May 7, 2026

For Immediate Release

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

Notice Regarding the Conclusion of a Loan Agreement with Financial Covenants

Sumitomo Forestry Co., Ltd. (hereinafter, Sumitomo Forestry) had previously announced in its "Notice Regarding the Acquisition of Shares (Subsidiarization) of Tri Pointe Homes, Inc. and the Change of a Specified Subsidiary" dated February 13, 2026 that it had resolved to acquire 100% of the shares in Tri Pointe Homes, Inc. (hereinafter, TPH), and to begin procedures to make TPH a consolidated subsidiary (hereinafter, the Acquisition).

Sumitomo Forestry hereby announces that it has resolved, at a meeting of the Board of Directors held today, to enter into a loan agreement with financial covenants as detailed below (hereinafter, Loan Agreement) and to make borrowings thereunder (hereinafter, Loan), in order to procure the funds necessary for the Acquisition.

1. Reason for concluding the Loan Agreement

To procure the funds necessary to acquire 100% of the shares in TPH and make TPH a consolidated subsidiary.

2. Outline of the Loan Agreement

(1) Date of conclusion of the Loan Agreement	May 7, 2026
(2) Loan disbursement date	May 11, 2026 (planned)
(3) Counterparty	Sumitomo Mitsui Banking Corporation
(4) Principal	835.1billion yen ※
(5) Loan interest rate	Floating interest rate (base rate + spread)
(6) Method of repayment	Bullet repayment at maturity
(7) Repayment date	May 10, 2027 (planned)
(8) Details of collateral	Not applicable

※ The amount stated above as "Principal" is the maximum possible amount that could be borrowed under the Loan Agreement and includes, in addition to funds for the acquisition price for the shares in TPH, funds for the assumed refinancing of TPH's existing debt and other related purposes. The acquisition price for the shares in TPH, which is based on US$47 per share as announced on February 13, 2026 and excludes acquisition-related expenses, etc., is expected to be approximately 630.0 billion yen.

3. Details of the financial covenants under the Loan Agreement

(1) The total amount of net assets recorded in the consolidated balance sheet at each fiscal year-end and at the end of each interim accounting period must not fall below 75% of the total net assets recorded in the consolidated balance sheet at the end of the immediately preceding fiscal year.

(2) The total amount of net assets recorded in the non-consolidated balance sheet at each fiscal year-end must not fall below 75% of the total net assets recorded in the non-consolidated balance sheet at the end of the immediately preceding fiscal year.

(3) The issuer credit rating assigned by Rating and Investment Information, Inc. (R&I) must be maintained at BBB- (minus) or higher.

4. Impact on financial results

The impact of the Loan on our consolidated financial results, including the impact of TPH becoming our consolidated subsidiary upon completion of the Acquisition, is currently being assessed. The funds procured through the Loan are scheduled to be refinanced through various forms of long-term financing within approximately one year. Should any event arise that is expected to have a material impact on our financial results, we will promptly disclose it.