M&A.

As a result of the above, in the Timber and Building Materials segment, net sales were ¥252.974 billion (down 0.1% year on year) and recurring income was ¥12.755 billion (up 27.5% year on year).

● Housing Business

In the custom-built detached housing business, orders remained strong as we sought to offer value tailored to customer needs, such as our “Forest Selection BF,” a semi-custom-order product that offers customers over 1,500 pre-planned room layouts to select from, and our Grand Estate Design Project, which leverages our design and proposal capabilities. Furthermore, the number of units sold and the unit selling price both increased, against the backdrop of strong orders received until the previous fiscal year, leading to strong business performance.

In the rental housing business, business performance remained strong due to robust orders for “The Forest Barque,” a wooden commercial construction brand that promotes the use of wood for offices, medical facilities, etc., and an increase in selling prices of rental housing products.

In addition, in May last year we made efforts to expand the rental housing business by acquiring LeTech Corporation as a subsidiary, a company that develops rental apartments under the LEGALAND brand, primarily in Tokyo and Osaka, and operates an integrated business system from land procurement to development, rental, and sales.

In the spec homes business, although we focused on sales promotions, including launching the Grand Estate Subdivision Project to meet the need for high-quality spec homes in urban areas, business performance was sluggish due to a decrease in the number of houses sold.

In the renovation business, we accelerated the effort to receive orders for environmentally conscious renovation, such as the improvement of insulation efficiency. We also endeavored to stimulate demand

among owners of “Sumitomo Forestry homes,” leading to strong business performance.

As a result of the above, net sales in the Housing segment were ¥585.381 billion (up 7.9% year on year) and recurring income was ¥41.264 billion (up 17.3% year on year).

● Global Construction and Real Estate Business

In the single-family homes business in the U.S., homebuyers continued to take a wait-and-see attitude in light of factors such as high mortgage rates and uncertainty about the future of the economy in the states of Texas, Maryland, Utah, Washington, etc., where the Group conducts business, leading to a decrease in the number of units sold and sluggish performance.

In the Fully Integrated Turnkey Provider (FITP) business, which integrates the processes of truss and panel design, manufacturing, delivery, and installation in a streamlined production system, results were sluggish due partly to a slump in construction starts in the single-family homes and multi-family housing markets, despite an increase in net sales following the establishment of a new factory.

In the real estate development business, results remained stagnant due to the partial postponement of the sale of multi-family housing and commercial and mixed-use complexes that had been scheduled to take place in the fiscal year under review, against the backdrop of the slump in the real estate market in the U.S. In September last year, we began construction of a multi-family rental apartment building made of a mixed structure of wood and partial reinforced concrete in the suburbs of Seattle, Washington State, U.S. in collaboration with Kumagai Gumi Co., Ltd., Fuyo General Lease Co., Ltd., and a major local developer, and are promoting efforts to contribute to decarbonization by reducing CO2 emissions during construction and engaging in carbon fixation.

With regard to the single-family homes business in Australia, the business environment improved due to factors such as the reduction in policy rates, and the housing market in the state of Western Australia performed well. In addition, performance remained strong as a result of the consolidation of the Metricon Group, Australia’s largest home builder, in which we acquired equity shares in November 2024.

In the medium- to large-scale wooden construction business in Japan, we completed construction of a university dormitory in Setagaya-ku, Tokyo in February last year, and in March last year we began construction of a wooden office building in Chiyoda-ku, Tokyo in a joint venture with Kumagai Gumi Co., Ltd., promoting the use of wood in medium- to large-scale construction.

As a result of the above, net sales in the Global Construction and Real Estate segment came to ¥1,411.136 billion (up 13.8% year on year) and recurring income was ¥119.703 billion (down 18.8% year on year).

● Environment and Resources Business

In the renewable energy business, results were sluggish due to persistently high wood fuel prices, although the wood biomass power plants were in stable operation.

In the forest resources business, results were sluggish due to the damage caused by fallen trees following heavy rains and strong winds in New Zealand, and decreases in the sales volume and unit selling prices in the plantation timber business in Papua New Guinea.

In order to promote the revitalization of the domestic forestry industry, we have begun an initiative to acquire deforested land and promote reforestation through a joint venture with Sumitomo Mitsui Trust Bank, Limited. Through this initiative, we aim to establish a business model that combines the strengths of both companies while also regenerating forests through reforestation, generating carbon credits with high shared benefit, and generating revenue through timber production.

As a result of the above, net sales in the Environment and Resources segment were ¥26.763 billion (down 0.7% year on year) and recurring loss was ¥1.281 billion (recurring income of ¥0.236 billion in the previous fiscal year).

● Other Businesses

Besides the aforementioned businesses, the Group is engaged in a wide range of service businesses, including management of private nursing home/private elderly care facilities with nursing care and non-life insurance agency services for residential customers. This also includes the share of profit of entities accounted for using equity method associated with Kumagai Gumi Co., Ltd.

As a result of the above, net sales in the Other segment were ¥28.114 billion (up 2.9% year on year) and recurring income was ¥4.889 billion (up 593.1% year on year).

(2) Capital investments

Total capital investments were ¥65.905 billion. Major capital investments included the development of

Multi-Family and Commercial Mix Use in the United States and United Kingdom, construction of a factory to produce timber and processed wood products in Iwaki, Fukushima Prefecture, new construction or reconstruction of housing exhibition halls in Japan and overseas, and software development.

(3) Fundraising

No noteworthy fundraising took place.

In addition, to secure stable fundraising methods and to enhance our ability to meet future need for funds, the Company continues to have a commitment line of credit (specified commitment line contract) totaling ¥22.0 billion with several financial institutions.

(4) Future Outlook

In the global economy, despite the expectation that the economy will continue to show signs of a gradual recovery, there is growing uncertainty over the impact on the economy from U.S. foreign and security policies as well as domestic political issues, and these factors require continued attention. In the Japanese economy, while moderate economic recovery is expected to continue due to improvements in the employment and income environment and the government's economic and fiscal policies, the impact of U.S. trade policies and delayed improvements to Japan-China relations continue to pose downside risks to the economy.

(Future Outlook by Business Division)

In the 87th fiscal year (ending December 31, 2026), the second year of the Group's Medium-Term Management Plan "Mission TREEING 2030 Phase 2," we will continue to promote each business as follows to achieve our targets.

In the Timber and Building Materials Business, we will accelerate efforts to create synergies in the distribution business with GEOLIVE Group Corporation, with which we entered into a capital and business alliance in August last year. In the manufacturing business, we will continue to promote our timber industrial complexes, a circular material supply system aimed at promoting the use of domestic timber, with operations at a manufacturing factory in Iwaki City, Fukushima Prefecture mainly using Japanese cedar. Overseas, we will strengthen the production capacity at the sawmill in the U.S. that we integrated as a subsidiary last year, and create a stable timber supply system while pursuing synergies among the Group's businesses, such as the single-family homes business and the FITP business in the U.S.

In the Housing Business, we will strengthen online and social media-based order-generating activities in our custom-built detached housing business, and make efforts to promote sales of high-value-added homes using original materials such as "PRIME WOOD." We will also consolidate our advanced design expertise with the standardization of materials and designs, thereby achieving both greater construction efficiency and improved quality. In the rental housing business, we will focus on enhancing profitability by reducing costs and shortening construction periods through greater construction efficiency, including for "Forest Maison GRANDE" wooden-construction rental apartments. In the spec-home business, we will strengthen acquisitions of prime development sites. In the renovation business, we will promote the value of our proprietary quake-resistant technology and energy-saving retrofitting through "Reforest," our renovation product for custom-built homes, and strive to establish a construction framework capable of accommodating increased orders.

In the Overseas Housing Business\*, we will continue to implement a diversified product strategy and effective sales measures in the single-family homes business in the U.S. that responds to the market environment, as well as proceed with the acquisition of prime sites. In the FITP business, we will work to streamline construction and reduce construction costs by strengthening collaboration with the single-family homes business and multi-family housing business in the U.S. In the single-family homes business in Australia, we will promote efforts to create synergies among local subsidiaries and shorten construction periods.

In the Real Estate Business, we established the Real Estate Division as of January 1, 2026, thereby creating a structure to integrate our domestic and overseas real estate development businesses and our medium- to large-scale wooden construction business. In the real estate development business in the

U.S., in light of the uncertain business environment, we will not only sell properties but also promote the expansion of stable revenue sources and the improvement of capital efficiency. In the domestic medium- to large-scale wooden construction business, we will strive to increase orders for medium- to large-scale wooden properties by further strengthening collaboration with Kumagai Gumi Co., Ltd. and COHNAN KENSETSU INC., a subsidiary.

With regard to housing and real estate investment risks, we will continue to monitor these in accordance with our internal regulations, such as by regularly checking the inventory status of real estate for sale and measuring the market value of real estate we own, and will further strive to establish a system that enables us to respond flexibly to market conditions.

In the Environment and Resources Business, we will continue to work on the stable operation of each power plant in the renewable energy business, and make efforts to reduce wood fuel procurement costs. In addition, in the forest resources business, we aim to improve profitability by developing new sales channels and applications for timber. Furthermore, in the forestry fund business, we will work on selecting and acquiring high-quality forest assets and strive to achieve stable forest management and operation.

\* As of January 2026, the segment name of Global Construction and Real Estate has been changed to Overseas Housing.

(Achievement of SDGs (Sustainable Development Goals) and contribution to the realization of a sustainable society)

In our Long-term Vision, “Mission TREEING 2030: Making our planet safer and more secure for future generations,” the Group has identified nine key issues so that we can provide “Value for our planet” through our business activities as the foundational value as well as “Value for people and society” and “Value for the market economy” as the derivative value.

The Medium-Term Management Plan “Mission TREEING 2030 Phase 2” continues to include “further integration of business operations and ESG” as one of the basic policies, and we have established individual indicators linked to the respective SDGs for each key issue. Through the achievement of these goals, the Group will strive to meet the expectations of society, including those related to the SDGs, and enhance our corporate value.

#### 1) Addressing environmental and climate change issues

With regard to the climate change issue, we are steadily promoting initiatives to disclose information based on the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations and other international frameworks, as well as to achieve RE100 and SBTs (Science Based Targets). In addition, with regard to our initiatives to address nature-related issues, we declared our intention to disclose information in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations in 2023, and in February 2025 we formulated a Nature Positive Statement aimed at achieving nature positive results in Mission TREEING 2030 Phase 3. Following on from decarbonization, we will promote initiatives to ensure biodiversity and protect and restore nature.

#### 2) Promoting Human Capital and Diversity, Equity, and Inclusion (DEI)

The Group is working to continuously secure and develop human resources and enhance employee engagement in response to the advancement of globalization and business diversification. We also strive to secure and develop human resources with the ability to “turn ideas into reality” by creating new businesses and transforming existing ones.

Our human resources strategies are based on three pillars: “Securing and developing human resources to lead business transformation and creation,” “Structure to maximize employee performance and a free and open-minded corporate culture,” and “Promotion of health management,” and our goal is to build a solid business foundation and realize our Long-Term Vision.

The Group has positioned the promotion of DEI as one of the important elements for development of its business. Under the “Sumitomo Forestry Group DEI Declaration,” we are promoting DEI by employing talented personnel and promoting them to management positions, irrespective of gender, nationality, age, etc. in order to link diverse abilities and values to new challenges and growth, and by creating a fair environment where everyone can unharness their abilities.

**Nine material issues and related SDGs**

 <b>Value for our planet</b>	<b>To enhance the value of forests and wood through sustainable forest management</b>	Nurturing forests to enhance and harness the value of wood and other forest resources.	 
	<b>To realize carbon neutrality by leveraging forests and wood resources</b>	Contributing to the decarbonization of society by reducing our own GHG emissions, by offering timber and wood products that sequester carbon, and by providing low-carbon/carbon-free products and services.	 
	<b>To realize a circular bioeconomy by leveraging forests and wood resources</b>	Realizing a circular society by making the most of wood, a renewable and natural resource from the forest ecosystem.	  
 <b>Value for people and society</b>	<b>To provide comfortable and secure spaces for society at large</b>	Providing safe, comfortable and secure spaces to society at large.	  
	<b>To improve the livelihood of the local communities where we operate</b>	Creating jobs through our businesses and contributing to the development of local communities.	  
	<b>To create a vibrant environment for all workers</b>	Creating a work environment where everyone throughout the supply chain is safe, healthy and motivated.	  
 <b>Value for the market economy</b>	<b>To create new markets with forests and wood</b>	Creating new markets that enrich the economy through the resourceful use of forests and wood.	 
	<b>To transform markets through DX and innovation</b>	Enhancing economic efficiency and added value through business transformation brought about by DX and innovation.	
	<b>To establish a robust business structure</b>	Contributing to a stable economy by continuously providing value with a structure that is resilient to contingent circumstances.	

Along with the aforementioned efforts, the Group will anticipate social changes and further improve our corporate value by such means as enhancing corporate governance, coexisting with the environment, improving customer satisfaction, respecting human rights and diversity, and managing risks as well as complying with laws as we accept feedback from our shareholders and other stakeholders.

(5) Changes in assets and profit and loss

Classification	83 <sup>rd</sup> term (2022/1-2022/12)	84 <sup>th</sup> term (2023/1-2023/12)	85 <sup>th</sup> term (2024/1-2024/12)	86 <sup>th</sup> term (2025/1-2025/12)
Net sales (¥ million)	1,669,707	1,733,169	2,053,650	2,267,577
Operating income (¥ million)	158,253	146,258	194,588	168,724
Recurring income (¥ million)	194,994	158,921	197,955	174,900
Net income attributable to shareholders of parent (¥ million)	108,672	102,170	116,528	106,666
Net income per share (¥)	181.27	168.00	189.80	174.13
Total assets (¥ million)	1,537,598	1,824,727	2,267,488	2,572,032
Net assets (¥ million)	682,554	826,462	1,023,963	1,136,786

- (Notes) 1. Net income per share is calculated using the average number of shares outstanding (excluding treasury stock) during the term.  
2. The Company conducted a three-for-one stock split of common shares effective on July 1, 2025. Accordingly, net income per share was calculated on the assumption that the stock split was conducted at the beginning of the 83rd fiscal year (2022/1-2022/12).  
3. The amount for the 85<sup>th</sup> term indicates the amount after a significant review of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment for business mergers.



(6) Principal business activities (as of December 31, 2025)

With a foundation in forestry business, the Group is engaged in the following business activities in Japan and overseas.

Division	Major business activities
Timber and Building Materials Division	The purchase, manufacture, processing and sales, etc., of timber (logs, chips, lumber and laminated wood, etc.) and building materials (plywood, fiberboard, processed woody building materials, ceramic building materials, metal building materials and housing equipment, etc.)
Housing Division	The construction, maintenance and renovation of detached houses and apartment buildings, the sale of spec homes; the development, leasing, management, purchase and sale and brokerage of real estate, house exterior fixtures, landscaping works contracting, urban greening works, CAD, site surveys, etc.
Global Construction and Real Estate Division	The sale of spec homes and other, construction of detached houses, development of Multi-Family and Commercial Mix Use, etc. in overseas markets, Design, manufacture, delivery, and installation of trusses and panels for detached houses and apartment buildings, Contracting for medium- to large-scale construction in Japan
Environment and Resources Division	Renewable energy business, forest resources business, etc.
Other businesses	The private-pay elderly care facilities/elderly residents that combines living support services management business, non-life insurance agency business, and civil engineering/construction, etc.

(7) Principal offices and important subsidiaries (as of December 31, 2025)

i. Sumitomo Forestry Co., Ltd.

Headquarters: Chiyoda Ward, Tokyo

Branches, etc.	Division	Offices
	Timber and Building Materials Division	Tokyo Branch, Osaka Branch, Chubu Branch (Nagoya), Hokkaido, Tohoku (Sendai), Chugoku (Hiroshima), Shikoku (Takamatsu), Kyushu (Fukuoka), and 3 other Sales Offices
	Housing Division	Ikebukuro, Tokyo Higashi, Jyonan, Tokyo Chuo, Tokyo Nishi, Tama, Kanagawa, Yokohama, Yokohama Kita, Kanagawa Nishi, Shonan, Chiba, Kashiwa, Narita, Saitama, Saitama Higashi, Saitama Nishi, Gunma, Utsunomiya, Mito, Tsukuba, Kofu, Shinshu, Niigata, Sendai, Morioka, Yamagata, Fukushima, Sapporo, Osaka, Osaka Kita, Osaka Minami, Kyoto, Shiga, Wakayama, Nara, Kobe, Himeji, Hiroshima, Fukuyama, Okayama, Yamaguchi, Matsuyama, Takamatsu, Fukuoka, Nishi Kyushu, Oita, Kumamoto, Kagoshima, Nagoya, Nagoya Chuo, Nagoya Minami, Okazaki, Toyohashi, Shizuoka, Shizuoka Higashi, Hamamatsu, Mie, Gifu, Hokuriku, Toyama, Fukui, Metropolitan Forest-Maison, Metropolitan Urban Development, Kansai Urban Development, and 21 other Sales Offices

Research centers, etc.: Tsukuba Research Institute, Niihama Office (Ehime), and 5 other offices.

ii. Important subsidiaries

Company name	Office	Capital	Investment ratio	Main business activities
Sumitomo Forestry Wood Products Co., Ltd.	HQ Shinjuku Ward, Tokyo	¥ million 100	100.0	Purchase and sale of logs, chips, wooden products
Sumitomo Forestry Home Engineering Co., Ltd.	HQ Shinjuku Ward, Tokyo	75	100.0	Contracting for the construction of Sumitomo Forestry homes
Sumitomo Forestry Home Tech Co., Ltd.	HQ Chiyoda Ward, Tokyo	100	100.0	Renovation of detached houses, multi-unit residentials, etc., maintenance of Sumitomo Forestry homes
Sumitomo Forestry Residential Co., Ltd.	HQ Shinjuku Ward, Tokyo	150	100.0	Management of condominiums and apartments
Henley Arch Unit Trust	HQ Victoria, Australia	(A\$ thousand) 42,315	69.3 (69.3)	Contracting for the construction of detached houses, sale of spec homes
Henley Arch Pty Ltd.		(A\$ thousand) 10	69.3 (69.3)	
Met Group Holdings Pty Ltd	HQ Victoria, Australia	(A\$ thousand) 78,664	51.0 (45.9)	Contracting for the construction of detached houses
Scott Park Group Pty Ltd.	HQ Western Australia, Australia	(A\$ thousand) 2,582	51.0 (51.0)	Contracting for the construction of detached houses
Bloomfield Homes, L.P.	HQ Texas, USA	—	65.0 (65.0)	Sale of spec homes
Crescent Communities, LLC	HQ North Carolina, USA	(US\$ thousand) 225,414	100.0 (100.0)	Development of Multi-Family and Commercial Mix Use
DRB Enterprises, LLC	HQ Maryland, USA	(US\$ thousand) 380,573	94.2 (94.2)	Sale of spec homes
Edge Utah HoldCo, LLC	HQ Utah, USA	(US\$ thousand) 27,525	80.0 (80.0)	Sale of spec homes
SFA JPI Top Holdings, LLC	HQ Texas, USA	(US\$ thousand) 176,952	90.0 (90.0)	Development of Multi-Family
MainVue Homes LLC	HQ Washington, USA	(US\$ thousand) 21,224	63.2 (63.2)	Sale of spec homes
Mark III Properties, LLC	HQ South Carolina, USA	(US\$ thousand) 295	65.0 (65.0)	Property development for spec homes

(Notes)

- Investment ratio figures are rounded down.
- Investment ratio figures in parentheses ( ) indicate the investment ratios of the Company's subsidiaries.
- Henley Arch Unit Trust and Henley Arch Pty Ltd. operate as a single entity under Australian law.
- Bloomfield Homes, L.P. is a limited partnership under US law, and as such, has a different definition of capital. Hence, the Company does not indicate capital.
- Brightland Homes, Ltd. (Currently DRB Group Texas, LLC) was excluded from important subsidiaries from the current fiscal period.

(8) Employees (as of December 31, 2025)

i. Employees of the corporate group

Division	Number of employees	Change from the previous fiscal year
Timber and Building Materials Division	6,865	(318)
Housing Division	10,138	418
Global Construction and Real Estate Division	7,320	578
Environment and Resources Division	1,540	159
Other businesses	1,308	(9)
Corporate (common)	442	44
Total	27,613	872

(Notes)

1. The number of employees includes all employed staff (excluding Group employees who have been dispatched to companies outside the Group but including individuals who have been dispatched to the Group from companies outside the Group, contract and commissioned employees) but does not include temporary employees (part-time workers, dispatched employees, etc.).
2. The number of corporate (common) employees is the total number of employees belonging to administrative departments, etc., that cannot be classified into specific divisions.

ii. Company employees

Number of employees	Change from the previous fiscal year	Average age	Average years of employment
5,581	240	44.1 years	16.0 years

(Note) The number of employees includes all employed staff (excluding Company employees who have been dispatched to outside companies but including individuals who have been dispatched to the Company from outside companies, contract and commissioned employees) but does not include temporary employees (part-time workers, dispatched employees, etc.).

(9) Major lenders (as of December 31, 2025)

Lenders	Amount borrowed
Sumitomo Mitsui Banking Corporation	79,879 ¥ million
Sumitomo Mitsui Trust Bank, Limited	41,058
Mizuho Bank, Ltd.	38,478
The Norinchukin Bank	24,490
MUFJ Bank, Ltd.	24,330
The Chiba Bank, Ltd.	14,494
b1BANK	13,080
The Iyo Bank, Ltd.	11,667
The Hyakujushi Bank, Ltd.	11,198
The Jyo bank, Ltd.	7,963

(Notes) 1. The amount borrowed above includes the borrowings from the overseas subsidiaries of each lender.

2. In addition to the above, the Company has a 156,454 million yen syndicated loan underwritten by Fifth Third Bank, National Association, a 81,391 million yen syndicated loan underwritten by Sumitomo Mitsui Banking Corporation, a 28,278 million yen syndicated loan underwritten by Wells Fargo Bank, National Association, a 28,080 million yen syndicated loan underwritten by Third Coast Bank, a Texas state bank, and a 14,000 million yen syndicated loan underwritten by Sumitomo Mitsui Trust Bank, Limited.

3. Borrowings in foreign currencies are converted into Japanese yen at the exchange rate at the time of aggregation.

## 2. Matters concerning the Company's shares (as of December 31, 2025)

(1) Total number of authorized shares: 1,200,000,000 shares

(2) Total number of shares issued: 618,555,804 (including 875,836 treasury stock)

(Note) The total number of shares issued increased as a result of the following events.

- (i) 2,700 shares (before the stock split) due to issuance of common shares as performance-based stock remuneration
- (ii) 100,400 shares (before the stock split) due to issuance of common shares as performance-based restricted stock remuneration
- (iii) 14,800 shares (before the stock split) due to exercise of Stock Acquisition Rights as Stock-based Compensation Type
- (iv) 412,370,536 shares due to stock split in a ratio of three shares for every one common share effective on July 1, 2025

(3) Number of shareholders: 120,354 (increase of 51,839 compared to the previous fiscal year)

(4) Major shareholders (top 10)

Shareholder name	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	85,474 <sup>thousands of shares</sup>	13.8 %
Custody Bank of Japan, Ltd. (trust account)	44,896	7.2
Sumitomo Metal Mining Co., Ltd.	30,330	4.9
The Iyo Bank, Ltd.	17,548	2.8
Kumagai Gumi Co., Ltd.	15,592	2.5
Sumitomo Corporation	13,149	2.1
Sumitomo Life Insurance Company	12,681	2.0
The Hyakujushi Bank, Ltd.	12,593	2.0
Sumitomo Forestry Group Employee Shareholding Association	9,504	1.5
The Nomura Trust and Banking Co., Ltd. (trust account)	8,142	1.3

(Notes) 1. Number of shares held and shareholding ratios are rounded down to the nearest thousand shares.

2. The shareholding ratios are calculated by excluding the number of treasury stock from the total number of shares issued.

(5) The state of shares granted to the company's officers as remuneration during the fiscal year

The Company granted 51,400 shares of common stock as performance-based restricted stock remuneration to six (6) Directors, excluding Outside Directors. No such shares were granted to Outside Directors and Audit & Supervisory Board Members as the remuneration for its execution of duties during the fiscal year.

### 3. Matters concerning Company officers

#### (1) Directors and Audit & Supervisory Board Members (as of December 31, 2025)

Position	Name	Responsibilities or significant concurrent positions
※ Chairman of the Board	Akira Ichikawa	Outside Director of Sumitomo Chemical Company, Limited Outside Director of Daiwa Securities Group Inc.
※ President and Representative Director (President and Executive Officer)	Toshiro Mitsuyoshi	
※ Director (Executive Vice President)	Tatsumi Kawata	Divisional Manager of Corporate Division, Overseeing Lifestyle Service Division
Director (Senior Managing Executive Officer)	Atsushi Kawamura	Divisional Manager of Global Construction and Real Estate Division, Overseeing Timber and Building Materials Division
Director (Managing Executive Officer)	Ikuro Takahashi	Divisional Manager of Housing Division
Director (Managing Executive Officer)	Nobuyuki Otani	Deputy Divisional Manager of Corporate Division (Head of Corporate Planning and Finance), General Manager of Corporate Planning Department of Corporate Division, Overseeing Environment and Resources Division
Director	Mitsue Kurihara	Chairman, Representative Director of Value Management Institute, Inc., Outside Director of Chubu Electric Power Co., Inc., Outside Director of Japan Finance Corporation, Outside Director (Audit & Supervisory Committee Member) of Mizuho Bank, Ltd.
Director	Yuko Toyoda	Attorney
Director	Toshio Iwamoto	Outside Director of Daiwa Securities Group Inc., Outside Director of East Japan Railway Company, Outside Director of Isetan Mitsukoshi Holdings Ltd.
Director	Kenji Sukeno	Chairman & Director of FUJIFILM Holdings Corporation, Chairman & Director of FUJIFILM Corporation, Director of FUJIFILM Business Innovation Corporation, Outside Director of Isetan Mitsukoshi Holdings Ltd.
* Audit & Supervisory Board Member	Toshio Kakumoto	
* Audit & Supervisory Board Member	Kazunari Hada	
Audit & Supervisory Board Member	Yoshimasa Tetsu	Certified public accountant
Audit & Supervisory Board Member	Makoto Matsuo	Attorney, Outside Director of Taisho Pharmaceutical Holdings Co., Ltd., Director of Rapidus Corporation
Audit & Supervisory Board Member	Takashi Kawachi	President of Japan Foundation for Regional Art-Activities, Outside Audit & Supervisory Board Member of The Yomiuri Shimbun, Special Advisor to the Cabinet

- (Notes) 1. ※ indicates Representative Director. In addition, \* indicates full-time Audit & Supervisory Board Member.
2. Directors Mitsue Kurihara, Yuko Toyoda, Toshio Iwamoto, and Kenji Sukeno are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
3. Audit & Supervisory Board Members Yoshimasa Tetsu, Makoto Matsuo and Takashi Kawachi are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
4. The Company has registered Directors Mitsue Kurihara, Yuko Toyoda, Toshio Iwamoto, and Kenji Sukeno and Audit & Supervisory Board Members Yoshimasa Tetsu, Makoto Matsuo and Takashi Kawachi as Independent officers as stipulated by the Tokyo Stock Exchange.
5. Audit & Supervisory Board Member Yoshimasa Tetsu is a certified public accountant and has extensive knowledge in finance and accounting.
6. There is no special relationship between the Company and the companies where each of the Outside Directors and Outside Audit & Supervisory Board Members holds significant concurrent positions.

《Reference》 Directors, Audit & Supervisory Board Members and Executive Officers as of January 1, 2026

Position As of January 1, 2026	Name	Responsibilities or significant concurrent positions	
		As of December 31, 2025	As of January 1, 2026
※Chairman of the Board	Akira Ichikawa	Outside Director of Sumitomo Chemical Company, Limited, Outside Director of Daiwa Securities Group Inc.	same as left
※President and Representative Director, President and Executive Officer	Toshiro Mitsuyoshi	—	—
※Director, Executive Vice President	Tatsumi Kawata	Divisional Manager of Corporate Division, Overseeing Lifestyle Service Division	same as left
Director, Senior Managing Executive Officer	Atsushi Kawamura	Divisional Manager of Global Construction and Real Estate Division, Overseeing Timber and Building Materials Division	Divisional Manager of Real Estate Division, Overseeing Timber and Building Materials Division and Overseas Housing Division
Director, Managing Executive Officer	Nobuyuki Otani	Deputy Divisional Manager of Corporate Division (Head of Corporate Planning and Finance), General Manager of Corporate Planning Department of Corporate Division, Overseeing Environment and Resources Division	Deputy Divisional Manager of Corporate Division (Head of Corporate Planning and Finance), and Overseeing Environment and Resources Division
Director, Executive Officer	Ikuro Takahashi	Divisional Manager of Housing Division	Assistant to President (in charge of Technology, Quality and Safety), Overseeing Housing Division
Director	Mitsue Kurihara	Chairman, Representative Director of Value Management Institute, Inc., Outside Director of Chubu Electric Power Co., Inc. Outside Director of Japan Finance Corporation, Outside Director (Audit & Supervisory Committee Member) of Mizuho Bank, Ltd.	Chairman, Director of Value Management Institute, Inc., Outside Director of Chubu Electric Power Co., Inc. Outside Director of Japan Finance Corporation, Outside Director (Audit & Supervisory Committee Member) of Mizuho Bank, Ltd.
Director	Yuko Toyoda	Attorney	same as left
Director	Toshio Iwamoto	Outside Director of Daiwa Securities Group Inc., Outside Director of East Japan Railway Company, Outside Director of Isetan Mitsukoshi Holdings Ltd.	same as left
Director	Kenji Sukeno	Chairman & Director of FUJIFILM Holdings Corporation, Chairman & Director of FUJIFILM Corporation, Director of FUJIFILM Business Innovation Corporation, Outside Director of Isetan Mitsukoshi Holdings Ltd.	same as left
* Audit & Supervisory Board Member	Toshio Kakumoto	—	—
* Audit & Supervisory Board Member	Kazunari Hada	—	—
Audit & Supervisory Board Member	Yoshimasa Tetsu	Certified public accountant	same as left
Audit & Supervisory Board Member	Makoto Matsuo	Attorney, Outside Director of Taisho Pharmaceutical Holdings Co., Ltd., Director of Rapidus Corporation	same as left
Audit & Supervisory Board Member	Takashi Kawachi	President of Japan Foundation for Regional Art-Activities, Outside Audit & Supervisory Board Member of The Yomiuri Shimbun, Special Advisor to the Cabinet	same as left

(Note) ※ indicates Representative Director. In addition, \* indicates full-time Audit & Supervisory Board Member.

Position	Name	Responsibilities or significant concurrent positions	
		As of December 31, 2025	As of January 1, 2026
Managing Executive Officer	Kenji Inui	Deputy Divisional Manager of Housing Division (Head of Administration and Planning, Customer Relations and Innovation Strategy), General Manager of Administration and Planning Department of Housing Division	Divisional Manager of Housing Division
Managing Executive Officer	Takahisa Higaki	Executive Vice President and Representative Director of COHNAN KENSETSU INC. and In charge of Osaka Headquarters (BCM)	same as left
Managing Executive Officer	Koji Tanaka	Divisional Manager of Lifestyle Service Division	same as left
Managing Executive Officer	Atsushi Iwasaki	Deputy Divisional Manager of Global Construction and Real Estate Division (Head of North America Business), Sumitomo Forestry America, Inc. President and General Manager of Housing Department	Divisional Manager of Overseas Housing Division
Managing Executive Officer	Yoichi Hosoya	Divisional Manager of Timber and Building Materials Division	same as left
Managing Executive Officer	Kazutaka Horita	Divisional Manager of Environment and Resources Division	Divisional Manager of Environment and Resources Division, and General Manager of Forest Asset Development Department of Environment and Resources Division
Executive Officer	Masanobu Nishikawa	Environment and Resources Division (Jakarta Office), President and Representative Director of NeXT FOREST Corporation, Director of PT. Sumitomo Forestry Indonesia	President of PT. Sumitomo Forestry Indonesia, President and Representative Director of NeXT FOREST Corporation and President of PT. Bina Ovivipari Semesta
Executive Officer	Junko Saishu	General Manager of Legal Department of Corporate Division	Assistant to Divisional Manager of Corporate Division
Executive Officer	Yutaka Kamiya	President and Representative Director of Sumitomo Forestry Home Engineering Co., Ltd	same as left
Executive Officer	Tomio Tozaki	General Manager of IT Solutions Department of Corporate Division	same as left
Executive Officer	Yuko Iizuka	Deputy Divisional Manager of Corporate Division (Head of Sustainability, and Quality and Occupational Safety Management), General Manager of Sustainability Department of Corporate Division	Deputy Divisional Manager of Corporate Division (Head of Sustainability, and Quality and Occupational Safety Management)
Executive Officer	Kazuo Maniwa	General Manager of Personnel Department of Corporate Division	same as left
Executive Officer	Kiyoshi Sakurai	Deputy Divisional Manager of Housing Division (in charge of Asset Solution and Urban Development), President and Representative Director of Sumitomo Forestry Home Service Co., Ltd.	President and Representative Director of Sumitomo Forestry Home Service Co., Ltd., Deputy Divisional Manager of Real Estate Division, and General Manager of Japan Real Estate Development Department of Real Estate Division
Executive Officer	Toshiya Sakamaki	General Manager of Medium- to Large-Scale Wooden Architecture Department and Deputy General Manager of Tsukuba Research Institute of Corporate Division	same as left
Executive Officer	Etsuya Yasui	Deputy Divisional Manager of Timber and Building Materials Division (Head of Manufacturing), and General Manager of Manufacturing Department of Timber and Building Materials Division	same as left

(2) The Director and Audit & Supervisory Board Member who retired during the fiscal year

Name	Date of retirement	Reason of retirement	Position at the time of retirement
Izumi Yamashita	March 28, 2025	Expiration	Director

(3) Summary of contracts for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract with each outside director and each outside audit & supervisory board member that limits liability for damages as indicated in Article 423, Paragraph 1 of said Act. The maximum liability for damages based on this contract is the total sum specified in Article 425, Paragraph 1 of said Act.

(4) Summary of directors and officers liability insurance

The Company has made a contract with an insurance company directors and officers liability insurance. This liability insurance is to cover damages that may arise if the insured, in the execution of duties, is deemed liable or is being held accountable. The insured parties in this liability insurance are directors, audit & supervisory board members and executive officers of the Company (including subsidiaries of the Company), and the insured does not pay insurance premiums. In addition, as a measure to ensure that the appropriateness of the insured's execution of duties is not compromised, the liability insurance does not cover damages caused by illegally obtained personal gains or favors, or by criminal or other acts that are in violation of laws or regulations committed by the insured person with the knowledge that such acts are in violation of laws or regulations.

(5) Remuneration and other of Directors and Audit & Supervisory Board Member

i. Matters concerning the policy for determining remuneration and other of individual directors

a. Method of determining the policy for determining remuneration and other of individual directors

The policy for determining remuneration and other of individual directors was resolved at the Board of Directors meeting, after considering discussion and the views of the Nomination and Remuneration Advisory Committee.

b. Summary of policy for determining remuneration and other of individual directors and method of calculating the performance-based remuneration

(a) Basic policies

The remuneration of directors of the Company is designed in accordance with the following policies:

- (i) The remuneration plan should be highly linked not only to short-term performance but also to medium- to long-term performance and improvement of corporate value;
- (ii) The plan should be linked to the value to be newly created and provided in the course of promoting the ESG integrated management;
- (iii) The plan should be designed to be linked to the shareholder value of the Company;
- (iv) The remuneration level should be such that the Company can secure and maintain the human resources necessary to achieve its long-term vision; and
- (v) The plan should ensure transparency and objectivity in the remuneration determination process.

(b) Remuneration level

From the perspective of ensuring objectivity and appropriateness of the executive remuneration, the level of remuneration for directors of the Company will be set with reference to the levels of other companies as surveyed by outside professional organizations, with the aim of achieving the mid-to-high level of remuneration in companies of similar size. The Company will revise the remuneration levels as necessary in response to changes in the external environment.

(c) Composition of remuneration

The remuneration for directors of the Company comprises (i) fixed remuneration commensurate with the director's responsibilities and roles, (ii) annual performance-based Bonus as a short-term incentive, and (iii) performance-based restricted stock remuneration as a medium- to long-term incentive. Thus, the remuneration plan is designed to encourage management efforts from a short-term, and medium- to long-term perspective and to appropriately reward the results of such efforts. The remuneration for outside directors, who are responsible for management supervision from an independent standpoint and not in a position to execute business, is composed solely of fixed remuneration.

The outline of each type of remuneration is as shown in the following table.

Type of Remuneration	Outline
Fixed remuneration	<p>i. The Company will determine the amount of fixed remuneration for each position of directors in accordance with their responsibilities and roles. The fixed remuneration will be on a monthly basis, and a fixed monthly amount will be paid in cash on a fixed date of each month.</p> <p>ii. The amount of remuneration for outside directors, consisting only of monthly remuneration as fixed remuneration, will be determined in accordance with their responsibilities and roles.</p>
Annual performance-based Bonus	<p>i. The amount of annual performance-based Bonus is determined through comprehensive judgment based on the amount obtained by multiplying the standard bonus amount determined for each position by the payment rate (The payment rate range will be from 0% (lower limit) to 180% (upper limit)) which varies in proportion to the base profit for each fiscal year (the amount obtained by deducting actuarial differences regarding employees' retirement benefit obligation, and net income attributable to non-controlling interests from consolidated recurring income for the fiscal year covered).</p> <p>ii. The Company adopts the method of amortizing actuarial differences regarding employees' retirement benefit obligation in a lump sum in a single fiscal year. Accordingly, any significant fluctuation in such actuarial differences due to stock price fluctuations, interest rate conditions, or otherwise at the end of the fiscal year will have a significant impact on the business performance. Therefore, for the calculation of the base profit, the Company uses the consolidated recurring income after deducting actuarial differences regarding employees' retirement benefit obligation.</p> <p>iii. The payment of annual performance-based Bonus will be determined by the Board of Directors based on the view of the Nomination and Remuneration Advisory Committee chaired by an Outside Director, in which outside officers constitute a majority of its members.</p>
Performance-based restricted stock remuneration	<p>i. The performance-based restricted stock remuneration is structured to reflect the Company's performance during each period (three years) of the medium-term management plan in the level of vesting. The standard stock remuneration amount prescribed for each position consists of i) a portion linked to the growth rate of the Company's market capitalization relative to TOPIX (one-third of the Standard Stock Remuneration Amount by Position), and ii) a portion linked to the achievement rate of the greenhouse gas emission reduction target based on SBT (Science Based Targets) (two-thirds of the Standard Stock Remuneration Amount by Position), each during the subject period.</p> <p>Under the plan for performance-based restricted stock remuneration as a medium- to long-term incentive remuneration, in order to promote management that emphasizes medium- to long-term enhancement of shareholder value, restricted shares in a number corresponding to the achievement status of the medium-term management plan are granted to the Subject Directors after the end of the final fiscal year of the three-year medium-term management plan period as an incentive for improving the Company's corporate value during the medium-term management plan period. The period covered by the Medium-Term Management Plan "Mission TREEING 2030 Phase 2" is three years from January 1, 2025 to December 31, 2027 (the "Coverage Period").</p> <p>The amount of performance-based restricted stock remuneration to be vested is calculated using two indicators. The calculation formulas are as follows:</p> <p>i) Remuneration linked to the market capitalization growth rate  Remuneration linked to the market capitalization growth rate is designed to compare the Company's market capitalization growth rate with the TOPIX appreciation rate to objectively measure the Company's relative valuation in the stock market and reflect it in remuneration.</p> <p>&lt;Calculation Formula&gt;  Remuneration linked to the market capitalization growth rate  = amount equivalent to one-third of the Standard Stock Remuneration Amount by Position × vesting rate (the Company's market capitalization growth rate during the medium-term management plan period / TOPIX appreciation rate during the same period) (*)  * The vesting rate range will be from 0% (lower limit) to 140% (upper limit).</p> <p>ii) Remuneration linked to the sustainability index achievement rate  Since the maximum vesting rate is set at 100%, if the Company fails to achieve the emission reduction target (*1) that it has set based on the SBT (Science Based Targets *2), the amount of remuneration vested in proportion to the target achievement rate will be reduced accordingly from the Standard</p>

	<p>Stock Remuneration Amount by Position, thereby providing a strong incentive to achieve the target.</p> <p>&lt;Calculation Formula&gt; Remuneration linked to the sustainability index achievement rate = amount equivalent to two-thirds of the Standard Stock Remuneration Amount by Position × vesting rate (achievement rate of the SBT-based emission reduction target under the medium-term management plan) (*3)</p> <p>*1 The emission reduction target (Scope 1 + Scope 2) for the Coverage Period has been set at -31.4% compared to the Company's figures in FY 2021.</p> <p>*2 "SBT" refers to the emission reduction targets set by companies and to be achieved in five to fifteen years in consistency with the level required by the Paris Agreement that was adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) and took effect in 2016 (which sets a goal of limiting global temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit the increase to 1.5°C).</p> <p>*3 The vesting rate range will be from 0% (lower limit) to 100% (upper limit).</p> <p>ii. The stock remuneration amount to be vested in each Subject Director will be determined by the Board of Directors after the end of the subject period by calculating the cumulative amount of stock remuneration during the subject period based on the actual value of each evaluation index, taking into account the views of the Nomination and Remuneration Advisory Committee.</p>
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(d) Remuneration composition ratio

The plan has been designed so that the ratio of fixed remuneration to variable remuneration for directors should be 60 to 40 when the base profit is 150 billion yen. Specifically, fixed remuneration accounts for 60%, annual performance-based Bonus (variable) accounts for 25%, and performance-based restricted stock remuneration (variable) accounts for 15% of the total remuneration, respectively. The remuneration for outside directors consists solely of fixed remuneration.

(e) Remuneration governance

The matters regarding executive remuneration, such as the amount of individual remuneration for directors, will be determined at the board of directors meeting taking into account the views of the Nomination and Remuneration Advisory Committee chaired by an outside director, in which outside officers (four outside directors and three outside audit & supervisory board members) constitute a majority of its nine members.

(f) Forfeiture of remuneration

In the event that the board of directors confirms any illegal or wrongful action or other misconduct by a Subject Director, the Company may demand restriction of the vesting of remuneration in such Subject Director, or return of the remuneration paid to such Subject Director.

c. Reasons why it has been concluded that the Board of Directors' decision on individual remuneration and other of directors for the fiscal year is in line with the policy for determining remuneration and other of individual directors

Details of individual remuneration and other of directors for the fiscal year were discussed by the Nomination and Remuneration Advisory Committee, which is chaired by an outside director and is comprised of a majority of outside directors, in accordance with the policy for determining remuneration and other of individual directors. Remuneration is decided upon by the Board of Directors considering the views of the Committee. Given that objectivity and transparency of that determination have been secured, it has been concluded that the Board of Directors' decision on individual remuneration and other of directors for the fiscal year is in line with the above-mentioned policy.

ii. Matters concerning the General Meeting of Shareholders' resolution regarding remuneration and other for directors and audit & supervisory board members

The amount of remuneration for directors (total amount of fixed remuneration and annual performance-based Bonus) was approved by a resolution at the 84th General Meeting of Shareholders held on March 28, 2024 as not more than 670 million yen per year (of which up to 80 million yen per year is for outside

directors). At the close of the said General Meeting of Shareholders, the number of directors was ten (10) (including four (4) outside directors).

These were approved by a resolution at the 82nd General Meeting of Shareholders held on March 29, 2022 that the total amount of the monetary remuneration receivables to be vested in directors (excluding outside directors) for the grant of performance-based restricted shares will be up to 100 million yen per fiscal year, and that the total number of common shares to be issued or disposed of as a result of Subject Directors tendering all of the monetary remuneration receivables as property contributed in kind shall not exceed 100 thousand shares per fiscal year (up to 300 thousand shares per fiscal year following the stock split (three shares for every one common share) effective on July 1, 2025). At the close of the said General Meeting of Shareholders, the number of directors was six (6) (excluding outside directors).

The maximum amount of monthly remuneration for audit & supervisory board member was approved by a resolution at the 84th General Meeting of Shareholders held on March 28, 2024 not more than 9 million yen per month. At the close of the said General Meeting of Shareholders, the number of audit & supervisory board members was five (5) (including three (3) outside audit & supervisory board members).

iii. Total amount and other of remuneration and other for directors and audit & supervisory board members

Classification	Total amount of remuneration and other	Monthly remuneration	Performance-based remuneration (bonus)	Non-monetary remuneration (Performance-based restricted stock remuneration)	Number of eligible officers
Directors (excluding Outside Directors)	¥ million 522	¥ million 313	¥ million 129	¥ million 80	6
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	54	54	—	—	2
Outside Directors	59	59	—	—	5
Outside Audit & Supervisory Board Members	43	43	—	—	3

- (Notes)
1. The above number of eligible directors of remuneration includes one Outside Director who retired at the close of the 85th Ordinary General Meeting of Shareholders.
  2. The performance indicator selected as the basis of calculating the bonus, which is performance-based remuneration, is the base profit (outline of the base profit is stated on page 48 of this document). The actual amount of the base profit for the fiscal year was 140.6 billion yen.
  3. The above non-monetary remuneration amounts represent the expenses recorded for the fiscal year under review, including the estimated amount of monetary remuneration corresponding to the expected number of shares of 61 million yen to be granted after the three-year evaluation period. Details regarding the performance-based restricted stock remuneration, which constitutes non-monetary remuneration, are provided on pages 48 to 49 of this document.

(6) Main activities of outside officers

Position and name	Main activities
Director Mitsue Kurihara	Attended all 15 Board of Directors meetings during the fiscal year under review and made appropriate comments based on her experience and insight regarding corporate management, finance, industrial policy and other matters. In addition, as the chairman of the Nomination and Remuneration Advisory Committee, she made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration. Based on these and other activities, contributes to the strengthening of the supervisory function of management.
Director Yuko Toyoda	Attended all 15 Board of Directors meetings during the fiscal year under review and made appropriate comments based on her experience and insight regarding corporate legal affairs and other matters. In addition, as a member of the Nomination and Remuneration Advisory Committee, she made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration. Based on these and other activities, contributes to the strengthening of the supervisory function of management.
Director Toshio Iwamoto	Attended all 15 Board of Directors meetings during the fiscal year under review and made appropriate comments based on his experience and insight regarding corporate management and IT/DX. In addition, as a member of the Nomination and Remuneration Advisory Committee, he made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration. Based on these and other activities, contributes to the strengthening of the supervisory function of management.
Director Kenji Sukeno	Since being appointed as Director on March 28, 2025, attended all 12 Board of Directors meetings during the fiscal year under review and made appropriate comments based on his experience and insight regarding corporate management, finance and accounting. In addition, as a member of the Nomination and Remuneration Advisory Committee, he made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration. Based on these and other activities, contributes to the strengthening of the supervisory function of management.
Audit & Supervisory Board Member Yoshimasa Tetsu	Attended all 15 Board of Directors meetings and all 14 Audit & Supervisory Board meetings during the fiscal year under review and made appropriate comments primarily as a specialist in accounting. In addition, as a member of the Nomination and Remuneration Advisory Committee, he made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration.
Audit & Supervisory Board Member Makoto Matsuo	Attended 14 out of the 15 Board of Directors meetings and all 14 Audit & Supervisory Board meetings during the fiscal year under review and made appropriate comments primarily as a specialist in law. In addition, as a member of the Nomination and Remuneration Advisory Committee, he made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration.
Audit & Supervisory Board Member Takashi Kawachi	Attended all 15 Board of Directors meetings and all 14 Audit & Supervisory Board meetings during the fiscal year under review and made appropriate comments based on his extensive administrative experience in municipalities and central government. In addition, as a member of the Nomination and Remuneration Advisory Committee, he made appropriate comments regarding matters concerning the appointment of candidates for director and Audit & Supervisory Board Members and the determination of directors' remuneration.

(Figures in the above Business Report that are less than the indicated unit have been rounded off) unless otherwise noted.

**CONSOLIDATED BALANCE SHEET**

As of December 31, 2025

(Million yen)

**ASSETS****Current assets:**

Cash and deposits	¥	185,405
Notes and accounts receivable-trade		99,256
Electronically recorded monetary claims		47,865
Accounts receivable from completed construction contracts and contract assets		94,535
Merchandise and finished goods		25,246
Work in process		2,838
Raw materials and supplies		13,957
Costs on construction contracts in progress		22,663
Real estate for sale		227,668
Real estate for sale in process		756,634
Short-term loans receivable		38,367
Accounts receivable-other		103,635
Other		79,039
Allowance for doubtful accounts		(3,361)

**Total current assets** **1,693,747****Non-current assets:****Property, plant and equipment:**

Buildings and structures		92,803
Machinery, equipment and vehicles		37,503
Land		68,202
Timber		44,575
Leased assets		22,929
Construction in progress		46,644
Other		10,002

**Total property, plant and equipment** **322,658****Intangible assets:**

Goodwill		35,499
Other		40,622

**Total intangible assets** **76,121****Investments and other assets:**

Investment securities		377,339
Long-term loans receivable		37,548
Retirement benefit assets		17,629
Deferred tax assets		9,344
Other		38,365
Allowance for doubtful accounts		(719)

**Total investments and other assets** **479,506****Total non-current assets** **878,285****Total assets** **¥ 2,572,032**

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**CONSOLIDATED BALANCE SHEET**  
As of December 31, 2025

(Million yen)

**LIABILITIES**

**Current liabilities:**

Notes and accounts payable-trade	¥	87,380
Electronically recorded payables		45,456
Accounts payable for construction contracts		159,748
Short-term borrowings		140,788
Corporate bonds redeemable within 1 year		20,047
Lease obligations		6,622
Income taxes payable		10,846
Contract liabilities		98,970
Provision for bonuses		24,222
Provision for bonuses for directors (and other officers)		129
Provision for warranties for completed construction		15,824
Asset retirement obligations		414
Other		119,175

**Total current liabilities**

**729,620**

**Long-term liabilities:**

Bonds payable	50,284
Long-term borrowings	532,159
Lease obligations	19,565
Deferred tax liabilities	52,036
Provision for retirement benefits for directors (and other officers)	141
Retirement benefit liability	9,446
Provision for share awards for employees	163
Asset retirement obligations	2,597
Other	39,236

**Total long-term liabilities**

**705,626**

**Total liabilities**

**1,435,246**

**NET ASSETS**

**Shareholders' equity:**

Capital stock	55,332
Capital surplus	25,520
Retained earnings	688,527
Treasury shares	(6,557)
<b>Total shareholders' equity</b>	<b>762,822</b>

**Accumulated other comprehensive income:**

Valuation difference on available-for-sale securities	55,824
Deferred gains (losses) on hedges	9,554
Foreign currency translation adjustment	175,710
Remeasurements of defined benefit plans	63
<b>Total accumulated other comprehensive income</b>	<b>241,151</b>

**Share acquisition rights**

**51**

**Non-controlling interests**

**132,762**

**Total net assets**

**1,136,786**

**Total liabilities and net assets**

¥ **2,572,032**

**CONSOLIDATED STATEMENTS OF INCOME**

For the year ended December 31, 2025

		(Million yen)
<b>Net sales</b>	¥	<b>2,267,577</b>
<b>Cost of sales</b>		<b>1,742,931</b>
<b><u>Gross profit</u></b>		<b><u>524,645</u></b>
<b>Selling, general and administrative expenses</b>		<b>355,921</b>
<b><u>Operating income</u></b>		<b><u>168,724</u></b>
<b>Non-operating income:</b>		
Interest income		4,954
Purchase discounts		475
Dividends income		2,834
Share of profit of entities accounted for using equity method		7,606
Gain on sale of investment securities		4,596
Other		9,887
<b>Total non-operating income</b>		<b>30,352</b>
<b>Non-operating expenses:</b>		
Interest expenses		13,188
Foreign exchange losses		52
Other		10,936
<b>Total non-operating expenses</b>		<b>24,176</b>
<b><u>Recurring income</u></b>		<b><u>174,900</u></b>
<b>Extraordinary income:</b>		
Change in fair value of contingent consideration		5,328
<b>Total extraordinary income</b>		<b>5,328</b>
<b><u>Profit before income taxes</u></b>		<b><u>180,228</u></b>
Income taxes-current		39,362
Income taxes-deferred		2,548
<b><u>Net income</u></b>		<b><u>138,318</u></b>
<b>Net income attributable to non-controlling interests</b>		<b>31,652</b>
<b><u>Net income attributable to shareholders of parent</u></b>	¥	<b><u>106,666</u></b>

**NON-CONSOLIDATED BALANCE SHEET**

As of December 31, 2025

(Million yen)

**ASSETS****Current assets:**

Cash and deposits	¥	79,794
Notes receivable-trade		2,058
Electronically recorded monetary claims		42,335
Accounts receivable-trade		74,618
Accounts receivable from completed construction contracts and contract assets		58,800
Merchandise and finished goods		15,474
Costs on construction contracts in progress		11,171
Real estate for sale		26,815
Real estate for sale in process		21,837
Advance payments		3,079
Prepaid expenses		1,890
Short-term loans receivable		31,956
Short-term loans receivable from subsidiaries and affiliates		15,576
Accounts receivable-other		87,997
Other		183
Allowance for doubtful accounts		(927)

**Total current assets****472,657****Non-current assets:****Property, plant and equipment:**

Buildings		15,461
Structures		1,264
Machinery and equipment		630
Vehicles		2
Tools, furniture and fixtures		1,196
Land		9,321
Timber		9,067
Leased assets		5,238
Construction in progress		581

**Total property, plant and equipment****42,759****Intangible assets:**

Telephone subscription rights		173
Right of utilization on forest road		46
Right of using facilities		3
Industrial property rights		6
Software		11,624
Leased assets		8

**Total intangible assets****11,861****Investments and other assets:**

Investment securities		105,574
Stocks of subsidiaries and affiliates		429,632
Investments in other securities of subsidiaries and affiliates		6,684
Long-term loans receivable		176
Long-term loans receivable from employees		82
Long-term loans receivable from subsidiaries and affiliates		24,162
Claims provable in bankruptcy, claims provable in rehabilitation and other		431
Long-term prepaid expenses		3,125
Prepaid Pension Costs		14,640
Other		15,612
Allowance for doubtful accounts		(8,276)

**Total investments and other assets****591,842****Total non-current assets****646,462****Total assets**¥ **1,119,119**

**NON-CONSOLIDATED BALANCE SHEET**

As of December 31, 2025

(Million yen)

**LIABILITIES****Current liabilities:**

Electronically recorded payables	¥	41,809
Accounts payable-trade		69,625
Accounts payable for construction contracts		115,840
Corporate bonds redeemable within 1 year		20,000
Long-term loans payable due within 1 year		26,241
Lease obligations		705
Accounts payable-other		10,855
Income taxes payable		1,684
Accrued consumption taxes		1,643
Accrued expenses		1,889
Contract liabilities		52,999
Deposits received		73,720
Unearned revenue		320
Provision for employees' bonuses		9,180
Provision for directors' bonuses		129
Provision for warranties for completed construction		3,986
Asset retirement obligation		414
Other		134

**Total current liabilities****431,174****Long-term liabilities:**

Bonds payable		50,000
Long-term borrowings		211,230
Guarantee deposited		5,003
Lease obligations		5,002
Deferred tax liabilities		27,491
Provision for share awards for employees		163
Provision for loss on business of subsidiaries and affiliates		3,790
Asset retirement obligation		2,188
Other		973

**Total long-term liabilities****305,840****Total liabilities****737,014****NET ASSETS****Shareholders' equity:**

Capital stock		55,332
Capital surplus:		
Legal capital surplus		54,273
Other capital surplus		259
<u>Total capital surplus</u>		<u>54,532</u>
Retained earnings:		
Legal retained earnings		2,857
Other retained earnings		
Reserve for reduction entry		1,693
General reserve		131,456
Retained earnings brought forward		78,563
Total other retained earnings		211,713
<u>Total retained earnings</u>		<u>214,570</u>
Treasury stock		(4,303)
<b>Total shareholder's equity</b>		<b>320,131</b>

**Valuation and translation adjustments:**

Valuation difference on available-for-sale securities		55,990
Deferred gains (losses) on hedges		5,934

**Total valuation and translation adjustments****61,924****Share acquisition rights****51****Total net assets****382,106****Total liabilities and net assets****¥ 1,119,119**

**NON-CONSOLIDATED STATEMENTS OF INCOME**

For the year ended December 31, 2025

	(Million yen)
<b>Net sales:</b>	
Net sales of goods	¥ 144,101
Completed contracts	408,572
<b>Total net sales</b>	<b>552,674</b>
<b>Cost of sales:</b>	
Cost of goods sold	121,976
Cost of completed contracts	308,924
<b>Total cost of sales</b>	<b>430,900</b>
<b><u>Gross profit</u></b>	<b><u>121,774</u></b>
<b>Selling, general and administrative expenses:</b>	<b>107,684</b>
<b><u>Operating income</u></b>	<b><u>14,089</u></b>
<b>Non-operating income:</b>	
Interest income	529
Interest on securities	12
Purchase discounts	243
Dividends income	48,186
Other	2,777
<b>Total non-operating income</b>	<b>51,747</b>
<b>Non-operating expenses:</b>	
Interest expenses	1,901
Bond interest expenses	311
Redemption fee	402
Other	1,910
<b>Total non-operating expenses</b>	<b>4,525</b>
<b><u>Recurring income</u></b>	<b><u>61,312</u></b>
<b><u>Profit before income taxes</u></b>	<b><u>61,312</u></b>
Income taxes-current	3,335
Income taxes-deferred	1,445
<b><u>Net income</u></b>	<b>¥ <u>56,531</u></b>

(Amounts less than one (1) million yen in the Consolidated Financial Statements and the Non-Consolidated Financial Statements are rounded to the nearest million yen.)

## Independent Auditor's Report

February 16, 2026

To the Board of Directors of Sumitomo Forestry Co., Ltd.:

Ernst & Young ShinNihon LLC  
Tokyo Office

Masato Nakagawa  
Designated and Engagement Partner  
Certified Public Accountant

Natsuki Saiki  
Designated and Engagement Partner  
Certified Public Accountant

Keiichiro Ochi  
Designated and Engagement Partner  
Certified Public Accountant

### **Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the Consolidated Financial Statements, which comprise the Consolidated Balance Sheet, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets, and Notes to the Consolidated Financial Statements of Sumitomo Forestry Co., Ltd. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), for the consolidated fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the Consolidated Financial Statements were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements.” We are independent of the Group in accordance with the ethical requirements (including those applicable to the audit of financial statements of public interest entities) that are relevant to our audit of the Consolidated Financial Statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the Directors’ performance of their duties with regard to designing and operating the reporting process for the other information.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, and to give attention to whether there are any other indications of material errors in the other information aside from such material inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Consolidated Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Consolidated Financial Statements in accordance with the going concern

assumption, and for disclosing matters related to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the Directors' performance of their duties with regard to designing, and operating the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the Consolidated Financial Statements from an independent standpoint, based on our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the objective of the audit of the Consolidated Financial Statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and the method of their application adopted and the reasonableness of accounting estimates and the adequacy of related notes made by management.
- Determine whether it is appropriate for management to prepare the Consolidated Financial Statements on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If there is a significant uncertainty concerning the going concern assumption, the auditor is required to call attention to the related notes in the Consolidated Financial Statements in the audit report, or if the related notes in the Consolidated Financial Statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Consolidated Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the Consolidated Financial Statements, including the related notes, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform an audit of the Consolidated Financial Statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and examination of the audit of the Consolidated Financial Statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required under the auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as any measures taken to remove disincentives or safeguards applied to reduce disincentives to an acceptable level, if any.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Independent Auditor's Report

February 16, 2026

To the Board of Directors of Sumitomo Forestry Co., Ltd.:

Ernst & Young ShinNihon LLC  
Tokyo Office

Masato Nakagawa  
Designated and Engagement Partner  
Certified Public Accountant

Natsuki Saiki  
Designated and Engagement Partner  
Certified Public Accountant

Keiichiro Ochi  
Designated and Engagement Partner  
Certified Public Accountant

### **Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the Financial Statements, which comprise the Non-Consolidated Balance Sheet, the Non-Consolidated Statements of Income, the Non-Consolidated Statements of Changes in Net Assets, and Notes to the Non-Consolidated Financial Statements of Sumitomo Forestry Co., Ltd. ("the Company") as of December 31, 2025 and for the 86th fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the Financial Statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the ethical requirements (including those applicable to the audit of financial statements of public interest entities) that are relevant to our audit of the Financial Statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the Directors' performance of their duties with regard to designing and operating the reporting process for the other information.

Our opinion on the Financial Statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and to give attention to whether there are any other indications of material errors in the other information aside from such material inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

### **Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the Financial Statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of Financial Statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the Financial Statements and the accompanying supplementary schedules in accordance with the going concern assumption, and for disclosing matters related to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising the Directors' performance of their duties with regard to designing and operating the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the Financial Statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the Financial Statements and the accompanying supplementary schedules from an independent standpoint, based on our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the objective of the audit of the Financial Statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies and the method of their application adopted and the reasonableness of accounting estimates and the adequacy of related notes made by management.
- Determine whether it is appropriate for management to prepare the Financial Statements and the accompanying supplementary schedules on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If there is a significant uncertainty concerning the going concern assumption, the auditor is required to call attention to the related notes in the Financial Statements and the accompanying supplementary schedules in the audit report, or if the related notes in the Financial Statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Financial Statements and the accompanying supplementary schedules. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the Financial Statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the Financial Statements and the accompanying supplementary schedules, including the related notes, and whether the Financial Statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and the other matters required under the auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as any measures taken to remove disincentives or safeguards applied to reduce disincentives to an acceptable level, if any.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Audit Report by the Audit & Supervisory Board

### Audit Report

The Audit & Supervisory Board prepared this audit report based on audit reports prepared by each Audit & Supervisory Board Member upon deliberation with respect to execution of duties by Directors for the 86th fiscal year from January 1, 2025 to December 31, 2025 and report as follows:

1. Method and Contents of the Audit by Each Audit & Supervisory Board Member and Audit & Supervisory Board
  - (1) The Audit & Supervisory Board has established the policies of audit, the manner of dividing roles, etc., and in addition to receiving reports on the status of audit and its results from each Audit & Supervisory Board Member, we received reports from the Directors, etc. and the Accounting Auditor regarding the execution of their duties, and asked them for explanations as necessary.
  - (2) In conformity with the standard of audit established by the Audit & Supervisory Board, and in accordance with the policies of audit and the manner of dividing roles, each Audit & Supervisory Board Member promoted communications with the Directors, Internal Auditing Department, other employees, etc., strove to collect information and to enhance the environment for auditing, and conducted the audit by the following methods:
    - i. Each Audit & Supervisory Board Member attended important meetings such as the Board of Directors meeting, received reports from Directors and employees, etc. regarding the execution of their duties, asked them for explanations as necessary, inspected important internal authorization documents and examined the status of operations and the financial status of the head office and important operating locations. As for subsidiaries, each Audit & Supervisory Board Member promoted communication and exchange of information with Directors and Audit & Supervisory Board Members, etc. of the subsidiaries, and received reports on the subsidiaries' business as necessary.
    - ii. With regard to the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' execution of their duties complies with all laws, regulations and the Articles of Incorporation of the Company, and other systems prescribed in Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act as systems necessary for ensuring the appropriateness of the business operations of a group of enterprises consisting of a stock company and its subsidiaries, and the system (internal control system) developed based on such resolutions, Audit & Supervisory Board Members regularly received reports from Directors and employees, etc. on the status of their construction and implementation, requested explanations as necessary and represented opinion. As for the internal control over financial reporting, each Audit & Supervisory Board Member received reports from the Directors, etc. and Ernst & Young ShinNihon LLC regarding the status of discussions between them, and the assessment and the status of audit on such internal control, and requested explanations as necessary.
    - iii. Each Audit & Supervisory Board Member monitored and followed up on whether the Accounting Auditor has retained its independent standpoint and has conducted its audit in an adequate manner, and received reports from the Accounting Auditor regarding the execution of its duties, and asked the Accounting Auditor for explanations as necessary. In addition, each Audit & Supervisory Board Member received notice from the Accounting Auditor that they have in place the "System to Ensure the Execution of Duties is Conducted in an Appropriate Manner (the matters set forth in each item of Article 131 of the Enforcement Regulations Regarding Accounting promulgated under the Companies Act)" in accordance with "Quality Control Standard Regarding Audit (by the Business Accounting Council)," and asked the Accounting Auditor for explanations as necessary.

By the methods set forth above, we inspected this fiscal year's Business Report and its supporting schedules, Non-Consolidated Financial Statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Shareholders' Equity and Notes to the Non-Consolidated Financial Statements) and their supporting schedules, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statements of Income, Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements).

## 2. Results of Our Audit

### (1) Results of the Audit regarding the Business Report, etc.

- i. We consider that the Business Report and its supporting schedules comply with the applicable laws and regulations and with the Articles of Incorporation of the Company and that they present fairly the status of the Company.
- ii. There is no serious violation of any applicable laws and regulations or of the Articles of Incorporation of the Company concerning the Directors' execution of their duties.
- iii. We consider the Board of Directors' resolution regarding the Internal Control System to be proper. Furthermore, we do not find any aspects to be pointed out for the contents in the Business Report and the Directors' execution of their duties concerning the Internal Control System including the internal control over financial reporting.

### (2) Results of the Audit regarding the Non-consolidated Financial Statements and their Supporting Schedules

We consider the method and results of the audit conducted by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be proper.

### (3) Results of the Audit regarding the Consolidated Financial Statements

We consider the method and results of the audit conducted by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be proper.

February 16, 2026

Audit & Supervisory Board  
Sumitomo Forestry Co., Ltd.

Toshio Kakumoto (Seal)  
Audit & Supervisory Board Member (full-time)

Kazunari Hada (Seal)  
Audit & Supervisory Board Member (full-time)

Yoshimasa Tetsu (Seal)  
Audit & Supervisory Board Member

Makoto Matsuo (Seal)  
Audit & Supervisory Board Member

Takashi Kawachi (Seal)  
Audit & Supervisory Board Member

Note: Messrs. Yoshimasa Tetsu, Makoto Matsuo and Takashi Kawachi, are Outside Audit & Supervisory Board Members set forth in, Article 2, Item 16 of the Companies Act.

– End –