

# FY12/2026 First Quarter Financial Results and FY12/2026 Full-Year Forecast



 **SUMITOMO FORESTRY** (Securities Code: 1911)

May 7, 2026

Good afternoon. My name is Otani. Thank you very much for taking time out of your busy schedule to attend our financial results briefing.

Now, I will explain the Q1 financial results for the fiscal year ending December 2026 and our forecast for the full year.

- "Net income attributable to owners of parent" is expressed as "net income."
- From FY12/2026, we newly established a *Real Estate segment* and transferred the real estate business and the construction business to this new segment, that had previously been included in *the Global Construction and Real Estate segment* and *the Housing segment*.
- In addition, in connection with the new establishment of *the Real Estate segment*, the segment name has been renamed from *the Global Construction and Real Estate segment* to *the Overseas Housing segment*.
- As we have revised the initial purchase price allocation due to the finalization of provisional accounting treatment related to business combinations, the figures for the previous fiscal year on this material have also been revised.
- A stock split has been carried out in a ratio of three shares for every one share of common stock, with June 30, 2025 as the record date and July 1, 2025 as the effective date.
- Although the closing of the acquisition of Tri Pointe Homes, Inc., a U.S.-listed builder, is scheduled, the impact of the acquisition is not included in the full-year forecast.

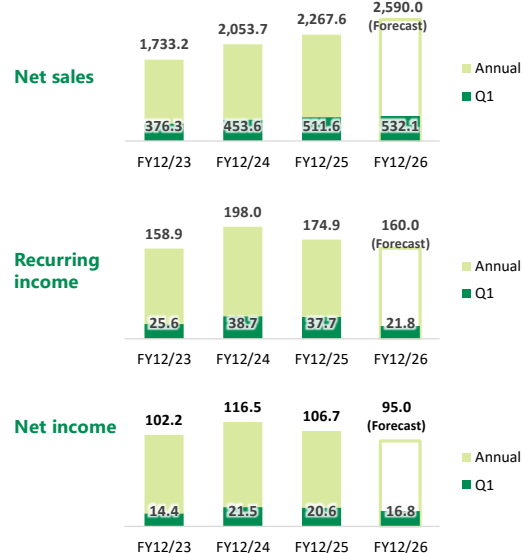
# FY12/2026 First Quarter Results



## Statements of Income

- Both the domestic custom-built detached housing business and the Australian housing business contributed to the increase in sales. However, due to the factors such as a decline in the number of units sold and falling profit margins in the core U.S. housing business, a decrease in income was recorded despite an increase in sales.

(billion yen)	FY12/25 Q1	FY12/26 Q1	Change	Pct.
<b>Net Sales</b>	<b>511.6</b>	<b>532.1</b>	<b>+20.4</b>	<b>+4.0%</b>
Gross Profit	122.5	117.6	-4.9	-4.0%
SG&A Expenses	83.6	93.7	+10.1	+12.0%
Operating Income	38.9	23.9	-15.0	-38.5%
Non-operating income/expenses	-1.2	-2.1	-0.9	-
<b>Recurring income</b>	<b>37.7</b>	<b>21.8</b>	<b>-15.9</b>	<b>-42.2%</b>
Effect of FX rate change	-	1.3		
Recurring income to Net sales ratio	7.4%	4.1%	-3.3%pt	-
Extraordinary income/loss	-	9.6	-	-
<b>Net income</b>	<b>20.6</b>	<b>16.8</b>	<b>-3.8</b>	<b>-18.6%</b>
FX rate (average during term)				
USD/JPY	152.62	156.89		
AUD/JPY	95.72	108.99		



©SUMITOMO FORESTRY CO.,LTD. ALL RIGHTS RESERVED.

4

Please refer to slide 4. I will walk you through our consolidated financial results.

Net sales for Q1 increased 4.0% year on year to JPY532.1 billion, surpassing those of the prior-year period, primarily driven by higher sales in our Australian housing business. On the other hand, customer wait-and-see attitudes continued in our U.S. housing business amid persistently high interest rates and an uncertain economic outlook, resulting in recurring income declining 42.2% year on year to JPY21.8 billion, and net income attributable to owners of the parent falling 18.6% year on year to JPY16.8 billion.

We recorded approximately JPY9.6 billion as extraordinary income in Q1, derived from the partial sale of Kumagai Gumi Co., Ltd. shares, the transfer of a building materials distribution subsidiaries to the GEOLIVE Group Corporation, and the sale of investment securities in connection with the partial sale of strategically-held shares.

As a result, we have partially revised the breakdown of our full-year forecast; however, our profit plan figures remain unchanged.

In addition, the escalating tensions in the Middle East are affecting crude oil prices and logistics costs. Should the current situation persist, we expect that much of the impact will likely materialize in the second half of this fiscal year and beyond; however, we believe it is difficult to estimate the extent of the impact at this point in time. For reference, the direct impact on our Q1 financial results was limited.

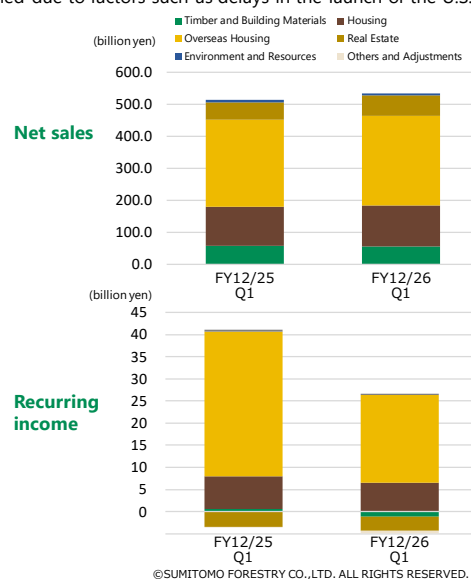
Regarding the acquisition of Tri Pointe Homes, Inc., which we are advancing in the United States, we have confirmed that all necessary conditions have been met, including approval from Tri Pointe Homes' shareholders' meeting and the relevant regulatory authorities, and we are planning to close the transaction next week. Additionally, at today's Board of Directors meeting, we resolved to disburse a bridge loan to finance the acquisition. As the purchase price allocation (PPA) is currently being assessed, the impact on our financial results is not included in our current full-year forecast, but we expect substantial profit contribution from 2027 onwards.

Please note that in Q1, we have recorded a portion of acquisition-related costs.

## Results by Segment

- In the Overseas Housing business, the strong performance of the Australian housing business contributed to the results. On the other hand, with the business environment remains challenging for the U.S. housing business, income decreased despite an increase in sales. In the Timber and Building Materials business, both sales and income declined due to factors such as delays in the launch of the U.S. sawmill acquired in the previous fiscal year.

(billion yen)		FY12/25 Q1	FY12/26 Q1	Change	Pct.
<b>Timber and Building Materials</b>	Net Sales	58.2	56.4	- 1.8	-3.1%
	Recurring income	0.6	- 1.1	-1.6	-
	RI/Net sales ratio*	1.0%	-	-	-
<b>Housing</b>	Net Sales	122.5	126.7	+4.2	+3.4%
	Recurring income	7.4	6.5	-0.9	-12.6%
	RI/Net sales ratio*	6.1%	5.1%	-0.9%pt	-
<b>Overseas Housing</b>	Net Sales	271.0	281.0	+10.0	+3.7%
	Recurring income	32.7	19.9	- 12.8	-39.1%
	RI/Net sales ratio*	12.1%	7.1%	-5.0%pt	-
<b>Real Estate</b>	Net Sales	55.0	63.1	+8.2	+14.8%
	Recurring income	- 4.2	- 3.2	+1.0	-
	RI/Net sales ratio*	-	-	-	-
<b>Environment and Resources</b>	Net Sales	6.7	7.2	+0.5	+7.3%
	Recurring income	0.4	0.3	- 0.2	-41.7%
	RI/Net sales ratio*	6.5%	3.5%	-3.0%pt	-
<b>Others</b>	Net Sales	6.9	7.1	+0.3	+4.1%
	Recurring income	2.1	1.2	-0.9	-42.1%
	RI/Net sales ratio*	29.9%	16.6%	-13.3%pt	-
<b>Adjustment</b>	Net Sales	- 8.6	- 9.5	-0.9	-
	Recurring income	- 1.3	- 1.8	-0.6	-
<b>TOTAL</b>	Net Sales	511.6	532.1	+20.4	+4.0%
	Recurring income	37.7	21.8	- 15.9	-42.2%
	RI/Net sales ratio*	7.4%	4.1%	-3.3%pt	-



Please turn to slide 5. These are our results by segment.

In the Timber and Building Materials business, net sales declined 3.1% year on year to JPY56.4 billion, falling below those of the prior-year period, due to the transfer of a consolidated subsidiaries to the GEOLIVE Group Corporation, an equity-method affiliate, for the purpose of reorganization and strengthening within this Group. In addition, a delayed launch of a U.S. sawmill acquired in the previous fiscal year resulted in production volumes falling below plan, and recurring income posted a loss of JPY1.1 billion.

In the Housing business, net sales exceeded those of the prior-year period due to an increase in the number of houses under construction, reflecting favorable orders received in the previous fiscal year for the custom-built detached housing business. However, the recurring income to net sales ratio declined 0.9 percentage points year on year to 5.1%, owing to a decrease in land sales gains in a subsidiary and an increase in personnel expenses. Net sales for the Housing business increased 3.4% year on year to JPY126.7 billion, and recurring income declined 12.6% year on year to JPY6.5 billion.

In the Overseas Housing business, net sales for the single-family homes business in Australia exceeded those of the prior-year period due to favorable market conditions and an increase in the number of units sold.

Meanwhile, in the U.S. single-family homes business, recurring income fell below that of the prior-year period due to continued wait-and-see attitudes among homebuyers driven by persistently high mortgage rates and an uncertain economic outlook, as well as an increase in incentives. Net sales for the Overseas Housing business increased 3.7% year on year to JPY281.0 billion, while recurring income declined 39.1% year on year to JPY19.9 billion.

In the Real Estate business, net sales exceeded those of the prior-year period due to contributions from LeTech, which was made a subsidiary in the previous fiscal year. In addition, the extent of losses was reduced due to improved profit margins in our overseas real estate development business and a reduction in selling, general and administrative expenses.

In the Environment and Resources business, net sales for the overseas forestry business exceeded those of the prior-year period due to an increase in sales; however, recurring income fell below that of the prior-year period due to higher costs.

(billion yen)		FY12/25 Q1	FY12/26 Q1	Change	Pct.
<b>Orders received</b>	Custom-built detached houses	101.9	<b>110.6</b>	+8.7	+8.6%
	Apartments	6.3	<b>6.1</b>	-0.2	-3.0%
<b>Units &amp; Prices of Custom-built detached houses</b>	Units	2,089	<b>2,165</b>	+76	+3.6%
	Unit price (mil. Yen)	44.7	<b>46.9</b>	+2.2	+5.0%
<b>Sales</b>	Custom-built detached houses	87.3	<b>92.9</b>	+5.6	+6.4%
	Apartments	5.3	<b>6.0</b>	+0.7	+14.3%
	Detached spec home	4.3	<b>4.0</b>	-0.2	-5.8%
	Renovation	14.2	<b>14.6</b>	+0.4	+2.9%
	Others & Adjustments	11.5	<b>9.2</b>	-2.3	-20.2%
	<b>TOTAL</b>	<b>122.5</b>	<b>126.7</b>	+4.2	+3.4%
	RI/Net sales ratio	6.1%	<b>5.1%</b>	-0.9%pt	-
<b>Units &amp; Prices of Custom-built detached houses</b>	Units	1,773	<b>1,656</b>	-117	-6.6%
	Unit price (mil. Yen)	47.7	<b>49.3</b>	+1.6	+3.4%

#### • Order Status

In addition to an increase in orders for the Grand Estate Design Project and other higher-priced premium products that leverage our design expertise, which is our strength, the "Cho Sumai Haku" housing fair, a customer outreach event held in November 2025, also helped us to maintain strong order performance.

#### • Sales Status

Reflecting the strong order performance last year, the custom-built detached housing business recorded higher sales revenue and higher unit price than in the same period last year.

Moving on, please turn to slide 6. I will explain the orders received and sales situation for our domestic housing business.

Sales of custom-built detached houses reflected the strong orders received in the previous year, with both sales and unit sales price exceeding those of the prior-year period.

In terms of orders received, which were also influenced by our "Cho Sumai Haku" housing fair held in November of last year, the number of units increased 3.6% year on year to 2,165 units, and the average order unit price increased 5.0% year on year to JPY46.9 million, continuing to perform solidly.

In addition to increasing orders for higher-priced premium products that leverage our design and proposal capabilities—a key strength exemplified by our Grand Estate Design Project—we are also securing stable orders in the volume zone of approximately JPY35 million with our semi-custom product "Forest Selection."

(billion yen)			FY12/25	FY12/26	Changes	Pct.
			Q1	Q1		
<b>U.S.</b>	Housing	Net Sales	179.8	<b>155.6</b>	-24.2	-13.5%
		Recurring income	27.6	<b>13.3</b>	- 14.3	-51.9%
		RI/Net sales ratio	15.4%	<b>8.6%</b>	-6.8%pt	-
	FITP	Net Sales	10.9	<b>13.5</b>	+2.6	+23.8%
		Recurring income	0.1	<b>-0.3</b>	-0.5	-
		RI/Net sales ratio	1.3%	-	-	-
<b>Australia</b>	Housing	Net Sales	73.2	<b>101.8</b>	+28.7	+39.2%
		Recurring income	4.1	<b>8.1</b>	+4.0	+96.4%
		RI/Net sales ratio	5.6%	<b>8.0%</b>	+2.3%pt	-
<b>Indonesia, Vietnam</b>	Housing	Net Sales	0.0	<b>0.0</b>	+0.0	+0.0%
		Recurring income	0.0	<b>-0.0</b>	-0.0	-
Others & Adjustments	Net Sales	7.1	<b>10.0</b>	+2.9	+41.5%	
		0.7	<b>- 1.2</b>	- 1.9	-	
<b>TOTAL</b>	Net Sales	271.0	<b>281.0</b>	+10.0	+3.7%	
		Recurring income	32.7	<b>19.9</b>	- 12.8	-39.1%
		RI/Net sales ratio	12.1%	<b>7.1%</b>	-5.0%pt	-
FX rate (average during term)						
USD/JPY			152.62	<b>156.89</b>		
AUD/JPY			95.72	<b>108.99</b>		

### • U.S. Housing

Within a challenging business environment as customers maintained a wait-and-see outlook, both sales and income declined due to a fall in the number of units sold, along with the provision of incentives.

### • FITP

Although an increase in the number of factories contributed to an increase in sales, income decreased mainly due to increased delivery costs and others.

### • Australian Housing

Both sales and income increased due to strong order performance at SPG in Western Australia, improved earnings by Metricon, and an increase in the number of spec homes delivered in Victoria.

Next, I will explain the Overseas Housing segment. Within this segment, while our Australian housing business continued to perform solidly, our U.S. housing business was significantly affected by market conditions, leading to weak results.

In addition, our FITP business saw net sales increase year on year due to an increase in the number of factories; however, profitability deteriorated due to the sluggish number of housing starts for both single-family homes and multi-family housing, cost increases, and upfront investment expenses.

(billion yen)		FY12/25	FY12/26	Change	Pct.
		Q1	Q1		
<b>U.S. Housing</b>	No. of Units order received	2,868	2,728	- 140	-4.9%
	No. of Units sold	2,254	1,954	- 300	-13.3%
	Sales (mil. USD)	1,135	926	- 209	-18.4%
	Unit sales price (thousand USD)	504	474	-30	-5.9%
	RI/Net sales ratio	15.4%	8.6%	-6.8%pt	-
	Order backlog (units)	3,293	3,064	- 229	-7.0%
	Lots owned	52,672	51,806	-866	-1.6%
	completed inventory	2,163	1,898	-265	-12.3%
Option lots	26,797	26,515	- 282	-1.1%	
<b>Australia Housing</b>	No. of Units order received	1,834	2,032	+198	+10.8%
	No. of Units sold	1,671	1,935	+263	+15.7%
	Sales (mil. AUD)	764	939	+175	+22.9%
	Unit sales price (thousand AUD)	457	485	+28	+6.2%
	RI/Net sales ratio	5.6%	8.0%	+2.3%pt	-
	Order backlog (units)	7,826	8,312	+486	+6.2%

### • U.S. Housing

Due to persistently high mortgage rates and an uncertain economic outlook, homebuyers maintained a wait-and-see attitude. As a result, both the number of units ordered and number of units sold fell year on year. Unit sales price was lower than in the same period last year amidst fierce competition.

### • Australian Housing

In addition to a steady growth in orders by SPG (in Western Australia) and Metricon, the number of spec homes delivered in Victoria and other factors contributed to a year-on-year increase in both the number of units ordered and the number of units sold. In addition, both the unit sales price and the recurring income to net sales ratio rose year on year, underpinned by factors such as the improved profitability of Metricon and robust sales in Western Australia.

Please turn to slide 8. I will explain the status of our single-family homes businesses in the U.S. and Australia.

In our U.S. single-family homes business, homebuyer sentiment continued to weaken against the backdrop of an uncertain economic outlook, and the number of unit orders received declined 4.9% year on year to 2,728 homes, falling below the prior-year level. Although expectations for interest rate cuts increased and mortgage rates briefly entered the 5% range in February, they remain elevated in the low-6% range amid worsening tensions in the Middle East, and customer wait-and-see attitudes remain strong.

Furthermore, the spring selling season, which normally gains momentum from late February, has continued to face challenging conditions with a lack of activity.

Due to deteriorating business conditions, the number of units sold declined 13.3% year on year, and the unit sales price declined 5.9% year on year to USD474,000.

In terms of profitability, the recurring income to net sales ratio declined 6.8 percentage points year on year to 8.6%, impacted by the decrease in units sold and increased incentives.

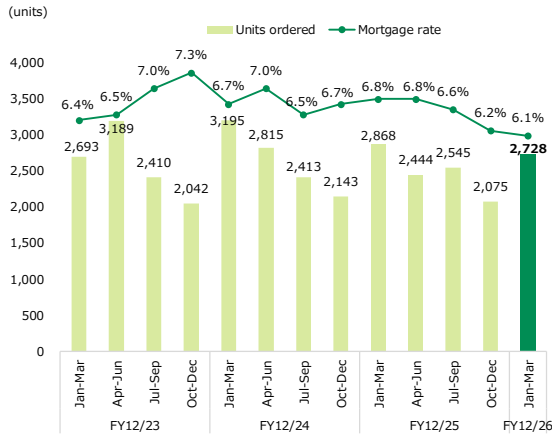
With regard to land inventory, we have secured approximately 80,000 lots in total, including both owned lots and option lots. Completed inventory has declined 12.3% year on year, and we are appropriately managing inventory risk in response to changes in market conditions by adjusting land development schedules, utilizing option contracts, and being selective in land acquisition.

In our Australian single-family homes business, orders received remained strong, particularly in Western Australia, increasing 10.8% year on year to 2,032 units. On the sales side, we steadily converted the prior year's strong orders received into deliveries, with the number of units sold increasing 15.7% year on year to 1,935 homes.

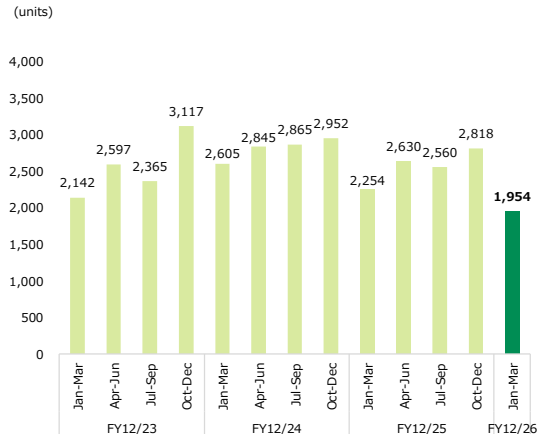
Profitability also recovered steadily, achieving a recurring income to net sales ratio of 8.0%, which exceeded our full-year plan.

- In addition to mortgage rates remaining persistently high, customers have maintained a wait-and-see attitude due to the uncertain economic outlook. As a result, both the number of units ordered and number of units sold declined year on year.

**Trends in number of units ordered for U.S. single-family homes, and mortgage rates**



**Trends in number of units sold for U.S. single-family homes (on a delivery basis)**



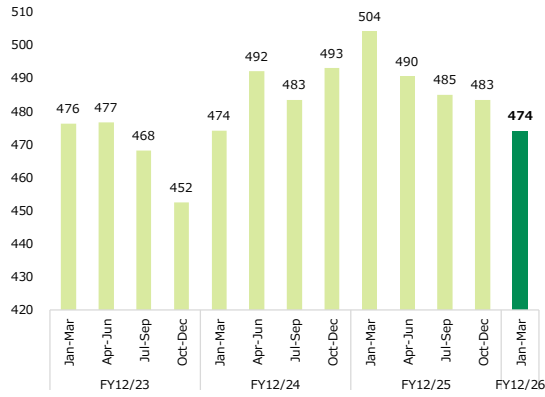
\*Source: Federal National Mortgage Association (Fannie Mae)  
<https://www.fanniemae.com/media/56816/display>

Slides 9 and 10 show the quarterly trends for our U.S. single-family homes business. Please review the trend data at your convenience.

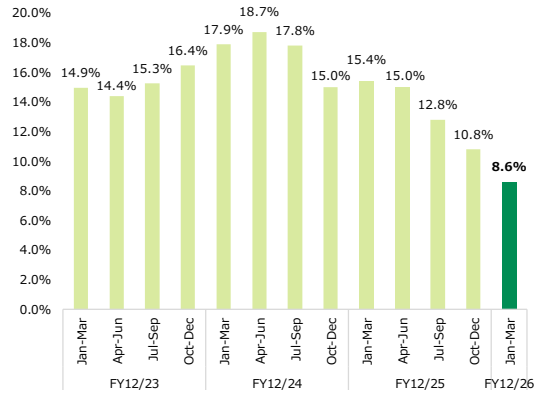
- Recurring income to net sales ratio fell due to factors such as lower unit sales prices and providing incentives.

**Trends in unit sales price for U.S. single-family homes**

(thousand USD)



**Trends in recurring income to net sales ratio for U.S. single-family homes**



(billion yen)			FY12/25 Q1	FY 12/26 Q1	Change	Pct.
<b>Overseas</b>	U.S. Real Estate	Net Sales	39.3	<b>41.3</b>	+2.0	+5.1%
		Recurring income	-3.8	<b>-2.4</b>	+1.4	-
		RI/Net sales ratio	-	-	-	-
<b>Domestic</b>	Property Management and Real Estate Development	Net Sales	8.4	<b>12.2</b>	+3.8	+45.1%
		Recurring income	0.6	<b>0.2</b>	-0.3	-61.0%
		RI/Net sales ratio	6.7%	<b>1.8%</b>	-4.9%	-
	Construction	Net Sales	7.4	<b>9.9</b>	+2.5	+33.9%
		Recurring income	0.8	<b>0.8</b>	+0	+0.0%
		RI/Net sales ratio	10.7%	<b>8.0%</b>	-2.7%	-
Others & Adjustments	Net Sales	-0.1	<b>-0.2</b>	-0.2	-	
	Recurring income	-1.8	<b>-1.7</b>	+0.0	-	
<b>TOTAL</b>		Net Sales	55.0	<b>63.1</b>	+8.2	+14.8%
		Recurring income	-4.2	<b>-3.2</b>	+1.0	-
		RI/Net sales ratio	-	-	-	-
FX rate (average during term)						
USD/JPY			152.62	<b>156.89</b>		
AUD/JPY			95.72	<b>108.99</b>		

### • Overseas – U.S. Real Estate

Factors such as improved profit margins and a reduction in selling, general, and administrative expenses helped to reduce the loss margin.

### • Domestic

Sales from LeTech, which became a consolidated subsidiary in the previous fiscal year, contributed to the increase in overall sales.

Slide 11 covers the Real Estate segment.

Net sales exceeded those of the prior-year period due to an increase in fee income from construction contracting by JPI in the U.S. and domestic contributions from LeTech, which was made a subsidiary in the previous fiscal year. Meanwhile, in our U.S. real estate business, the disposition of properties has remained difficult due to cap rates staying elevated. In Q1, the extent of losses was reduced due to one property sale and improved profitability from construction contracting; however, recurring income remained in negative territory.

(billion yen)

		FY12/25 Q1	FY12/26 Q1	Change	Pct.
<b>Timber and Building Materials</b>	Net Sales	58.2	56.4	- 1.8	-3.1%
	Recurring income	0.6	-1.1	-1.6	-
	RI/Net sales ratio	1.0%	-	-	-
<b>Environment and Resources</b>	Net Sales	6.7	7.2	+0.5	+7.3%
	Recurring income	0.4	0.3	- 0.2	-41.7%
	RI/Net sales ratio	6.5%	3.5%	-3.0%pt	-

• **Timber and Building Materials**

Net sales declined year on year due to the transfer of a consolidated subsidiaries to GEOLIVE Group Corporation. Additionally, income declined due to delays in the launch of the U.S. sawmill acquired in the previous fiscal year.

• **Environment and Resources**

Net sales increased year on year due to an increase in sales unit in the overseas forestry business.

Slide 12 summarizes the financial results of the Timber and Building Materials business and the Environment and Resources business.

(billion yen)	End of 12/2025	End of 3/2026	Changes
<b>Current assets</b>	1,693.7	1,719.5	+25.8
Cash, deposits, securities	185.4	150.6	-34.8
Receivables	241.7	247.5	+5.9
Real estate for sale	227.7	219.0	-8.6
Real estate for sale in process	756.6	805.0	+48.3
Other receivables	103.6	103.4	-0.2
Others	178.7	194.0	+15.3
<b>Non-current assets</b>	878.3	893.3	+15.0
Land and Construction in process	114.8	111.5	- 3.4
Other tangible fixed assets	207.8	214.4	+6.5
Intangible fixed assets	76.1	76.4	+0.3
Investment securities	377.3	383.1	+5.7
Others	102.2	108.0	+5.8
<b>Total assets</b>	2,572.0	2,612.8	+40.8
FX rate (end of term)			
USD/JPY	156.56	159.88	
AUD/JPY	104.82	109.68	

	End of 12/2025	End of 3/2026	Changes
<b>Real estate for sale and</b>	984.3	1,024.0	+39.7
<b>Real estate for sale in process</b>			
U.S. (bil. Yen)	833.9	861.6	+27.7
U.S. (mil. USD)	5,327	5,389	+62

### • Balance Sheet – Assets

Total assets increased due to the depreciating yen and an increase in real estate for sale in process, among other factors.

Slides 13 and 14 compare the balance sheet against the end of the previous fiscal year. Total assets amounted to JPY2,612.8 billion, an increase of JPY40.8 billion from the end of December 2025, primarily due to an increase in the yen-equivalent value of foreign-currency-denominated assets held by overseas subsidiaries due to yen depreciation.

## Balance Sheet – Liabilities and Net Assets

(billion yen)	End of 12/2025	End of 3/2026	Changes
<b>Liabilities</b>	1,435.2	1,433.1	-2.2
Payables	292.6	277.2	-15.3
Interest bearing debt	769.5	775.3	+5.8
Contract liabilities	99.0	113.8	+14.8
Income taxes payable	10.8	13.6	+2.7
Others	263.4	253.2	-10.2
<b>Net assets</b>	1,136.8	1,179.7	+42.9
Shareholders' equity	762.8	763.8	+1.0
Accumulated other comprehensive income	241.2	277.2	+36.0
Foreign currency translation adjustment	175.7	192.7	+17.0
Non-controlling interests	132.8	138.7	+5.9
Share acquisition rights	0.1	0.1	+0.0
<b>Total liabilities and net assets</b>	2,572.0	2,612.8	+40.8

(billion yen)	End of 12/2025	End of 3/2026	Changes
<b>Interest bearing debt</b>	769.5	775.3	+5.8
Short-term borrowings	140.8	133.3	-7.5
Long-term borrowings	532.2	545.6	+13.4
Bonds payable	70.3	70.3	-0.0
Lease obligations	26.2	26.1	-0.1

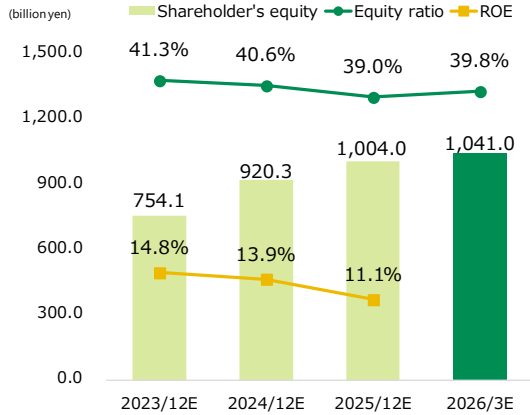
### • Balance Sheet – Liabilities and Net Assets

On the liabilities side, interest-bearing debt increased due to foreign exchange effects. On the net assets side, foreign currency translation adjustment increased by 17.0 billion yen.

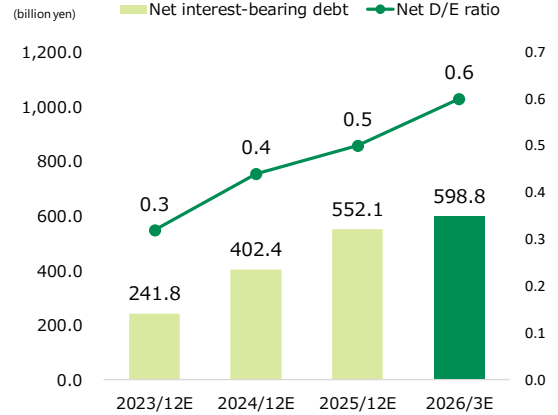
On the liabilities side, while the yen-equivalent value of foreign-currency-denominated liabilities held by overseas subsidiaries increased due to yen depreciation, this was offset by a decrease in payables, resulting in a net decrease of JPY2.2 billion from the end of December 2025 to JPY1,433.1 billion. On the net assets side, the foreign currency translation adjustments increased by JPY17.0 billion, and total net assets increased by JPY42.9 billion to JPY1,179.7 billion.

- Stable financial foundation has been maintained, with an equity ratio of 39.8% and a net debt-to-equity ratio of 0.7 or less.

## Financial Soundness/Capital Efficiency



## Financial Discipline



Slide 15 shows trends in equity ratio, ROE, and net D/E ratio.

The equity ratio stands at 39.8%, maintaining a level close to our target of approximately 40%. In addition, the net D/E ratio is 0.6x, within our target range of 0.7x or below.

Going forward, the consolidation of Tri Pointe Homes is expected to significantly change our financial position; however, we will continue to manage the Company with an awareness of maintaining financial soundness and improving capital efficiency.

# Topics



IR News Releases: <https://sfc.jp/english/news/>

Title	
January	Notice of Change to Shareholding Ratios of Sumitomo Forestry Co., Ltd. and Kumagai Gumi Co., Ltd.
	Joint Development of a Logistics Facility Near Charlotte, North Carolina ~ A Logistics Base with Exceptional Transport Efficiency ~
February	Introduction of a New Family Care Leave System ~ Supporting Care-giving Employees and Realizing Diverse Work Styles ~
	Joint Development of a Wooden Multi-family Rental Complex Near Atlanta ~ Achieves Both Decarbonization and Economic Efficiencies with the Use of Wood ~
	Financial Results for the Fiscal Year Ended December 2025
	Notice Regarding the Acquisition of Shares (Subsidiarization) of Tri Pointe Homes, Inc. and the Change of a Specified Subsidiary
March	Notice of Partial Amendment to Articles of Incorporation and Shelf Registration with Respect to Issuance of Series 1 Bond-Type Class Shares
	Sumitomo Forestry wins the highest top 1% assessment for the eighth consecutive year in S&P's The Sustainability Yearbook – 2026 Rankings
	Recognized as Certified Health & Productivity Management Organization 2026, in Large Enterprise Category, as White 500 for Second Year Running
	Received Semi-Grand Prize in the 5th NIKKEI Integrated Report Award for the First Time
	GREEN×EXPO 2027 Village Exhibition Name and Concept Finalized ~ Offering a Rich Experience Exploring Trees and Forests from Multiple Perspectives ~
	Kowanomori Co., Ltd.'s Yotsukura Factory (Iwaki City, Fukushima Prefecture) Begins Operations ~ Expanded Use of Japanese Timber Through Timber and Processed Wood Products; Launch of Timber Industrial Complex ~
Development of a 300-unit Multi-family Rental Complex in Atlanta, Georgia ~ Utilizing Wood to Achieve Both Decarbonization and Economic Efficiencies ~	

Slide 17 lists our major IR-related announcements from January through March 2026. Please refer to it for your information.

# FY12/2026 Full-Year Forecast

(billion yen)	FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
<b>Net Sales</b>	<b>2,267.6</b>	<b>2,590.0</b>	<b>+322.4</b>	<b>+14.2%</b>	-
Gross Profit	524.6	560.0	+35.4	+6.7%	-
SG&A Expenses	355.9	403.0	+47.1	+13.2%	-
Operating Income	168.7	157.0	-11.7	-6.9%	-
Non-operating income	6.2	3.0	-3.2	-51.4%	-
<b>Recurring income</b>	<b>174.9</b>	<b>160.0</b>	<b>-14.9</b>	<b>-8.5%</b>	-
Effect of FX rate change	-1.5	-	-	-	-
Recurring income to Net sales ratio	7.7%	6.2%	-1.5%pt	-	-
Extraordinary profit/loss	5.3	9.6	+4.3	+80.2%	+2.1
<b>Net income</b>	<b>106.7</b>	<b>95.0</b>	<b>-11.7</b>	<b>-10.9%</b>	-
<b>EPS</b>	<b>174.13</b>	<b>155.09</b>	<b>-19.04</b>	<b>-10.9%</b>	-
<b>FX rate</b>					
USD/JPY	149.66	150.00			
AUD/JPY	96.51	105.00			

## • Statements of Income

Although the sale of investment securities resulted in an extraordinary gain of 2.1 billion yen, the initial forecast for net income made at the beginning of its fiscal year remains unchanged.

\* Excludes the impact of the acquisition of Tri Pointe Homes, Inc. disclosed on February 13, 2026.

The impacts of the escalating tensions in the Middle East on profits and losses are currently being assessed.

\*Figures for the previous forecast are the ones announced at the results briefing for FY12/2025, held on February 13, 2026.

Slides 19 through 24 cover our full-year forecast.

In Q1, we recorded extraordinary income of approximately JPY9.6 billion, mainly from the partial sale of Kumagai Gumi Co., Ltd. shares, as well as the sale of other investment securities. As a result, we have partially revised the breakdown of our full-year forecast.

On the other hand, we have kept our overall profit plan unchanged, as it is necessary to assess the impact of the acquisition of Tri Pointe Homes and the situation in the Middle East. Accordingly, consolidated net sales, recurring income, and net income, as well as segment results and domestic and overseas housing orders received and sales plans, all remain unchanged from the initial forecast.

## Forecast by Segment

(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.
<b>Timber and Building Materials</b>	Net Sales	253.0	<b>274.0</b>	+21.0	+8.3%
	Recurring income	12.8	<b>10.0</b>	- 2.8	-21.6%
	RI/Net sales ratio	5.0%	<b>3.6%</b>	-1.4%pt	-
<b>Housing</b>	Net Sales	542.3	<b>596.0</b>	+53.7	+9.9%
	Recurring income	38.5	<b>38.0</b>	- 0.5	-1.4%
	RI/Net sales ratio	7.1%	<b>6.4%</b>	-0.7%pt	-
<b>Overseas</b>	Net Sales	1,205.9	<b>1,374.0</b>	+168.1	+13.9%
	Recurring income	138.0	<b>113.0</b>	- 25.0	-18.1%
	RI/Net sales ratio	11.4%	<b>8.2%</b>	-3.2%pt	-
<b>Real Estate</b>	Net Sales	254.1	<b>331.0</b>	+76.9	+30.3%
	Recurring income	- 13.8	<b>1.0</b>	+14.8	-
	RI/Net sales ratio	-	<b>0.3%</b>	-	-
<b>Environment and Resources</b>	Net Sales	26.8	<b>28.0</b>	+1.2	+4.6%
	Recurring income	- 1.4	<b>- 1.5</b>	- 0.1	-
	RI/Net sales ratio	-	-	-	-
<b>Others</b>	Net Sales	28.1	<b>30.0</b>	+1.9	+6.7%
	Recurring income	5.0	<b>3.5</b>	- 1.5	-30.4%
	RI/Net sales ratio	17.9%	<b>11.7%</b>	-6.2%pt	-
<b>Adjustment</b>	Net Sales	- 42.5	<b>- 43.0</b>	- 0.5	-
	Recurring income	- 4.2	<b>- 4.0</b>	+0.2	-
	<b>TOTAL</b>	<b>Net Sales</b>	2,267.6	<b>2,590.0</b>	+322.4
	Recurring income	174.9	<b>160.0</b>	- 14.9	-8.5%
	RI/Net sales ratio	7.7%	<b>6.2%</b>	-1.5%pt	-

### • Segment Net Sales and Recurring Income

No change from the initial forecast made at the beginning of its fiscal year.

(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.
<b>Orders received</b>	Custom-built detached houses	420.2	420.0	- 0.2	-0.0%
	Apartments	26.3	26.0	- 0.3	-1.2%
<b>Units &amp; Prices of Custom-built detached houses</b>	Units	8,357	8,200	- 157	-1.9%
	Unit price (mil. Yen)	45.9	46.5	+0.6	+1.3%
<b>Sales</b>	Custom-built detached houses	389.0	426.0	+37.0	+9.5%
	Apartments	19.1	22.7	+3.6	+19.1%
	Detached spec home	20.1	26.2	+6.1	+30.3%
	Renovation	77.9	79.5	+1.6	+2.0%
	Others & Adjustments	36.3	41.6	+5.3	+14.7%
	<b>TOTAL</b>	542.3	596.0	+53.7	+9.9%
	RI/Net sales ratio	7.1%	6.4%	-0.7%pt	-
<b>Units &amp; Prices of Custom-built detached houses</b>	Units	7,772	8,100	+328	+4.2%
	Unit price (mil. Yen)	48.7	50.7	+2.0	+4.1%

• **Order Status**

No change from the initial forecast made at the beginning of its fiscal year.

• **Sales Status**

No change from the initial forecast made at the beginning of its fiscal year.

With regard to the impact of the situation in the Middle East, we anticipate delays in the delivery of housing materials and cost increases; however, we will respond appropriately, including through revisions to selling prices.

At present, the situation remains fluid, and it is difficult to forecast our financial results with any accuracy. We will conduct further analysis and provide an update once the impact becomes clearer.

## Overseas Housing Segment

(billion yen)			FY12/25	FY12/26 forecast	Changes	Pct.
<b>U.S.</b>	Housing	Net Sales	786.1	862.0	+75.9	+9.7%
		Recurring income	105.2	85.5	- 19.7	-18.7%
		RI/Net sales ratio	13.4%	9.9%	-3.5%pt	-
	FITP	Net Sales	55.3	63.0	+7.7	+13.9%
		Recurring income	0.9	2.5	+1.6	+182.7%
	RI/Net sales ratio	1.6%	4.0%	+2.4%pt	-	
<b>Australia</b>	Housing	Net Sales	337.8	414.0	+76.2	+22.6%
		Recurring income	26.3	30.0	+3.7	+14.0%
		RI/Net sales ratio	7.8%	7.2%	-0.5%pt	-
<b>Indonesia, Vietnam</b>	Housing	Net Sales	0.1	0.0	-0.1	-
		Recurring income	-0.7	- 1.1	- 0.4	-
Others & Adjustments	Net Sales	26.7	35.0	+8.3	+31.1%	
	Recurring income	6.2	- 3.9	- 10.1	-	
<b>TOTAL</b>	Net Sales	1,205.9	1,374.0	+168.1	+13.9%	
	Recurring income	138.0	113.0	- 25.0	-18.1%	
	RI/Net sales ratio	11.4%	8.2%	-3.2%pt	-	
FX rate						
	USD/JPY	149.66	150.00			
	AUD/JPY	96.51	105.00			

- **U.S. Housing, Australian Housing, etc.**

No change from the initial forecast made at the beginning of its fiscal year.

Slides 22 and 23 summarize our housing businesses in the U.S. and Australia.

Our U.S. housing business, which has a significant impact on our overall financial results, has started the year slower than planned.

(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.
<b>U.S. Housing</b>	No. of Units sold	10,262	<b>11,635</b>	+1,373	+13.4%
	Sales (mil. USD)	5,252	<b>5,746</b>	+494	+9.4%
	Unit sales price (thousand USD)	490	<b>466</b>	- 24.0	-4.9%
	RI/Net sales ratio	13.4%	<b>9.9%</b>	-3.5%pt	-
<b>Australia Housing</b>	No. of Units sold	7,404	<b>7,800</b>	+396	+5.3%
	Sales (mil. AUD)	3,500	<b>3,943</b>	+443	+12.7%
	Unit sales price (thousand AUD)	473	<b>503</b>	+30	+6.4%
	RI/Net sales ratio	7.8%	<b>7.2%</b>	-0.5%pt	-

• **U.S. Housing**

No change from the initial forecast made at the beginning of its fiscal year.

• **Australian Housing**

No change from the initial forecast made at the beginning of its fiscal year.

(billion yen)			FY12/25	FY12/26 forecast	Change	Pct.
<b>Overseas</b>	U.S. Real Estate	Net Sales	179.7	<b>234.0</b>	+54.3	+30.2%
		Recurring income	-1.1	<b>4.0</b>	+5.1	-
		RI/Net sales ratio	-	<b>1.7%</b>	-	-
<b>Domestic</b>	Property Management and Real Estate Development	Net Sales	43.3	<b>58.0</b>	+14.7	+34.1%
		Recurring income	3.1	<b>3.5</b>	+0.4	+13.8%
		RI/Net sales ratio	7.1%	<b>6.0%</b>	-1.1%pt	-
	Construction	Net Sales	31.5	<b>39.0</b>	+7.5	+23.6%
		Recurring income	3.0	<b>2.5</b>	-0.5	-16.6%
		RI/Net sales ratio	9.5%	<b>6.4%</b>	-3.1%pt	-
Others & Adjustments	Net Sales	-0.5	<b>0.0</b>	+0.5	-100.0%	
	Recurring income	-18.8	<b>-9.0</b>	+9.8	-	
<b>TOTAL</b>	Net Sales	254.1	<b>331.0</b>	+76.9	+30.3%	
	Recurring income	-13.8	<b>1.0</b>	+14.8	-	
	RI/Net sales ratio	-	<b>0.3%</b>	-	-	
FX rate						
USD/JPY			149.66	<b>150.00</b>		
AUD/JPY			96.51	<b>105.00</b>		

• **Real Estate Segment**  
 No change from the initial forecast made at the beginning of its fiscal year.

There remain many uncertain factors, including the impact of the situation in the Middle East on material costs and consumer sentiment, and the timing of the recovery of the U.S. housing market; however, as a Group, we will maintain a medium- to long-term perspective in pursuing the enhancement of our corporate value.

This concludes the explanation. Thank you very much.

- The financial forecasts, outlooks, and business plans contained in this document are based on assumptions and judgments made by our Group using information available at the time of preparation, and do not constitute a guarantee or promise of their accuracy or completeness.
- Financial forecasts, outlooks, and business plans are subject to change.
- This document is not intended to solicit investment or other transactions in any financial products.
- With regard to the information provided in this document, neither the Company nor any related parties assume any responsibility for its accuracy, certainty, reliability, or completeness. Please be aware that the content may be changed or discontinued without prior notice.

### Contact Information

**Sumitomo Forestry Co., Ltd.**  
**IR Group, Corporate Communications Department**  
**icom@sfc.co.jp**

Happiness Grows from Trees

---



**SUMITOMO FORESTRY**