FY12/2026 Third Quarter Financial Results and FY12/2026 Full-Year Forecast



SUMITOMO FORESTRY (Securities Code: 1911)

November 5, 2026

My name is Kawata. Thank you very much for taking time out of your busy schedule to attend our briefing today. Now, I will explain the Q3 financial results for the fiscal year ending December 2026 and our forecast for the full year.

Notes

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- "Net income attributable to owners of parent" is expressed as "net income."
- From FY12/2026, we newly established *the 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.
- On May 14, 2026, we acquired shares of Tri Pointe Homes, Inc. (hereinafter, "TPH"), making it a consolidated subsidiary. For the cumulative third quarter of the fiscal year under review, TPH's results have been consolidated for the six-month period from April 1, 2026 to September 30, 2026. Provisional accounting treatment has been applied to the purchase price allocation (PPA).

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Before I begin, I would like to note a few points. The notes, including the change in segments, are as indicated on the slide. In particular, please note that Tri Pointe Homes, Inc. has been added to the scope of consolidation. We completed its acquisition on May 14 of this year, and its results have been incorporated from April 1.

FY12/2026 Third Quarter Results

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Statements of Income

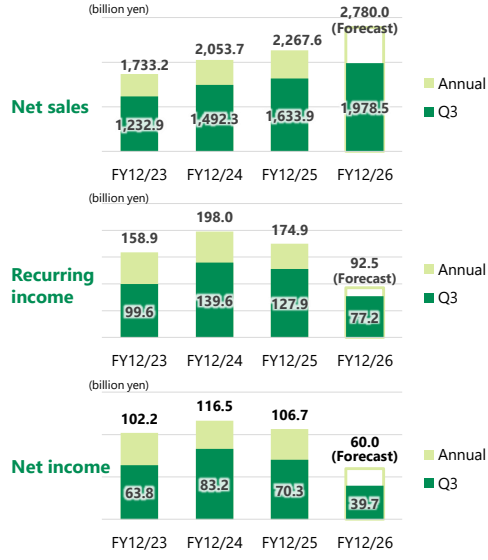
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- Net sales increased on the effect of consolidating TPH and the continued strong performance of the Australian housing business, while recurring income decreased 39.7% year on year due to factors such as sluggish demand and the provision of incentives in the U.S. housing business.

(billion yen)	FY12/25 Q3	FY12/26 Q3	Change	Pct.
Net Sales	**1,633.9**	**1,978.5**	**+344.6**	**+21.1%**
Gross Profit	382.9	**435.0**	+52.1	+13.6%
SG&A Expenses	259.3	**335.3**	+76.0	+29.3%
Operating Income	123.5	**99.6**	-23.9	-19.3%
Non-operating income/expenses	4.4	**-22.5**	-26.9	-
Recurring income	**127.9**	**77.2**	**-50.8**	**-39.7%**
Recurring income to Net sales ratio	7.8%	**3.9%**	-3.9%pt	-
Extraordinary income/loss	-	**9.7**	+9.7	-
Net income	**70.3**	**39.7**	**-30.7**	**-43.6%**

FX rate (average during term)

USD/JPY	148.15	**158.53**
AUD/JPY	94.92	**111.52**



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Please take a look at slide 4. I will walk you through our consolidated financial results for the cumulative third quarter.

Net sales increased 21.1% year on year to ¥1,978.5 billion. This was driven by the effect of the new consolidation of Tri Pointe Homes, as well as the continued solid performance of our Australian housing business.

On the profit side, recurring income declined 39.7% year on year to ¥77.2 billion. Net income attributable to owners of parent fell 43.6% year on year to ¥39.7 billion. These declines reflect the recording of expenses related to the acquisition of Tri Pointe Homes. They also reflect lower profit margins in the U.S. housing business, where a worsening sales environment led to more discounts and incentives.

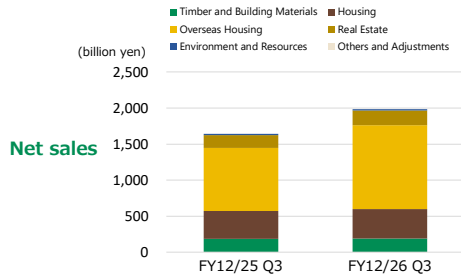
Results by Segment

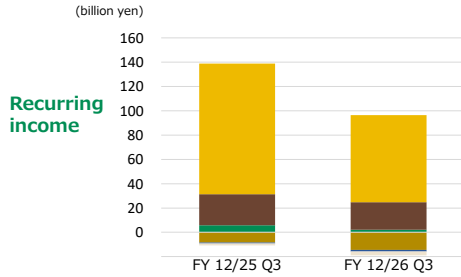
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- In all segments, net sales increased but recurring income decreased year on year.

(billion yen)		FY12/25 Q3	FY12/26 Q3	Change	Pct.
Timber and Building Materials	Net Sales	184.7	**190.0**	+5.4	+2.9%
	Recurring income	5.8	**2.1**	-3.7	-64.2%
	RI/Net sales ratio	3.1%	**1.1%**	-2.1%pt	-
Housing	Net Sales	387.7	**408.4**	+20.7	+5.3%
	Recurring income	25.6	**22.8**	-2.7	-10.7%
	RI/Net sales ratio	6.6%	**5.6%**	-1.0%pt	-
Overseas Housing	Net Sales	872.7	**1,164.3**	+291.6	+33.4%
	Recurring income	107.5	**71.2**	-36.3	-33.8%
	RI/Net sales ratio	12.3%	**6.1%**	-6.2%pt	-
Real Estate	Net Sales	177.8	**202.9**	+25.1	+14.1%
	Recurring income	-8.5	**-14.4**	-5.9	-
	RI/Net sales ratio	-	**-**	-	-
Environment and Resources	Net Sales	19.3	**21.2**	+1.9	+9.8%
	Recurring income	-0.6	**-1.3**	-0.7	-
	RI/Net sales ratio	-	**-**	-	-
Others	Net Sales	20.7	**22.4**	+1.7	+8.1%
	Recurring income	3.3	**2.6**	-0.7	-20.6%
	RI/Net sales ratio	16.0%	**11.8%**	-4.3%pt	-
Adjustment	Net Sales	-29.1	**-30.8**	-1.7	-
	Recurring income	-5.1	**-5.9**	-0.7	-
TOTAL	Net Sales	1,633.9	**1,978.5**	+344.6	+21.1%
	Recurring income	127.9	**77.2**	-50.8	-39.7%
	RI/Net sales ratio	7.8%	**3.9%**	-3.9%pt	-

* Recurring Income to Net sales ratio





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

In the Timber and Building Materials business, net sales exceeded those of the prior-year period. This was due to factors such as a recovery in sales of biomass fuel and building materials in the domestic distribution business and the effect of consolidating the U.S. sawmill.

On the profit side, however, recurring income fell below that of the prior-year period, as the ramp-up of production at the U.S. sawmill acquired in the previous fiscal year continued to be delayed.

In the Housing business, the number of houses under construction increased, reflecting strong orders received in the custom-built detached housing business in the previous fiscal year, and net sales exceeded those of the prior-year period. On the other hand, recurring income declined owing to a decrease in land sales gains at a subsidiary and an increase in expenses.

In the Overseas Housing business, net sales increased due to the new consolidation of Tri Pointe Homes and the solid performance of the Australian housing business. On the profit side, however, recurring income declined despite higher income from the Australian housing business. This was due to the recording of acquisition-related expenses associated with Tri Pointe Homes and the lower profitability of the U.S. housing business against a challenging business environment.

In the Real Estate business, net sales increased due to factors such as an increase in fee income from construction contracting in the U.S. real estate business and the domestic construction business. However, recurring income declined, mainly due to the impact of losses on certain projects in the U.S. real estate business recorded in the second quarter.

In the Environment and Resources business, net sales exceeded those of the prior-year period due to an increase in sales in the overseas forestry business. On the profit side, however, the recurring loss widened due to higher costs resulting from soaring fuel prices in the forestry business and the biomass power generation business.

Domestic Housing Segment

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(billion yen)		FY12/25 Q3	FY12/26 Q3	Change	Pct.
Orders received	Custom-built detached houses	310.0	**323.9**	+14.0	+4.5%
	Apartments	19.6	**21.2**	+1.6	+8.3%
Units & Prices of Custom-built detached houses	Units	6,254	**6,078**	-176.0	-2.8%
	Unit price (mil. Yen)	45.1	**48.2**	+3.1	+7.0%
Sales	Custom-built detached houses	276.3	**293.6**	+17.3	+6.3%
	Apartments	14.9	**15.9**	+1.0	+6.8%
	Detached spec home	14.2	**16.3**	+2.0	+14.4%
	Renovation	54.2	**54.7**	+0.6	+1.0%
	Others & Adjustments	28.1	**27.9**	-0.2	-0.8%
	TOTAL	387.7	**408.4**	+20.7	+5.3%
	RI/Net sales ratio	6.6%	**5.6%**	-1.0%pt	-
Units & Prices of Custom-built detached houses	Units	5,346	**5,472**	+126	+2.4%
	Unit price (mil. Yen)	48.1	**49.8**	+1.7	+3.6%

- **Order Status**

  Due to the factors such as the rise in mortgage rates, the overall number of units ordered decreased year on year, while the unit price of orders received increased year on year, driven by an increase in orders in the mid- to high-price range.

- **Sales Status**

  Reflecting the strong orders received in the previous fiscal year, both the number of units sold and the unit sales price in the custom-built detached housing business increased year on year.

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Next, I will explain the orders received and sales situation for our domestic housing business.

Regarding orders for custom-built detached houses, the number of units ordered fell below that of the prior-year period. Customers took a cautious stance toward home acquisition against the backdrop of rising mortgage rates and persistently high construction costs. On the other hand, the unit price of orders received exceeded that of the prior-year period, and the value of orders received has remained solid.

As for sales, the number of units sold, the unit sales price and sales revenue all exceeded those of the prior-year period, reflecting the strong orders received in the previous fiscal year.

Going forward, we will continue to promote the Grand Estate Design Project targeting the higher price range. In the mid-price range, we will strengthen “Forest Selection” and single-story home proposals. We will also work to enhance customer satisfaction and secure profitability through value-added proposals such as our original kitchens and vanities.

Overseas Housing Segment

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(billion yen)			FY12/25 Q3	FY12/26 Q3	Changes	Pct.
U.S.	Housing	Net Sales	564.4	**754.5**	+190.1	+33.7%
		Recurring income	81.1	**59.2**	-22.0	-27.1%
		RI/Net sales ratio	14.4%	**7.8%**	-6.5%pt	–
	FITP	Net Sales	41.2	**50.9**	+9.7	+23.5%
		Recurring income	1.3	**-0.3**	-1.6	-
		RI/Net sales ratio	3.2%	-	-	-
Australia	Housing	Net Sales	247.9	**337.6**	+89.7	+36.2%
		Recurring income	19.6	**29.9**	+10.2	+52.1%
		RI/Net sales ratio	7.9%	**8.9%**	+0.9%pt	-
Indonesia, Vietnam	Housing	Net Sales	0.1	**0.0**	-0.0	△15.7%
		Recurring income	- 0.0	**+0.6**	+0.6	-
Others & Adjustments		Net Sales	19.2	**21.3**	+2.1	+10.7%
		Recurring income	5.4	**-18.1**	-23.5	-
TOTAL		Net Sales	872.7	**1,164.3**	+291.6	+33.4%
		Recurring income	107.5	**71.2**	-36.3	-33.8%
		RI/Net sales ratio	12.3%	**6.1%**	-6.2%pt	-

(Reference) Excluding the impact of TPH

FY12/26 Q3	Changes	Pct.
527.9	-36.4	-6.5%
48.1	-33.1	-40.8%
9.1%	-5.3%pt	–
50.9	+9.7	+23.5%
-0.3	-1.6	-
-	-	-
337.6	+89.7	+36.2%
29.9	+10.2	52.1%
8.9%	+0.9%pt	-
0.0	-0.0	-15.7%
+0.6	+0.6	-
21.3	+2.1	+10.7%
-0.8	-6.2	-
937.7	+65.0	+7.5%
77.4	-30.1	-28.0%
8.3%	-4.1%pt	-

FX rate (average during term)

USD/JPY	148.15	**158.53**
AUD/JPY	94.92	**111.52**

- **U.S. Housing**
  With mortgage rates turned upward again and housing demand remaining sluggish, recurring income declined year on year.
- **Australian Housing**
  Both sales and income increased, due to factors such as higher selling prices against the backdrop of strong market conditions in Western Australia.

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Next, please turn to slide 7. I will explain the Overseas Housing segment.

In the U.S. housing business, the business environment remains challenging. Mortgage rates have recently risen into the 7% range, and demand remains sluggish against the backdrop of an uncertain economic outlook.

Net sales increased owing to the new consolidation of Tri Pointe Homes. Recurring income, however, fell below that of the prior-year period even including the contribution from Tri Pointe Homes, due to factors such as an increased incentive burden resulting from intensifying sales competition.

The FITP business recorded a loss, as the increase in net sales was not enough to offset the impact of higher raw material prices and transportation costs.

In the Australian housing business, both net sales and recurring income increased even as the competitive environment grew tougher. This was owing to an increase in the number of units sold as well as cost reduction initiatives.

Acquisition-related expenses associated with Tri Pointe Homes and the provisional amount of goodwill amortization are recorded under “Others & Adjustments.”

As a result, for the Overseas Housing business as a whole, recurring income decreased despite an increase in net sales.

Excluding the impact of consolidating Tri Pointe Homes as well, we secured an increase in net sales owing to growth in the Australian housing business, while recurring income declined due to the lower profitability of the U.S. housing business.

Overseas Single-Family Homes Business

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(billion yen)		FY12/25 Q3	FY12/26 Q3	Change	Pct.
U.S. Housing	No. of Units order received	7,857	**9,406**	+1,549	+19.7%
	No. of Units sold	7,444	**8,796**	+1,352	+18.2%
	Sales (mil. USD)	3,810	**4,759**	+950	+24.9%
	Unit sales price (thousand USD)	492	**511**	+18	+3.7%
	RI/Net sales ratio	14.4%	**7.8%**	-6.5%pt	-
	Order backlog (units)	3,091	**4,203**	+1,112	+36.0%
	Lots owned	50,954	**67,154**	+16,200	+31.8%
	completed inventory	2,395	**2,591**	+196	+8.2%
	Option lots	30,797	**39,261**	+8,464	+27.5%
Australia Housing	No. of Units order received	6,092	**6,284**	+192	+3.2%
	No. of Units sold	5,579	**6,131**	+552	+9.9%
	Sales (mil. AUD)	2,611	**3,002**	+391	+15.0%
	Unit sales price (thousand AUD)	468	**490**	+22	+4.6%
	RI/Net sales ratio	7.9%	**8.9%**	+0.9%pt	-
	Order backlog (units)	7,892	**8,277**	+385	+4.9%

- **U.S. Housing**

  On a basis including TPH, both units ordered and units sold increased year on year, but excluding the impact of TPH, both units ordered and units sold decreased year on year.
  In addition, the recurring income to net sales ratio decreased year on year due to a decline in the unit sales price (excluding TPH) and an increase in incentives.

(Reference) Excluding the impact of TPH

		FY12/25 Q3	FY12/26 Q3	Change	Pct.
U.S. Housing	No. of Units order received	7,857	**7,465**	-392	-5.0%
	No. of Units sold	7,444	**6,699**	-745	-10.0%
	Sales (mil. USD)	3,810	**3,330**	-479	-12.6%
	Unit sales price (thousand USD)	492	**463**	-30	-6.0%
	RI/Net sales ratio	14.4%	**9.1%**	-5.3%pt	-

- **Australian Housing**

  Orders grew, centered on Western Australia and South Australia, with the number of units ordered up 3.2% year on year. The number of units sold also increased year on year as construction progressed smoothly.

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Next, please turn to slide 8.

I will explain the status of our single-family homes businesses in the U.S. and Australia.

In the U.S., both the number of units ordered and the number of units sold exceeded those of the prior-year period, owing to the new consolidation of Tri Pointe Homes. However, on an existing-business basis excluding the impact of consolidating Tri Pointe Homes, both fell below those of the prior-year period.

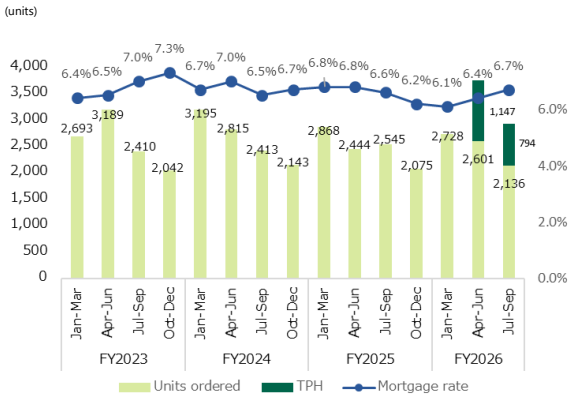
In addition, the unit sales price on an existing-business basis also fell below that of the prior-year period. Together with a heavier burden of incentives to promote sales, this caused the recurring income to net sales ratio to fall below that of the prior-year period.

In the Australian single-family homes business, the number of units ordered exceeded that of the prior-year period, with products for first-time buyers performing strongly in Western Australia and South Australia. The number of units sold also exceeded that of the prior-year period, reflecting smooth construction progress.

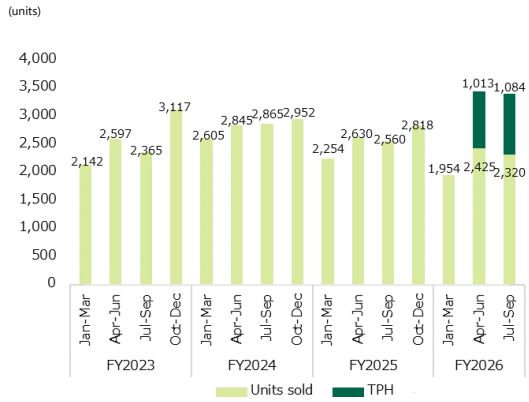
U.S. Single-Family Homes Business – Trends in Orders Received and Units Sold

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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/research-and-insights/forecast

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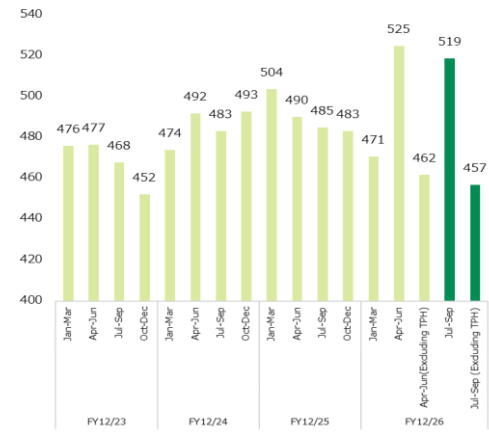
Slides 9 and 10 show the quarterly trends for our U.S. single-family homes business. Please review the details at your convenience.

U.S. Single-Family Homes Business – Trends in Unit Sales Price and RI/Net Sales Ratio

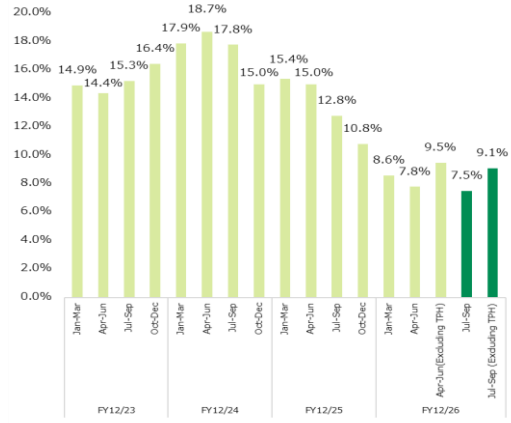
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Trends in unit sales price for U.S. single-family homes

(thousand USD)



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



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Real Estate Segment

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(billion yen)			FY12/25 Q3	FY12/26 Q3	Change	Pct.
Overseas	U.S. Real Estate	Net Sales	127.1	**137.7**	+10.6	+8.3%
		Recurring income	-3.2	**-13.1**	-9.9	-
		RI/Net sales ratio	-	**-**	-	-
Domestic	Property Management and Real Estate Development	Net Sales	28.4	**36.2**	+7.8	+27.4%
		Recurring income	1.8	**1.6**	-0.2	-13.7%
		RI/Net sales ratio	6.3%	**4.3%**	-2.0%pt	-
	Construction	Net Sales	22.9	**28.7**	+5.7	+25.0%
		Recurring income	1.9	**2.7**	+0.8	+38.8%
		RI/Net sales ratio	8.5%	**9.4%**	+0.9%pt	-
Others & Adjustments		Net Sales	-0.7	**0.3**	+1.0	-
		Recurring income	-9.1	**-5.5**	+3.6	-
TOTAL		Net Sales	177.8	**202.9**	+25.1	+14.1%
		Recurring income	-8.5	**-14.4**	-5.9	-
		RI/Net sales ratio	-	**-**	-	-

FX rate (average during term)		
USD/JPY	148.15	**158.53**
AUD/JPY	94.92	**111.52**

- **Overseas (U.S. Real Estate)**
  The recurring loss widened due to the recording of losses on some LP investment projects.
- **Domestic (Property Management and Real Estate Development)**
  While sales increased due to the new consolidation of LeTech Corporation, income declined as the timing of sales of some projects was pushed back to Q4.

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Please refer to slide 11. These are the results of the Real Estate business.

Net sales in the U.S. real estate business exceeded those of the prior-year period, due to factors such as an increase in fee income from construction contracting.

As for property sales, we sold one property in the third quarter, bringing the cumulative total to two.

On the other hand, the extent of losses widened from the prior-year period. This was mainly due to the impact of the valuation losses on certain LP investment projects recorded in the second quarter.

In the domestic property management and real estate development business, net sales increased owing to the contribution from LeTech Corporation, which was consolidated in the second quarter of the previous fiscal year. On the profit side, however, recurring income declined as the timing of sales for some projects was pushed back.

Timber and Building Materials/Environment and Resources Segment

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(billion yen)		FY12/25 Q3	FY12/26 Q3	Change	Pct.
Timber and Building Materials	Net Sales	184.7	**190.0**	+5.4	+2.9%
	Recurring income	5.8	**2.1**	-3.7	-64.2%
	RI/Net sales ratio	3.1%	**1.1%**	-2.1%pt	-
Environment and Resources	Net Sales	19.3	**21.2**	+1.9	+9.8%
	Recurring income	-0.6	**-1.3**	-0.7	-
	RI/Net sales ratio	-	**-**	-	-

- **Timber and Building Materials**

  Net sales increased due to the new consolidation of Plain Dealing Lumber; on the other hand, income declined due to production delays at the company caused by factors such as repairs to production equipment.

- **Environment and Resources**

  Net sales increased due to higher sales in the overseas forestry business; on the other hand, income declined due to higher costs in the overseas forestry business.

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Slide 12 shows net sales and recurring income for the Timber and Building Materials business and the Environment and Resources business.

In both segments, recurring income decreased despite an increase in net sales. In the Timber and Building Materials business, this was due to delays in the launch of the U.S. sawmill. In the Environment and Resources business, it was due to higher costs.

Balance Sheet – Assets

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(billion yen)	End of 12/2025	End of 9/2026	Changes
Current assets	1,693.7	**2,451.7**	+757.9
Cash, deposits, securities	185.4	**198.2**	+12.8
Receivables	241.7	**273.9**	+32.2
Real estate for sale	227.7	**374.7**	+147.0
Real estate for sale in process	756.6	**1,291.7**	+535.1
Other receivables	103.6	**123.2**	+19.6
Others	178.7	**189.9**	+11.2
Non-current assets	878.3	**1,130.7**	+252.5
Land and Construction in process	114.8	**102.1**	-12.7
Other non-current assets	207.8	**236.6**	+28.8
Intangible fixed assets	76.1	**231.8**	+155.6
Investment securities	377.3	**451.4**	+74.1
Others	102.2	**108.8**	+6.7
Non-current assets	2,572.0	**3,582.4**	+1,010.4

FX rate (end of term)			
USD/JPY	156.56	**157.35**	
AUD/JPY	104.82	**109.96**	

	End of 12/2025	End of 9/2026	Changes
Real estate for sale and Reals estate for sale in process	984.3	**1,666.4**	+682.1
U.S. (bil. Yen)	833.9	**1,472.5**	+638.5
U.S. (mil. USD)	5,327	**9,358**	+4,031

- **Balance Sheet – Assets**

  Total assets increased due to factors such as the new consolidation of TPH in the U.S. and an increase in real estate for sale and real estate for sale in process.

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Slides 13 and 14 present the balance sheet as of the end of the third quarter.

Total assets increased by ¥1,010.4 billion from the end of the previous fiscal year to ¥3,582.4 billion. This was mainly due to increases in inventories and goodwill resulting from the new consolidation of Tri Pointe Homes.

Balance Sheet – Liabilities and Net Assets

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(billion yen)	End of 12/2025	End of 9/2026	Changes
Liabilities	1,435.2	**2,399.4**	+964.1
Payables	292.6	**321.9**	+29.3
Interest bearing debt	769.5	**1,659.7**	+890.3
Contract liabilities	99.0	**122.8**	+23.8
Income taxes payable	10.8	**11.6**	+0.8
Others	263.4	**283.4**	+20.0
Net assets	1,136.8	**1,183.0**	+46.2
Shareholders' equity	762.8	**771.3**	+8.5
Accumulated other comprehensive income	241.2	**274.0**	+32.8
Foreign currency translation adjustment	175.7	**192.8**	+17.1
Non-controlling interests	132.8	**137.7**	+4.9
Share acquisition rights	0.1	**0.0**	-0.0
Total liabilities and net assets	2,572.0	**3,582.4**	+1,010.4

(billion yen)	End of 12/2025	End of 9/2026	Changes
Interest bearing debt	769.5	**1,659.7**	+890.3
Short-term borrowings	140.8	**509.0**	+368.2
Long-term borrowings	532.2	**709.0**	+176.8
Bonds payable	70.3	**395.8**	+325.5
Lease obligations	26.2	**45.9**	+19.7

- **Balance Sheet – Liabilities and Net Assets**

  Interest-bearing debt increased due to the financing of the acquisition of TPH and the new consolidation of the company.

  On the net assets side, accumulated other comprehensive income increased due to factors such as an increase in valuation difference resulting from a rise in the market value of the available-for-sale securities held, as well as an increase in the foreign currency translation adjustment due to the depreciating yen.

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Turning to liabilities on slide 14, total liabilities increased by ¥964.1 billion from the end of the previous fiscal year to ¥2,399.4 billion. This was mainly due to increases in short-term borrowings, long-term borrowings and bonds payable associated with the acquisition of Tri Pointe Homes. Regarding the transition to permanent financing for the funds used to acquire Tri Pointe Homes, we completed the raising of ¥350.0 billion through subordinated bonds and subordinated loans in the third quarter. For the remaining ¥260.0 billion, we will consider appropriate methods in light of market conditions and financing terms. In doing so, we will aim to curb financing costs, secure stable funding, and balance the currency composition of our assets and liabilities.

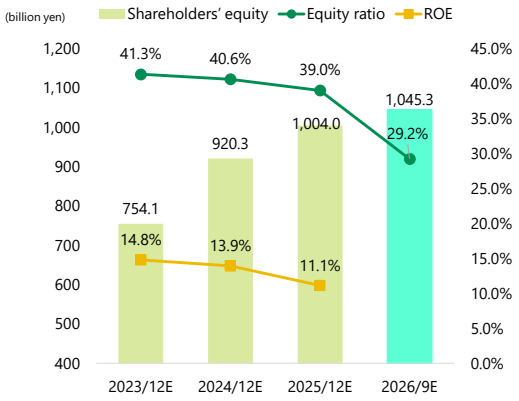
Net assets stood at ¥1,183.0 billion, and the equity ratio was 29.2%.

Financial Indicators

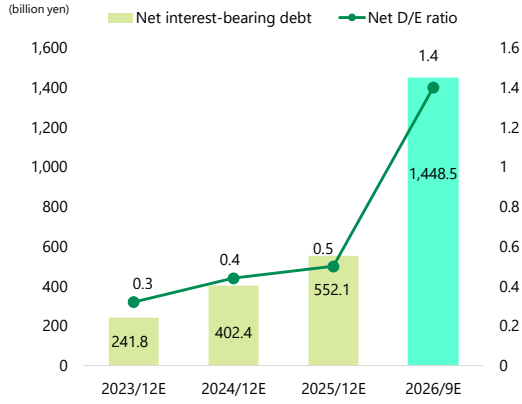
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- The equity ratio declined and the net D/E ratio rose due to the increase in assets and interest-bearing debt associated with the acquisition of TPH.

Shareholders' Equity / Equity Ratio / ROE



Net Interest-Bearing Debt/Net D/E Ratio



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Please refer to slide 15.

Total assets increased due to the weaker yen and the acquisition of Tri Pointe Homes. As the increase in interest-bearing debt associated with the acquisition financing outpaced the growth in shareholders' equity, the equity ratio declined and the net D/E ratio rose.

Going forward, we will work to generate cash through the sale of strategically-held shares and greater selectivity in investments and loans, while advancing the selection and concentration of our businesses. In this way, we intend to maintain financial discipline while steadily executing growth investments to drive future earnings expansion.

That concludes the overview of our financial results for the third quarter of FY12/2026.

Key Press Releases in Q3 FY12/2026

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

	Title
July	Creation of J-Credits from CO2 Emission Reductions of "Sumitomo Forestry Homes" ~ Launch of the "Sumitomo Forestry Energy-saving Housing Club," which regularly returns Proceeds from Sales to Homeowners ~
	Sumitomo Forestry and Mazex Accelerate the Adoption of Transport Drones for Forestry ~ Reducing the Burden on Forestry Sites facing a Shortage of Workers and an Aging Workforce ~
	Completion and Opening of "KiGi AKIHABARA," the Sankei Building's First Wooden Office Building, with Medium- to Large-Scale Wooden Construction Brand "with TREE" ~ A Decarbonized Building combining New Wood-hybrid Construction Technology and Energy-saving Design ~
August	Joint Development with Japanese Companies of a Multifamily Rental Complex in Phoenix ~ Meeting Growing Housing Demand in an Area with Major Semiconductor Manufacturers ~
	First Self-operated Logistics Hub Begins Operations in Atsugi City, Kanagawa Prefecture ~ Consolidating and streamlining Housing Materials Logistics to optimize the Logistics Network ~
	Financial Results for the Second Quarter of the Fiscal Year Ending December 2026 Notice Regarding Revisions to the Financial Results Forecast
	Supporting "Airport Forest Circle Project" at Haneda Airport ~ Promoting the Understandings of Forest Resources' Circulation and Environmental Conservation ~
	Notice on Execution of Syndicated Loan Agreement with Subordination Provisions
September	Addition of a "Business Partner Linkage Function" connecting Manufacturers, Building Material Distributors, Local Builders and Homebuilders to "JUCORE Quotations" ~ Promoting Standardization and Efficiency of Quotations-preparing Work in the Construction Industry ~
	Development of a Five-floor Wooden Multifamily Rental Complex near Los Angeles ~JPI and Chuo-Nittochi working together to address Housing Demand in the South Bay area~
	Launch of "PRIME SLEEP," a Bedroom Design Proposal for a Better Sleep Environment ~ Drawing on Sumitomo Forestry's Expertise in Wood, its Design and Interior Capabilities ~
	Construction of a Wooden Facility using the BF Construction Method in the UK Exhibition Area at GREEN×EXPO 2027 ~ Sponsoring "Vibrancy Creation Project" ~
	Development of "KIBLO" (Tentative Name), a Relocatable and Reusable Wooden Modular Building ~ Circular Architecture for Commercial Use that shortens Construction Periods and addresses Labor Shortages ~

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FY12/2026 Full-Year Forecast

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Statements of Income

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(billion yen)	FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast*
Net Sales	**2,267.6**	**2,780.0**	**+512.4**	**+22.6%**	**-170.0**
Gross Profit	524.6	**590.0**	+65.4	+12.5%	-24.0
SG&A Expenses	355.9	**465.0**	+109.1	+30.6%	-6.0
Operating Income	168.7	**125.0**	-43.7	-25.9%	-18.0
Non-operating income	6.2	**-32.5**	-38.7	-	-4.5
Recurring income	**174.9**	**92.5**	**-82.4**	**-47.1%**	**-22.5**
Recurring income to Net sales ratio	7.7%	**3.3%**	-4.4%pt	-	-0.6%pt
Extraordinary profit/loss	5.3	**27.5**	+22.2	+416.2%	+17.9
Net income	**106.7**	**60.0**	**-46.7**	**-43.7%**	**-**
EPS	**174.13**	**97.85**	**-76.28**	**-43.8%**	**-**

FX rate		
USD/JPY	149.66	**158.53**
AUD/JPY	96.51	**111.52**

- **Overview of FY12/2026 Forecast**

  Full-year earnings forecast revised downward in light of Q3 results and the outlook for Q4.

  Mainly in the U.S. housing business, where the number of units sold is expected to decrease against the backdrop of further rises in mortgage rates and an uncertain economic outlook, net sales and recurring income have been revised downward by ¥170.0 billion and ¥22.5 billion, respectively, vs. the previous forecast.

  Although the recurring income forecast has been lowered, net income is maintained at the previous forecast of ¥60.0 billion by advancing sales of strategically-held shares.

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

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Next, I will explain our full-year forecast. Please refer to slide 18.

We have revised our earnings forecast for FY12/2026 in light of our performance through the third quarter and the current business environment.

We now forecast net sales of ¥2,780.0 billion, down ¥170.0 billion vs. the previous forecast, and recurring income of ¥92.5 billion, down ¥22.5 billion. Meanwhile, we plan to maintain net income attributable to owners of parent at ¥60.0 billion.

The exchange rates applied to the full-year forecast are at the same level as the average rates for January through September that were applied to the third-quarter results.

Segment Net Sales and Recurring Income

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(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast*
Timber and Building Materials	Net Sales	253.0	**239.0**	-14.0	-5.5%	-16.0
	Recurring income	12.8	**1.2**	-11.6	-90.6%	-3.8
	RI/Net sales ratio	5.0%	**0.5%**	-4.5%pt	-	-1.5%pt
Housing	Net Sales	542.3	**584.0**	+41.7	+7.7%	-2.0
	Recurring income	38.5	**34.5**	-4.0	-10.5%	-
	RI/Net sales ratio	7.1%	**5.9%**	-1.2%pt	-	+0.0%pt
Overseas Housing	Net Sales	1,205.9	**1,650.0**	+444.1	+36.8%	-126.0
	Recurring income	138.0	**82.0**	-56.0	-40.6%	-16.0
	RI/Net sales ratio	11.4%	**5.0%**	-6.5%pt	-	-0.5%pt
Real Estate	Net Sales	254.1	**283.0**	+28.9	+11.4%	-36.0
	Recurring income	- 13.8	**-16.0**	-2.2	-	-1.5
	RI/Net sales ratio	-	**-**	-	-	-
Environment and Resources	Net Sales	26.8	**28.0**	+1.2	+4.6%	-
	Recurring income	- 1.4	**- 1.9**	-0.5	-	-0.6
	RI/Net sales ratio	-	**-**	-	-	-
Others	Net Sales	28.1	**31.0**	+2.9	+10.3%	-
	Recurring income	5.0	**4.5**	-0.5	-10.5%	-
	RI/Net sales ratio	17.9%	**14.5%**	-3.4%pt	-	+0.0%pt
Adjustment	Net Sales	- 42.5	**- 35.0**	+7.5	-	+10.0
	Recurring income	- 4.2	**- 11.8**	-7.6	-	-0.6
TOTAL	Net Sales	2,267.6	**2,780.0**	+512.4	+22.6%	-170.0
	Recurring income	174.9	**92.5**	-82.4	-47.1%	-22.5
	RI/Net sales ratio	7.7%	**3.3%**	-4.4%pt	-	-0.6%pt

- **Overview of Net Sales and Recurring Income by Major Segment**

(Timber and Building Materials)
As the U.S. sawmill has not been able to achieve full production, income is expected to decline further from the plan at the time of the Q2 results announcement.

(Overseas Housing)
Due to factors such as persistently high mortgage rates, we expect a further decline in the number of units sold in the U.S. housing business; we have revised downward the forecast for both net sales and recurring income.

(Real Estate)
Recurring income has been revised downward, reflecting a revision to the number of property sales in light of market conditions.

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

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Let me explain the changes from the previous forecast by segment on slide 19.

For the Timber and Building Materials business, we have revised recurring income downward by ¥3.8 billion to ¥1.2 billion. This is mainly due to a further deterioration in the performance of the U.S. sawmill acquired last year.

For the Overseas Housing business, we have revised recurring income downward by ¥16.0 billion from the previous forecast to ¥82.0 billion. This is due to factors such as lowering our outlook for the number of units sold in the U.S. housing business by 1,455 units, from 14,160 units to 12,705 units.

For the Real Estate business, recurring income has been revised downward by ¥1.5 billion. This is because we have revised our outlook for the number of property sales in the U.S. real estate business from 10 to 5.

Although we are revising recurring income downward this time, we plan to maintain net income attributable to owners of parent at ¥60.0 billion. We will do so by advancing sales of strategically-held shares in the fourth quarter, based on the policy of reducing strategically-held shares that we explained at the time of the second-quarter results.

Domestic Housing Segment

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(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast*
Orders received	Custom-built detached houses	420.1	**420.0**	-0.1	-0.0%	-15.0
	Apartments	26.4	**26.0**	-0.4	-1.4%	-
Units & Prices of Custom-built detached houses	Units	8,357	**8,000**	-357	-4.3%	-300
	Unit price (mil. Yen)	45.9	**48.5**	+2.6	+5.7%	+0.5
Sales	Custom-built detached houses	389.0	**412.0**	+23.0	+5.9%	-
	Apartments	19.1	**23.9**	+4.8	+25.4%	-
	Detached spec home	20.1	**28.0**	+7.9	+39.2%	-
	Renovation	77.9	**80.0**	+2.1	+2.7%	-
	Others & Adjustments	36.3	**40.1**	+3.8	+10.6%	-2.0
	TOTAL	542.3	**584.0**	+41.7	+7.7%	-2.0
	RI/Net sales ratio	7.1%	**5.9%**	-1.2%pt	-	+0.0%pt
Units & Prices of Custom-built detached houses	Units	7,772	**7,750**	-22	-0.3%	-
	Unit price (mil. Yen)	48.6	**50.4**	+1.8	+3.7%	-

- **Orders received (Custom-built detached houses)**
  With the pace of orders slowing in line with rising mortgage rates, both order value and the number of units ordered have been revised downward.

- **Sales (Custom-built detached houses)**
  The number of units sold and sales value remain unchanged from the previous forecast.

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

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Next, please turn to slide 20. These are the forecasts for orders received and sales in the domestic housing business.

For the custom-built detached housing business, the pace of orders has recently slowed in line with rising mortgage rates. We have therefore revised the number of units ordered and order value downward. However, the number of units sold and sales value remain unchanged from the previous forecast.

Overseas Housing Segment

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(billion yen)			FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast*
U.S.	Housing	Net Sales	786.1	**1,112.0**	+325.9	+41.5%	-120.0
		Recurring income	105.2	**75.0**	-30.2	-28.7%	-26.5
		RI/Net sales ratio	13.4%	**6.7%**	-6.6%pt	-	-1.5%pt
	FITP	Net Sales	55.3	**65.0**	+9.7	+17.5%	-4.0
		Recurring income	0.9	**-0.6**	-1.5	-	-1.3
		RI/Net sales ratio	1.6%	**-0.9%**	-2.5%pt	-	-1.9%pt
Australia	Housing	Net Sales	337.8	**439.0**	+101.2	+30.0%	-3.0
		Recurring income	26.3	**36.5**	+10.2	+38.7%	-1.0
		RI/Net sales ratio	7.8%	**8.3%**	+0.5%pt	-	-0.2%pt
Indonesia, Vietnam	Housing	Net Sales	+0.1	**+0.0**	-0.0	+34.2%	-
		Recurring income	△0.7	**+0.8**	+1.5	-	-
Others & Adjustments		Net Sales	26.7	**34.0**	+7.3	+27.2%	+1.0
		Recurring income	6.2	**-29.7**	-35.9	-	+12.8
TOTAL		Net Sales	1,205.9	**1,650.0**	+444.1	+36.8%	-126.0
		Recurring income	138.0	**82.0**	-56.0	-40.6%	-16.0
		RI/Net sales ratio	11.4%	**5.0%**	-6.5%pt	-	-0.5%pt

FX rate		
USD/JPY	149.66	**158.53**
AUD/JPY	96.51	**111.52**

- **U.S. Housing**

  Although net sales are expected to increase year on year due to the acquisition of TPH, we expect the challenging business environment—driven by factors such as persistently high mortgage rates—to continue.

  Consequently, anticipating a decline in the number of units sold and the recognition of impairment losses on real estate held for sale, we have revised our forecasts downward for both net sales and recurring income.

- **Australian Housing**

  Although net sales and recurring income are expected to increase significantly year on year on the back of strong orders to date, both have been revised downward in light of a decrease in orders due to interest rate hikes and rising material prices and labor costs, including the impact of the situation in the Middle East.

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

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Please refer to slide 21. This provides details on the Overseas Housing segment.

This is a more detailed presentation of what I described earlier in the segment forecast.

The details are as shown on the slide. Note that “Others & Adjustments” includes items associated with the acquisition of Tri Pointe Homes. These include acquisition-related expenses, goodwill amortization, and amortization of fair valuation differences on real estate.

Overseas Single-Family Homes Business

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		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast*
U.S. Housing	No. of Units sold (including TPH)	10,262	**12,705**	+2,443	+23.8%	-1,455
	No. of Units sold (excluding TPH)	10,262	**9,465**	-797	-7.8%	-825
	Sales (mil. USD)	5,252	**7,014**	+1,762	+33.6%	-776
	Unit sales price (thousand USD)	490	**519**	+29	+5.8%	-1
	RI/Net sales ratio	13.4%	**6.7%**	-6.6%pt	-	-1.5%pt
Australia Housing	No. of Units sold	7,404	**7,985**	+581	+7.8%	-85
	Sales (mil. AUD)	3,500	**3,936**	+437	+12.5%	-44
	Unit sales price (thousand AUD)	473	**493**	+20	+4.3%	-
	RI/Net sales ratio	7.8%	**8.3%**	+0.5%pt	-	-0.2%pt

- **U.S. Housing**
  As customers are expected to continue taking a wait-and-see stance against the backdrop of persistently high mortgage rates, the forecast for the number of units sold has been revised downward.
  In addition, the recurring income to net sales ratio forecast has also been revised downward to reflect sales price discounts and an increase in incentives.

- **Australian Housing**
  As customers' willingness to purchase homes has been declining in response to rising interest rates and prices, the forecast for the number of units sold has been revised downward.

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

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Please refer to slide 22, which provides details on the overseas single-family homes business.

In the U.S. housing business, the market environment remains challenging. Customers continue to take a wait-and-see stance on home purchases against the backdrop of persistently high mortgage rates and an uncertain economic outlook.

Although the number of communities has increased, absorption, which indicates the sales pace per community, declined to 1.8 in the third quarter. Both the number of units sold and the profit margin are tracking below our previous assumptions.

For the full year, we expect to sell 9,465 units at our five existing companies, and 12,705 units including Tri Pointe Homes.

At Tri Pointe Homes, the sales environment continues to fall short of our assumptions at the time of the acquisition. We now expect full-year units sold of 3,240 units, below the previous forecast.

For the Australian housing business, both net sales and recurring income are expected to significantly exceed the prior-year results, on the back of strong orders received to date. On the other hand, housing demand has recently weakened due to factors such as the impact of interest rate hikes. We have therefore lowered our outlook for the number of units sold and sales value from the previous forecast, mainly in the spec home business.

Real Estate Segment

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(billion yen)			FY12/25	FY12/26 forecast	Change	Pct.	vs. previous forecast*
Overseas	U.S. Real Estate	Net Sales	179.7	**186.0**	+6.3	+3.5%	-32.5
		Recurring income	-1.1	**-16.0**	-14.9	-	-3.5
		RI/Net sales ratio	-	**-**	-	-	-
Domestic	Property Management and Real Estate Development	Net Sales	43.3	**58.0**	+14.7	+34.1%	△4.0
		Recurring income	3.1	**4.0**	+0.9	+30.0%	+0.5
		RI/Net sales ratio	7.1%	**6.9%**	-0.2%pt	-	+1.3%pt
	Construction	Net Sales	31.5	**39.0**	+7.5	+23.6%	-
		Recurring income	3.0	**4.0**	+1.0	+33.5%	-
		RI/Net sales ratio	9.5%	**10.3%**	+0.8%pt	-	-
Others & Adjustments		Net Sales	-0.5	**-0.0**	+0.5	-	+0.5
		Recurring income	-18.8	**-8.0**	+10.8	-	+1.5
TOTAL		Net Sales	254.1	**283.0**	+28.9	+11.4%	-36.0
		Recurring income	-13.8	**-16.0**	-2.2	-	-1.5
		RI/Net sales ratio	-	**-**	-	-	-

FX rate		
USD/JPY	149.66	**158.53**
AUD/JPY	96.51	**111.52**

* Previous forecast refers to the forecast figures announced on August 7, at the time of the 2Q earnings release for FY12/2026.

- **U.S. Real Estate**

  We revised our forecast downward from the previous one, for both net sales and recurring income, factoring in the recognition of losses related to some LP investment projects and delays in property sales due to persistently high cap rates.

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Please refer to slide 23.

The U.S. real estate business continues to face a challenging environment.
Investors have become more selective about projects, and the timing of property sales has been pushed back due to persistently high cap rates.

As a result, we now expect a full-year recurring loss of ¥16.0 billion for the U.S. real estate business, a wider loss than in the previous forecast.

In 2026, we are facing a challenging market environment, mainly in the U.S. housing and real estate businesses.

Precisely because this is a challenging time, we will focus on generating cash and being selective in our investments, with an emphasis on financial discipline. At the same time, we will work to enhance corporate value over the medium to long term by creating synergies with Tri Pointe Homes and by improving profitability through measures such as reviewing low-margin businesses.

This concludes the explanation. Thank you very much for your attention.

Disclaimer

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