

Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March, 2013 [Japan GAAP] (Consolidated)

Name of Company:	Sumitomo Forestry Co., Ltd.
Stock Exchange Listing:	Tokyo, Osaka
Stock Code	1911
URL:	http://sfc.jp/english
Representative	
Title:	President / Representative Director
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Date of filing of financial report:	February 13, 2013
Date of commencement of dividend payment (tentative):	—
Preparation of supplementary materials:	Yes
Convening of a first quarter results meeting:	Yes (for financial analysts and institutional investors)

(Note: Amounts are rounded to nearest million Yen.)

1. Financial results for the first quarter cumulative period under review (April 1, 2012 – December 31, 2012)

(1) Results of operations (Consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating income		Recurring income		Net income	
	Million Yen	%	Million Yen	%	Million yen	%	Million yen	%
	3Q FY Ending March 2013	594,720	-2.4	9,531	-39.6	10,435	-36.3	5,394
3Q FY Ended March 2012	609,360	7.1	15,786	98.6	16,391	91.9	7,667	191.6

Note: Comprehensive income

As of December 31, 2012	7,586 million yen (108.1%)
As of December 31, 2011	3,646 million yen (—%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
3Q FY Ending March 2013	30.45	-
3Q FY Ended March 2012	43.28	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2012	515,371	174,904	33.8
As of March 31, 2012	503,496	169,335	33.6

(Note) Shareholders' equity

As of December 31, 2012	174,154million yen
As of March 31, 2012	169,134million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
FY Ended March 2012	-	7.50	-	7.50	15.00
FY Ending March 2013	-	7.50	-	7.50	15.00
FY Ending March 2013(Est.)	-	-	-	7.50	15.00

(Note) Revised dividend forecast for the quarter under review: None

3. Forecast for the fiscal year ending March, 2013 (Consolidated, April 1, 2012- March 31, 2013)

(Percentage figures represent period on period changes or year on year changes)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal Year Ending March 2013	845,000	1.6	22,500	17.2	23,000	11.0	13,000	40.2	73.39

Note: Revised forecast for the quarter under review: None

* Other

(1) Changes in main subsidiaries (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

(2) Application of accounting treatment specific to the preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accounting policies due to the revision of accounting standards, etc.: Yes

(b) Changes in accounting policies other than (a): None

(c) Changes in accounting estimates: Yes

(d) Restatements: None

Paragraph 5 of Article 10 of Regulations Concerning the Terminology, Forms and Preparation Method of Quarterly Consolidated Financial Statements has been applied. For more details please refer to "2. Summary Information: Items related to 'Explanatory Notes'" [Accompanying Materials] (Page 6).

(4) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of December 30, 2012	177,410,239	As of March 31, 2012	177,410,239
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(b) Treasury stock

As of December 30, 2012	273,140	As of March 31, 2012	271,922
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(c) Average number of shares during the term (cumulative for the quarter)

As of December 30, 2012	177,137,569	As of March 31, 2012	177,138,725
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* Indication regarding the performance of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures based on the Financial Instruments and Exchange Law. At the time when this report was issued, review procedures for the quarterly financial statements had not been completed pursuant to the Financial Instruments and Exchange Law.

* Cautionary statement regarding the appropriate use of business results forecasts

The forward-looking statements in these materials regarding business results are based on available information and certain assumptions that were deemed logical at the time when they were prepared. Actual results may differ materially due to a wide range of factors. For information regarding using the assumptions that form the basis for the business results forecasts and cautionary notes about using business results forecasts, please refer to "Qualitative Information related to Consolidated Business Results Forecasts" [Accompanying Materials] (Page 6).

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1. Qualitative Information related to the Consolidated Business Results for the Quarter under Review

(1) Qualitative Information related to the Consolidated Operating Results

With consumer demand being restored, etc. following the Great East Japan Earthquake, Japan's economy was in a gradual recovery trend during this third quarter cumulative period (consolidated) (April-December, 2012). However, due to the impact of the deceleration of foreign economies, caused by prolongation of the European debt crisis and the slowdown of Asian economies, particularly China, it appears that any movement toward better corporate revenues and an improved employment situation has come to a standstill. In this climate our company generally progressed somewhat weakly. On the other hand, there were trends toward higher share prices and weakening of the yen, reflecting anticipation that expansionary policies would accompany the change in government in Japan. Indeed we are gradually beginning to see the effects of these trends in pushing improvement in capital expenditures and individual consumer attitudes. Nevertheless, these trends will need our continued and careful monitoring.

The domestic housing market which has a close relationship to our business is continuing a gradual recovery, with the number of housing starts in an upward trend, etc. Some factors behind this are recovering consumer demand, government policies promoting home ownership, and also the continuation of historically low interest rates.

Taking account of this current business environment, our company group is promoting business strategies aimed at maintaining and increasing stable corporate earnings in Timber and building materials business and Custom-built detached home business which are our core businesses. At the same time, we are putting effort into expanding stock housing business on which we are focusing as a pillar of new earnings and into improving the profitability of Overseas business. At our renovation business division, the flagship unit in our stock housing business, we are seeing positive effects from our focused investment of economic resources, and business capacity is steadily expanding. We are investing in such areas as improving and expanding staff and bases throughout Japan and introducing new products. In Overseas business, in Australia and China the situation for our "Building materials manufacturing business and others" remains bleak. To deal with this we are continually implementing earnings improvement plans. In contrast, the earnings situation of our "Housing business" in America, where previously we had been struggling, is now in an improving trend. The US economy and housing market are on track for recovery, and our housing unit sales, etc. have been improving.

Also, taking advantage of the special features of our Group's businesses, we have launched a "Wood Use Integration business (MOCCA)" business which is promoting conversion to wood construction and wooden interior decoration for building in non-residential fields. This business is supporting realization of "a wood-built city concept" in Community Reconstruction in Higashi-Matsushima City in Miyagi Prefecture. Indeed, we are beginning to see the fruits of this work: for example, we have received an order to build a wood-construction children's orphanage facility which is planned for Kimitsu City in Chiba Prefecture.

Our financial results include net sales of ¥594,720 million, a year-on-year decrease of 2.4%, and in terms of profit: operating income of ¥9,531 million (a decrease of 39.6% year-on-year), recurring income of ¥10,435 million (a decrease of 36.3% year-on-year), and net income of ¥5,394 million (a decrease of 29.6% year-on-year).

A summary of the results by business segment follows.

<Business Segments >

With regard to the classification of its business segments, the Company had adopted the categories of "Timber and Building Materials," "Overseas," "Housing," "Real Estate" and "Other Businesses." From the quarter under review, however, a change has been made in that classification to "Timber and Building Materials," "Housing," "Overseas" and "Other Businesses" segments. For the following year-on-year comparisons, therefore, comparisons have been made after replacing the figures for the same period last year with figures for the segment classification reflecting the said changes.

The sales for each segment include intersegment internal sales and transfers.

1) *Timber and building Materials*

In the domestic timber and building materials distribution business, sales declined year-on-year as the handling volumes for products such as imported plywood, for which demand rose during the same period last year due to the earthquake, decreased. In the domestic building materials manufacturing business, a steep rise in raw materials prices and increasing intense competition made it difficult to improve our results. As for the overseas distribution business, we are focusing on exploring and developing new markets. We established subsidiaries in Shanghai, China and in Ho Chi Min City, Vietnam, establishing a sales system focused on developing nations.

As a result of these offsetting factors, in our timber and building materials business, net sales were ¥301,432 million (a decrease of 2.7% year-on-year), recurring income was ¥3,514 million (a decrease of 15.2% year-on-year).

2) *Housing*

In our custom-built detached housing business the number of completed units delivered fell year-on-year and both net sales and recurring income were below results for the same period of the previous year. This was because in the same period of the previous year, completed units delivered were at a level higher than for typical years, stimulated by the approaching expiration of the application of "Housing Eco point" subsidies and the expected contraction in the stepped preferential treatment for housing loan tax relief. In contrast, there was a rise in consumer confidence and awareness of safety and energy-saving issues, so the rate of installation of environmentally sound equipment such as solar power generation systems and ENE-FARM household fuel cells increased. Because of this and the impact of increased sales of products utilizing our company's unique "Big-Frame construction method" which enables realization of very flexible design plans while ensuring outstanding earthquake resistance, per-house completion unit price increased.

In our stock housing business, to advance the mainstay renovation business we increased staff, focusing on the Tokyo metropolitan area, our major market, and strengthened sales and marketing power. Also, we are striving to enhance our product line, through such actions as the sales launch of "the Smart Reforest products" which offer to reform how we live through the wise use of energy and application of the renewable and natural material of wood, for both construction material and interior parts and materials. In addition, we have seen good results from strengthening our sales and marketing system, a project we have been promoting for some time, and from measures and policies such as consolidating all our product brands into the "Reforest" brand. As a result, both orders received and sales exceeded our results for the same period of the previous year.

Consequently, in our housing business, net sales were ¥284,024 million (a decrease of 2.7% year-on-year), and recurring income was ¥9,583 million (a decrease of 38.9% year-on-year).

With regard to orders received for custom-built detached housing, a leading performance indicator, the number of units of orders received increased year-on-year. Moreover, besides the higher percentage of homes outfitted with solar power generation systems and other environmentally sound equipment, factors including growth in orders for two-generation family home products and solid orders from customers rebuilding their homes led to growth in the average total floor area and an increase in the per-house unit price for orders received.

In addition, orders Received are at good levels and as for our "Big-Frame construction method," we are focusing on further sales expansion through the launch of products that utilize our "New Big-Frame construction method," which provides even stronger earthquake resistance as well as increased design flexibility.

As a result, orders received reached ¥231,226 million, an increase of 7.3% year-on-year.

3) *Overseas*

For the overseas business, the building materials manufacturing business posted solid results in New Zealand, where sales to Japan turned in a robust performance. By contrast, in Australia, where the profitability of exports fell in the previous period due to a strong Australian dollar, we focused on sales into the Australian domestic market. As a result, we are in an improving trend, but being impacted by the stagnation of the Australian economy, etc. we did not achieve a contribution to profit. Harsh conditions were also encountered in China in reflection of lackluster growth in production volume. In Vietnam, commercial production of particleboard began in May of the current year outside of Ho Chi Minh City, targeting the increased demand for furniture-use woody panels in that nation.

In our overseas housing business, in the United States, with housing market conditions on track for recovery, housing unit sales are expanding at a good pace and our profit/loss situation has improved. In Australia, sluggish growth was recorded under the impact of the soft local housing market accompanying the economic slowdown. Consequently, in our overseas business segment net sales were ¥28,831 million (an increase of 12.4% year-on-year), and the recurring loss was ¥1,463 million (compared to a recurring loss of ¥1,581 for the same period last year).

4) *Other Businesses*

Besides the aforementioned businesses, the Sumitomo Forestry Group operates private pay nursing homes, a leasing business, a wide range of service businesses for residential customers (including private-pay elderly care facilities), manufactures and sells farming and gardening materials and develops IT systems for its Group companies, etc.

Net sales for other businesses was ¥10,991 million (an increase of 7.5% year-on-year), while recurring income ¥495 million (an increase of 0.9% year-on-year).

(2) Qualitative Information related to the Consolidated Financial Position

At the end of the third quarter accounting period (consolidated) total assets were ¥515,371 million, an increase of ¥11,875 million compared to the end of the previous accounting year (consolidated). This was primarily due to an increase in costs on uncompleted construction contracts, etc. which accompanied an increase in housing units under construction in our custom-built detached housing business. Liabilities were ¥340,467 million, an increase of ¥6,307 million compared to the end of the previous accounting year (consolidated). This was due to an increase in purchase obligations and in advances received on uncompleted construction contracts stemming from an increased number of housing units under construction in our timber and building materials business. Net assets were ¥174,904 million and the equity ratio was 33.8%.

(3) Qualitative Information related to the Consolidated Business Results Forecasts

Regarding full year business results forecasts for the fiscal year ending March 2013, there has been no change in the figures announced in the Summary of Financial Results on November 2, 2012.

2. Summary Information: Items related to “Explanatory Notes”

Changes in Accounting Policies and Accounting Estimates/Restatements after Corrections

(Changes in accounting policies difficult to distinguish from changes in accounting estimates)

Sumitomo Forestry and one portion of its domestic consolidated subsidiaries have applied the depreciation method based upon the revised Corporation Tax Law to property, plant and equipment acquired on or after April 1, 2012, beginning with the first quarter consolidated accounting period, pursuant to revisions of the Corporation Tax Law.

The effect of this application on income for the consolidated cumulative period of the third quarter of fiscal 2013 is insignificant.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (ended March 31, 2012)	Third Quarter Consolidated Accounting Period (ended December 31, 2012)
Assets		
Current assets		
Cash and time deposits	64,870	60,865
Notes and accounts receivable-trade	120,536	121,489
Accounts receivable from completed construction contracts	4,347	2,121
Marketable securities	15,000	17,000
Finished goods, logs and lumber	15,268	14,758
Work in process	1,172	1,463
Raw materials and supplies	4,537	4,772
Developed land and housing for sale	34,880	29,120
Costs on uncompleted construction contracts	28,397	41,129
Deferred tax assets	7,971	6,593
Short-term loans receivable	4,759	6,172
Accounts receivable-other	43,471	43,980
Other	5,052	7,831
Allowance for doubtful accounts	(1,329)	(1,322)
Total current assets	348,930	355,971
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	49,794	51,310
Accumulated depreciation	(22,944)	(24,321)
Buildings and structures, net	26,850	26,989
Machinery, equipment and vehicles	50,431	56,308
Accumulated depreciation	(38,119)	(40,180)
Machinery, equipment and vehicles, net	12,312	16,127
Land	24,475	24,192
Leased assets	8,330	8,284
Accumulated depreciation	(4,551)	(4,057)
Leased assets, net	3,779	4,227
Construction in progress	5,973	1,251
Other	18,168	18,491
Accumulated depreciation	(5,916)	(6,079)
Other, net	12,252	12,413
Total property, plant and equipment	85,641	85,199
Intangible assets		
Goodwill	924	726
Other	7,466	7,493
Total intangible assets	8,390	8,218
Investments and other assets		
Investment securities	48,487	49,823
Long-term loans receivable	2,045	1,499
Deferred tax assets	1,251	1,387
Other	11,963	16,307
Allowance for doubtful accounts	(3,211)	(3,033)
Total investments and other assets	60,534	65,983
Total noncurrent assets	154,566	159,400
Total assets	503,496	515,371

(million yen)

	Previous Consolidated Fiscal Year (ended March 31, 2012)	Third Quarter Consolidated Accounting Period (ended December 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	98,076	106,187
Accounts payable for construction contracts	57,349	48,652
Short-term debt	20,761	23,737
Lease obligations	1,217	1,134
Income taxes payable	5,749	653
Advances received on uncompleted construction contracts	38,567	55,735
Deferred tax liabilities	–	51
Provision for employees' bonuses	8,931	4,472
Provision for directors' bonuses	95	–
Provision for warranties for completed construction	1,843	1,656
Provision for disaster losses	60	60
Asset retirement obligation	536	608
Other	21,237	21,193
Total current liabilities	254,421	264,138
Long-term liabilities		
Bonds issued	15,000	15,000
Long-term debt	28,284	23,714
Lease obligations	2,661	3,122
Deferred tax liabilities	7,316	7,950
Provision for employees' retirement benefits	10,033	10,051
Provision for directors' retirement benefits	81	81
Provision for loss on business liquidation	1,435	1,435
Asset retirement obligation	844	823
Other	14,085	14,155
Total long-term liabilities	79,740	76,329
Total liabilities	334,161	340,467
Net assets		
Shareholders' equity		
Common stock	27,672	27,672
Capital surplus	26,872	26,872
Retained earnings	114,223	116,960
Treasury stock	(268)	(268)
Total shareholders' equity	168,499	171,235
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,734	6,584
Deferred gains or losses on hedges	192	426
Foreign currency translation adjustment	(5,291)	(4,091)
Total accumulated other comprehensive income	634	2,919
Minority interests	202	750
Total net assets	169,335	174,904
Total liabilities and net assets	503,496	515,371

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 (Consolidated Statements of Income)
 (3Q Cumulative Period (Consolidated))

(million yen)

	Previous Q3 Cumulative Period (Consolidated) (From April 1, 2011 to December 31, 2011)	3Q Cumulative Period under Review (Consolidated) (From April 1, 2012 to December 31, 2012)
Net sales	609,360	594,720
Cost of sales	510,676	500,113
Gross profit	98,683	94,607
Selling, general and administrative expenses	82,898	85,076
Operating income	15,786	9,531
Non-operating income		
Interest income	181	295
Purchase discounts	294	302
Dividends income	875	922
Foreign exchange gains	274	380
Other	920	956
Total non-operating income	2,544	2,855
Non-operating expenses		
Interest expenses	958	981
Sales discounts	463	477
Equity in losses of affiliates	184	163
Other	335	330
Total non-operating expenses	1,939	1,951
Recurring income	16,391	10,435
Extraordinary gains		
Gain on sales of noncurrent assets	159	63
Gain on sales of investment securities	5	28
Gain on transition of defined contribution pension	156	19
Total extraordinary gains	320	110
Extraordinary loss		
Loss on noncurrent assets	–	25
Loss on retirement of noncurrent assets	153	58
Impairment loss	2,463	46
Loss on devaluation of investment securities	68	497
Loss on changes in equity	–	25
Disaster losses	56	–
Loss on sale of affiliated company shares	88	–
Total extraordinary loss	2,828	651
Income before income taxes and minority interests	13,884	9,894
Income taxes-current	4,988	3,392
Income taxes-deferred	1,221	1,165
Total income taxes	6,209	4,557
Net income before minority interests	7,675	5,337
Minority interest profits or Minority interest losses	8	(57)
Net income	7,667	5,394

(Consolidated Statements of Comprehensive Income)
(3Q Cumulative Period (Consolidated))

(million yen)

	Previous Q3 Cumulative Period (Consolidated) (From April 1, 2011 to December 31, 2011)	Q3 Cumulative Period under Review (Consolidated) (From April 1, 2012 to December 31, 2012)
Net income before minority interests	7,675	5,337
Other comprehensive income		
Other valuation difference on available-for-sale securities	(2,209)	850
Deferred gains or losses on hedges	(184)	234
Foreign currency translation adjustments	(1,198)	1,052
Share in equity method affiliates	(438)	113
Total other comprehensive income	(4,029)	2,249
Comprehensive income	3,646	7,586
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,646	7,678
Comprehensive income attributable to minority interests	0	(92)

- (3) Notes related to the Assumption of a Going Concern
Not applicable
- (4) Notes on Significant Changes in Shareholders' Equity
Not applicable
- (5) Segment Information

I. Previous third quarter consolidated cumulative period (From April 1, 2011 to December 31, 2011)

1) Information regarding Sales and Income (Loss) for each Reporting Segment

(million yen)

	Reporting segment				Other (Note1)	Total	Adjustment (Note2)	Amount recorded in the quarterly, consolidated statements of income (Note 3)
	Timber and Building Materials	Housing business	Overseas business	Total				
Net sales								
(1) Unaffiliated customers	295,391	291,770	17,167	604,327	4,471	608,798	562	609,360
(2) Intersegment sales/transfers	14,263	156	8,494	22,913	5,754	28,667	(28,667)	-
Total	309,654	291,925	25,661	627,240	10,225	637,465	(28,105)	609,360
Segment income (loss)	4,142	15,692	(1,581)	18,253	491	18,744	(2,353)	16,391

- (Notes) 1. "Other" are business segments not included in the reporting segments. Such segments include the leasing business, insurance agency business and Senior citizen nursing care facility management business.
2. The ¥2,353 million loss under Adjustment to Segment income (loss) includes a loss of ¥37 million for transaction eliminations between segments and ¥2,315 million for corporate expenses, etc. not allocated to a reporting segment. Corporate expenses, etc. are primarily selling, general and administrative expenses not belonging to any reporting segments.
3. Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

2) Information relating to impairment losses of Noncurrent assets for each Reporting Segment or Goodwill, etc. (Significant impairment losses pertaining to Noncurrent assets)

In the "Overseas business" segment, as a result of considering the business environment of each construction material manufacturing facility owned by a subsidiary and its future prospects and studying the investment recovery possibility, we posted impairment losses as extraordinary losses.

Note that the amount of impairment loss posted for the third quarter cumulative period under review is ¥2,463 million.

II. Third quarter cumulative period under review (From April 1, 2012 to December 31, 2012)

1) Information regarding Sales and Income (Loss) for each Reporting Segment

(million yen)

	Reporting segment				Other (Note1)	Total	Adjustment (Note2)	Amount recorded in the quarterly, consolidated statements of income (Note 3)
	Timber and Building Materials	Housing business	Overseas business	Total				
Net sales								
(1) Unaffiliated customers	286,308	283,758	19,261	589,327	4,810	594,137	583	594,720
(2) Intersegment sales/transfers	15,123	266	9,570	24,960	6,180	31,140	(31,140)	-
Total	301,432	284,024	28,831	614,287	10,991	625,278	(30,558)	594,720
Segment income (loss)	3,514	9,583	(1,463)	11,635	495	12,130	(1,695)	10,435

- (Notes) 1. "Other" are business segments not included in the reporting segments. Such segments include the leasing business, insurance agency business and Senior citizen nursing care facility management business.
2. The ¥1,695 million loss under Adjustment to Segment income (loss) includes a loss of ¥88 million for transaction eliminations between segments and ¥1,607 million for corporate expenses, etc. not allocated to a reporting segment. Corporate expenses, etc. are primarily selling, general and administrative expenses not belonging to any reporting segments.
3. Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

2) Information relating to impairment losses of Noncurrent assets for each Reporting Segment or Goodwill, etc.
Not applicable

Items related to Changes in Reporting Segments

Pursuant to organizational revisions effective April 2012, from the consolidated accounting period of the first quarter, changes have been made in the Company's business segment classification from the conventional five segments of "Timber and Building Materials," "Overseas," "Housing," "Real Estate" and "Other Businesses" to the four segments of "Timber and Building Materials," "Housing," "Overseas" and "Other Businesses."

As the key points of change, the overseas timber and building materials procurement and sales business formerly contained in the Overseas segment is now placed in the Timber and Building Materials segment. In addition, the real estate management, sales, leasing and agency business, and the spec home sales business formerly included in the Real Estate are now included in the Housing segment, while private pay nursing homes and other operations are contained in Other Businesses.

In this regard, the segment information for the consolidated accounting period of the third quarter of the previous fiscal year has been prepared pursuant to the reporting segment classification subsequent to the changes.

4. Supplementary Information

(1) Consolidated Statements of Income

(million yen)

	3Q FY12		3Q FY13		YoY change	% of YoY change	FY12 Full Year (Actual)		FY13 Full Year (Forecast)		YoY change	% of YoY change
Timber and building materials business	309,654		301,432		(8,222)	(2.7%)	405,350		400,000		(5,350)	(1.3%)
Housing business	291,925		284,024		(7,901)	(2.7%)	415,098		430,000		+14,902	+3.6%
Overseas business	25,661		28,831		+3,170	+12.4%	34,971		40,000		+5,029	+14.4%
Other	10,225		10,991		+766	+7.5%	14,049		15,000		+951	+6.8%
Adjustment	(28,105)		(30,558)		(2,452)	-	(37,599)		(40,000)		(2,401)	-
Net sales	609,360		594,720		(14,639)	(2.4%)	831,870		845,000		+13,130	+1.6%
Gross profit	16.2%	98,683	15.9%	94,607	(4,076)	(4.1%)	16.5%	136,873	16.6%	140,500	+3,627	+2.7%
Selling, general and administrative expenses		82,898		85,076	+2,179	+2.6%		117,682		118,000	+318	+0.3%
Operating income	2.6%	15,786	1.6%	9,531	(6,255)	(39.6%)	2.3%	19,191	2.7%	22,500	+3,309	+17.2%
Non-operating income		2,544		2,855	+311	+12.2%		4,219		3,000	(1,219)	(28.9%)
Non-operating expenses		1,939		1,951	+12	+0.6%		2,695		2,500	(195)	(7.2%)
Non-operating income/losses		606		904	+299	+49.3%		1,524		500	(1,024)	(67.2%)
Timber and building materials business	1.3%	4,142	1.2%	3,514	(628)	(15.2%)	1.2%	4,781	1.1%	4,400	(381)	(8.0%)
Housing business	5.4%	15,692	3.4%	9,583	(6,109)	(38.9%)	6.2%	25,800	5.6%	24,200	(1,600)	(6.2%)
Overseas business	(6.2%)	(1,581)	(5.1%)	(1,463)	+118	-	(8.4%)	(2,938)	(4.8%)	(1,900)	+1,038	-
Other	4.8%	491	4.5%	495	+4	+0.9%	5.2%	728	3.3%	500	(228)	(31.3%)
Adjustment		(2,353)		(1,695)	+658	-		(7,655)		(4,200)	+3,455	-
Recurring income	2.7%	16,391	1.8%	10,435	(5,956)	(36.3%)	2.5%	20,714	2.7%	23,000	+2,286	+11.0%
Extraordinary gains		320		110	(210)	(65.7%)		455		100	(355)	(78.0%)
Extraordinary loss		2,828		651	(2,176)	(77.0%)		3,487		600	(2,887)	(82.8%)
Extraordinary gains/losses		(2,507)		(541)	+1,966	-		(3,032)		(500)	+2,532	-
Net income	1.3%	7,667	0.9%	5,394	(2,273)	(29.6%)	1.1%	9,271	1.5%	13,000	+3,729	+40.2%

(2) <Housing business> Sales and Orders Received

(million yen)

Third Quarter			Q3 FY12 (Actual)			Q3 FY13 (Actual)			Change	
			Volume	Amount	unit price	Volume	Amount	unit price	Volume	Amount
<<Sumitomo Forestry – Non-consolidated>>										
Orders Received	Contract Work	Custom-built detached housing	6,577	215,486	32.8	6,716	231,226	34.4	+2.1%	+7.3%
		Wooden apartments	714	8,240	11.5	790	8,521	10.8	+10.6%	+3.4%
		Other contract work		556	-		460	-		(17.3%)
Sales	Contract Work	Custom-built detached housing *1	6,336	206,799	32.6	5,879	195,813	33.3	(7.2%)	(5.3%)
		Wooden apartments *1	305	3,093	10.1	319	3,845	12.1	+4.6%	+24.3%
		Other contract work		556	-		108	-		(80.6%)
	Detached spec homes business *2	162	7,034	43.4	190	8,554	45.0	+17.3%	+21.6%	
	Land for custom-built housing		3,417	-		3,336	-		(2.4%)	
	Real estate development *2		4,042	-		5,375	-		+33.0%	
	Other *3		8,863	-		5,388	-		(39.2%)	
Total			233,804	-		222,420	-		(4.9%)	
Profit Ratio		Gross profit	25.2%	59,001		24.5%	54,473			
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	8,640	270,357	31.3	9,191	298,197	32.4	+6.4%	+10.3%
		Wooden apartments	1,292	13,309	10.3	1,568	16,108	10.3	+21.4%	+21.0%
		Other contract work		-	-		352	-		-
<<Sumitomo Forestry Home Tech Co., Ltd. (Renovation)>>										
Orders Received		Contract Work		35,621	-		39,440	-		+10.7%
Completion				34,099	-		37,227	-		+9.2%
Backlog of Orders Received at Term End				16,931	-		20,135	-		+18.9%

(million yen)

Full Year			FY12 Full Year (Actual)			FY13 Full Year (Forecast)			Change	
			Volume	Amount	unit price	Volume	Amount	unit price	Volume	Amount
<<Sumitomo Forestry – Non-consolidated>>										
Orders Received	Contract Work	Custom-built detached housing	8,962	295,194	32.9	9,100	313,300	34.4	+1.5%	+6.1%
		Wooden apartments	986	11,169	11.3	1,250	12,500	10.0	+26.8%	+11.9%
		Other contract work		585	-		1,200	-		+105.0%
Sales	Contract Work	Custom-built detached housing *1	9,007	294,081	32.7	9,000	298,000	33.1	(0.1%)	+1.3%
		Wooden apartments *1	772	7,899	10.2	959	9,400	9.8	+24.2%	+19.0%
		Other contract work		585	-		1,000	-		+70.9%
	Detached spec homes business *2	225	9,862	43.8	250	11,300	45.2	+11.1%	+14.6%	
	Land for custom-built housing		4,987	-		4,300	-		(13.8%)	
	Real estate development *2		7,306	-		15,000	-		+105.3%	
	Other *3		11,409	-		9,400	-		(17.6%)	
Total			336,129	-		348,400	-		+3.7%	
Profit Ratio		Gross profit	25.2%	84,805		24.5%	85,500			
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	8,354	262,784	31.5	8,454	278,084	32.9	+1.2%	+5.8%
		Wooden apartments	1,097	11,432	10.4	1,388	14,532	10.5	+26.5%	+27.1%
		Other contract work		-	-		200	-		-
<< Sumitomo Forestry Home Tech Co., Ltd. (Renovation)>>										
Orders Received		Contract Work		47,792	-		55,800	-		+16.8%
Completion				45,278	-		53,500	-		+18.2%
Backlog of Orders Received at Term End				17,922	-		20,222	-		+12.8%

*1: Sales volume of custom-built detached housing and wooden apartments is in units delivered (housing units)

*2: Spec homes Business and Real Estate Development figures are for the total of land and building.

*3: Sales of interior products and rental proceeds from leasing properties in our portfolio etc.