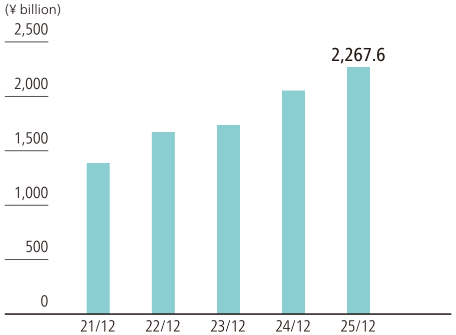
# Financial Highlights

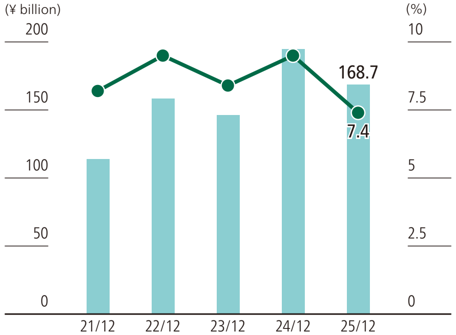
**For further details on the following indicators, please also refer to:**
Message from the Executive Officer in Charge of Corporate Planning and Finance →P.22
Management Discussion and Analysis (MD&A) →P.88

### Net sales




While results in the U.S. housing business were lower than in the previous fiscal year, net sales increased 10.4% year on year to 2,267.6 billion yen, supported by the acquisition of Metricon in Australia and the continued strong performance of the domestic housing business.

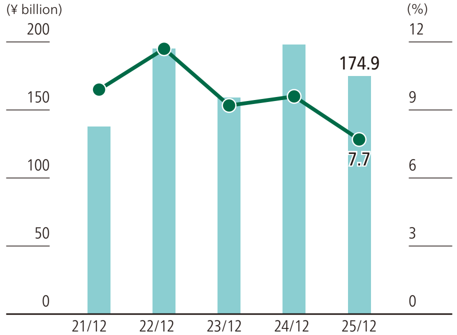
### Operating income / Operating income margin




Operating income (left axis) Operating income margin (right axis)

Due to a decline in units sold and lower profit margins in the U.S. housing business, operating income decreased 13.3% year on year to 168.7 billion yen, and the operating income margin declined 2.1 percentage points to 7.4%.

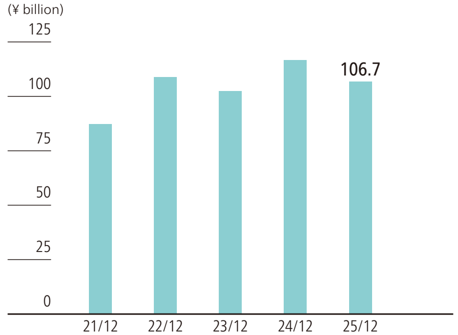
### Recurring income / Recurring income margin




Recurring income (left axis) Recurring income margin (right axis)

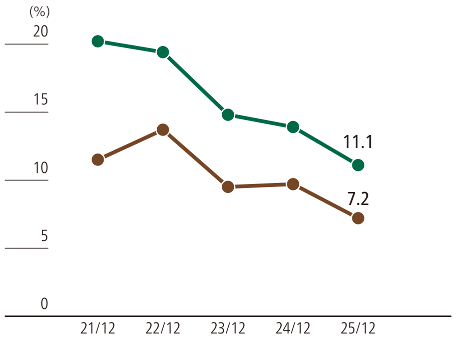
Recurring income was 174.9 billion yen., a decrease of 11.6% from the previous period primarily due to lower home sales and a decline in income margins in the U.S. Housing business.

### Net income attributable to shareholders of parent




Although extraordinary income was recorded due to a reduction in the current estimated payment for performance-based acquisition consideration related to past acquisitions in the United States, net income attributable to owners of parent decreased 8.5% year on year to 106.7 billion yen due to the decline in recurring income.

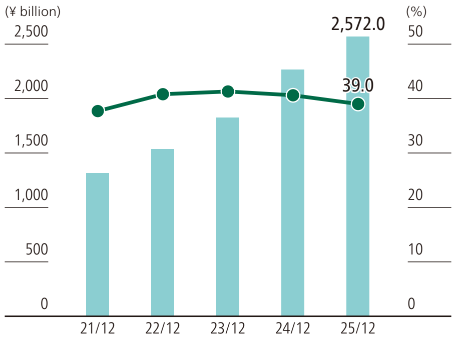
### ROE (Return on equity) / ROA (Return on assets)




ROE ROA

ROE stood at 11.1%, down 2.8 percentage points from the previous fiscal year. We recognize our cost of shareholders' equity to be in the 7% range, and ROE has remained well above that level.

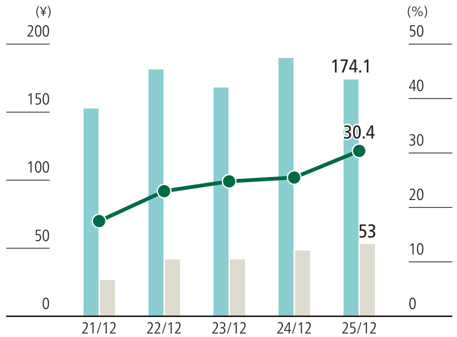
### Total assets / Equity ratio




Total assets (left axis) Equity ratio (right axis)

Total assets increased to 2,572.0 billion yen and the equity ratio was 39.0%, reflecting an increase in real estate held for sale associated with the expansion of the single-family homes business in the United States and the acquisition of LeTech in Japan, as well as an increase in investment securities resulting from expanded investments in the U.S. real estate development business.

### Net income attributable to owners of parent per share*1 / Annual dividend per share*1 / Dividend payout ratio

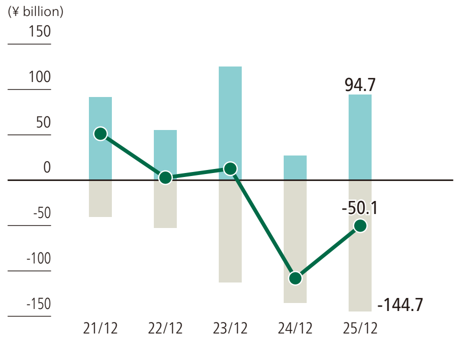



Net income attributable to owners of parent per share (left axis)
Annual dividend per share (left axis)
Dividend payout ratio (right axis)

The annual dividend per share for the fiscal year ended December 2025 amounted to 53 yen.

*1 The Company conducted a three-for-one stock split with an effective date of June 30, 2025, and per-share information for prior periods has been retroactively adjusted accordingly.

### Cash flows



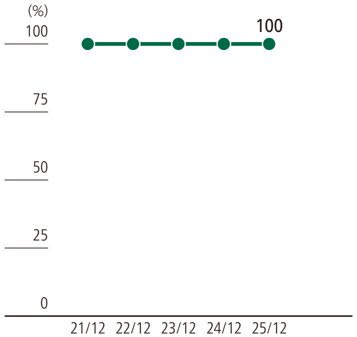

Cash flows from operating activities
Cash flows from investing activities
Free cash flow

Cash and cash equivalents at December 31, 2025 totaled 208.577 billion yen, an increase of 2.280 billion yen from the end of the previous fiscal year. Net cash provided by operating activities was 94.675 billion yen, while net cash used in investing activities was 144.743 billion yen.

# Non-financial Highlights

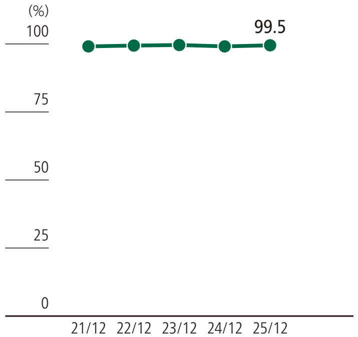
For further details on the following indicators, please also refer to:
Sustainability Management →P.52

### Sustainability procurement survey implementation rate of suppliers of imported timber



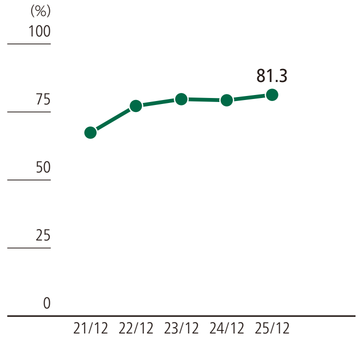

We continue to implement confirmation of legal compliance regarding timber procurement for all suppliers, as well as considerations for human rights, labor, biodiversity conservation, and local communities, and practice sustainable procurement.

### Recycling rate at manufacturing plants in Japan*1



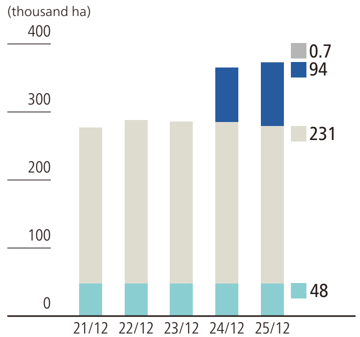

Each manufacturing plant continues to work on reducing waste emissions, and the recycling rate for fiscal 2025 was 99.5% against a plan of 99.6%.

### Rate of ZEH among new custom-built detached houses*2




Although the ratio increased from the previous fiscal year, it fell slightly short of the fiscal 2025 target of 83.0%.

### Area of forest owned, managed

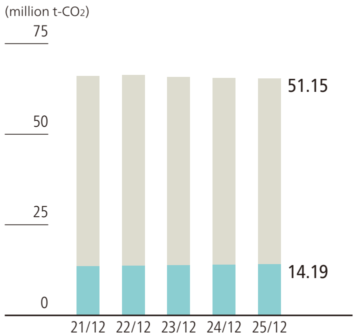



Japan Overseas Area under forest fund management Japan Forest Asset

To make permanent use of timber resources while maintaining the public benefit of forests, we are promoting sustainable forest management in Japan and overseas under appropriate management. We launched our first forest fund in fiscal 2024.

*1 Sumitomo Forestry Crest, Sumitomo Forestry Landscaping, Japan Bio Energy, Okhotsk Bio Energy, and Michinoku Bio Energy
*2 Includes Nearly ZEH and ZEH Oriented.
*3 Rate of taking childcare leave = number of persons starting childcare leave in fiscal year/number of persons whose children were born in the applicable each fiscal year.

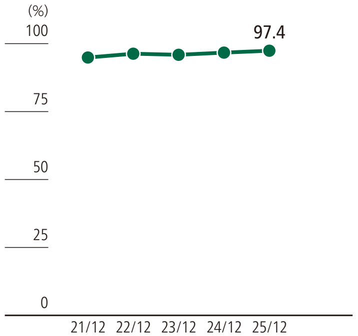
### Carbon sequestration amount in area of forest owned and managed (Carbon dioxide equivalent)




Japan Overseas

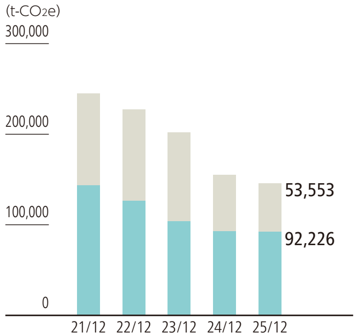
We strive to maintain and improve the public benefit of forests by implementing appropriate management of forests that we own and manage.

### Ratio of houses certified as Long-life Quality Housing among new custom-built detached houses




Sumitomo Forestry has set as a standard specification that Sumitomo Forestry homes must clear all conditions for certification as Long-life Quality Housing with the highest grade (evaluation under the Housing Performance Indication System).

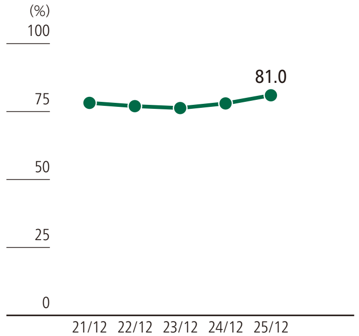
### $CO_2$ emissions




Scope 1 Scope 2

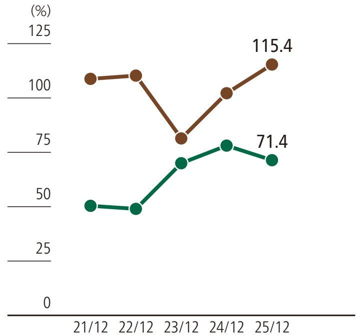
In addition to reducing coal consumption, we introduced renewable energy at overseas manufacturing plants. As a result, Scope 1 and Scope 2 emissions in fiscal 2025 decreased by 6% compared with fiscal 2024.

### Employee satisfaction (non-consolidated)




The results of the employee satisfaction surveys show that 81.0% of employees answered "absolutely or somewhat agree" to the question "Are you satisfied with your work at the Company?" in fiscal 2025.

### Rate of taking childcare leave (non-consolidated)*3




Male Female

Regarding male employees' participation in childcare, understanding has deepened not only among eligible male employees themselves but also among supervisors and others in the workplace, and the rate reached 71.4% in fiscal 2025.