

Happiness Grows from Trees



FY12/2024 First Quarter Financial Results and Full Year Forecast



April 30, 2024

Notes

- **“Net income attributable to owners of parent” is expressed as “net income.”**
- **From FY12/2024, segment names have been changed as follows:
Global Housing, Construction and Real Estate segment →
Construction and Real Estate Segment**

The U.S. Housing and Real Estate Business

- **The US housing market is a market that will grow over the medium- to long-term due to a growing population of housing buyers, such as millennials and Gen Z buyers. Against the backdrop of a shortage of pre-owned homes in circulation over the short-term, the tight supply-demand situation is expected to continue for the present.**
- **Sales performance is strong for the first quarter of the fiscal year under review, with unit selling price and profit margins exceeding initial expectations at the start of the fiscal year. Despite a less-than optimistic outlook in the business environment, shadowed by mortgage rates rising temporarily to 7%, we were able to keep costs, including incentives granted, within the anticipated range, and to secure our profit margins.**
- **With a view to achieving our target of 23,000 units sold by 2030, we are advancing our strategy in the priority area of Florida State. Starting with the addition of Southern Impression Homes, which engages in the sale of build-to-rent housing, into our Group in 2023, we are expanding our business with the establishment of new branch offices in Florida State by Brightland and DRB.**
- **In the first quarter of the fiscal year under review, DRB acquired Biscayne Homes whose business is in the single family homes business in Florida State. Biscayne Homes possesses an ample land pipeline based on its strong relationship with the top residential lot developer in Florida State. Going forward, Sumitomo Forestry will continue to expand sales in Florida by leveraging DRB's sale, construction, and material procurement functions.**
- **In the FITP business,* which aims to reduce construction time, strengthen cost competitiveness, and realize construction stability, we will expand the area and scale of the business, including the scheduled start of the operation of a new plant in North Carolina State. We have prepared a forecast of total recurring income from operating companies of 7.5 billion yen for this fiscal year.**

※Fully Integrated Turn key Provider: A business that provides integrated services from panel design to production, delivery, and construction, for the purpose of rationalizing construction

The U.S. Housing and Real Estate Business (Continued)

- The US real estate development market, including offices, is facing a tight demand and supply environment and difficult financing conditions, with no clear signs of improvement. On the other hand, leasing of multi-family housing has remained largely stable. Although the current business environment is rough, we will continue to develop our pipelines with a view to the future.

Domestic Housing Business

- The sale of custom-built houses performed below the same period in the previous fiscal year in both units and monetary terms, due to the impact of a decline in the number of units ordered in the last fiscal year. However, gross profit margin improved due to the effect of price revisions, and we achieved income growth on a recurring income basis.
- As for orders, we worked to strengthen land measures, expand the sale of our planned housing “Forest Selection,” and boost referral orders beginning with corporations. These efforts yielded results and contributed to increases in the number of units ordered, unit selling price of orders received, and profit margins.

Full Year Forecast

- Going forward, while we can expect the Construction and Real Estate Business and Domestic Housing Business to add to income, there are also many uncertain factors including interest rate trends. For this reason, we have maintained the full year forecast at the same level as at the beginning of the fiscal year.

FY12/2024 First Quarter Results



FY12/2024 First Quarter Results

1. Statements of Income

- In addition to the strong performance of the U.S. single family homes business, continued yen depreciation has also contributed to an increase in sales and income.

(billion yen)

| (Consolidated) | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
|------------------|---------------|---------------|--------|--------|
| Net Sales | 376.3 | 453.6 | + 77.3 | +20.5% |
| Gross Profit | 82.4 | 110.8 | + 28.4 | +34.5% |
| SG&A Expenses | 58.0 | 70.1 | + 12.1 | +20.9% |
| Operating Income | 24.4 | 40.6 | + 16.3 | +66.8% |
| Recurring Income | 25.6 | 39.8 | + 14.2 | +55.4% |
| Net Income | 14.4 | 22.2 | + 7.8 | +54.4% |

● Conversion rate (average during term)

| | FY12/23 1Q | FY12/24 1Q |
|---------|---------------|---------------|
| USD/JPY | 132.39 | 148.43 |
| AUD/JPY | 90.49 | 97.61 |

*"Net income attributable to owners of parent" is expressed as "Net income."

FY12/2024 First Quarter Results

2. Segment Sales and Recurring Income

- **Timber and Building Materials:** Despite the recovery in the overseas manufacturing business, there was sluggish growth in sales volume against the backdrop of a decline in the number of new housing starts in Japan, resulting in a decline in both sales and income.
- **Housing:** Although there was a decline in the number of custom-built houses sold, unit selling prices increased due to price revisions, contributing to an improvement in profit margin. As a result, sales declined but income increased.
- **Construction and Real Estate:** In addition to strong performance in the number of units sold, the impact of continuing yen depreciation also contributed to significant increases in both sales and income.
- **Environment and Resources:** Both sales and income increased due to the recovery of the New Zealand forestry business and management fees from the forestry fund established in June last year, among other factors.

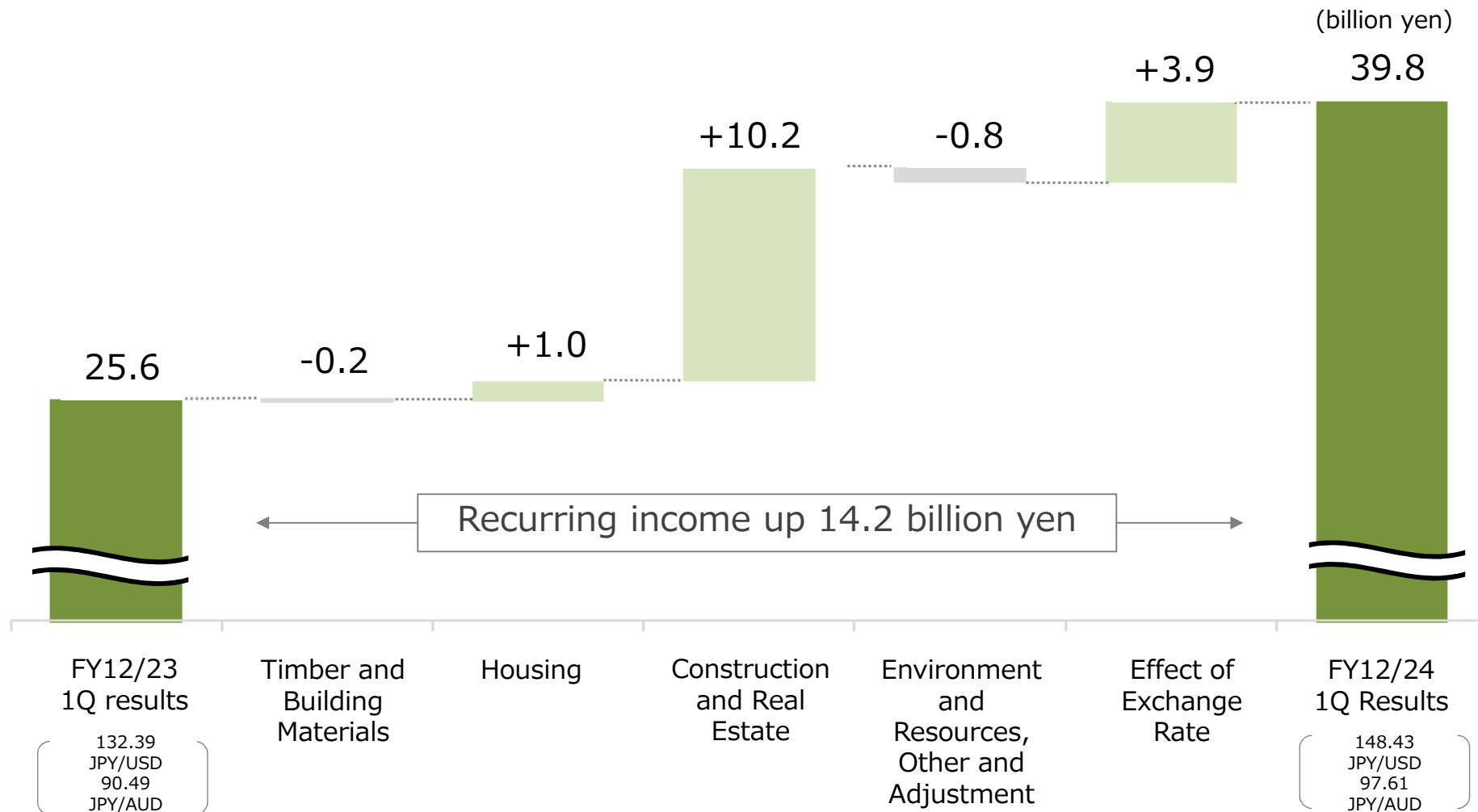
(billion yen)

| (Consolidated) | Net Sales | | | | Recurring Income | | | |
|-------------------------------|---------------|---------------|--------|--------|------------------|---------------|--------|--------|
| | FY12/23 1Q | FY12/24 1Q | Change | Pct. | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
| Timber and Building Materials | 58.8 | 58.3 | -0.5 | -0.9% | 2.4 | 2.3 | -0.0 | -1.8% |
| Housing | 119.8 | 115.6 | -4.2 | -3.5% | 3.1 | 4.1 | +1.0 | +33.0% |
| Construction and Real Estate | 193.4 | 274.2 | +80.8 | +41.8% | 19.7 | 33.6 | +14.0 | +70.9% |
| Environment and Resources | 5.9 | 7.2 | +1.3 | +22.5% | 0.4 | 0.7 | +0.2 | +56.8% |
| Other | 6.1 | 6.6 | +0.5 | +7.8% | 0.9 | 0.5 | -0.5 | -49.3% |
| Adjustment | -7.7 | -8.2 | -0.5 | - | -0.9 | -1.4 | -0.5 | - |
| Total | 376.3 | 453.6 | +77.3 | +20.5% | 25.6 | 39.8 | +14.2 | +55.4% |

FY12/2024 First Quarter Results

3. Change in Recurring Income (vs. Previous Fiscal Year)

- Overall recurring income increased by 14.2 billion yen year-on-year, primarily due to an increase in income in the Construction and Real Estate segment.
- Yen depreciation had an impact of +3.9 billion yen.



*The impact of fluctuations in foreign exchange rates is primarily related to the Construction and Real Estate Business.

FY12/2024 First Quarter Results

4. Domestic Housing Business Orders Received and Sales

- Orders increased year-on-year on both unit and monetary basis due to an increase in unit selling price and an increase in the sale of planned products.
- Although sales decreased year-on-year due to a decline in the number of units sold, gross profit margin improved due to the effect of price revisions.

(billion yen)

| | | Orders received | | | | Sales | | | |
|-------------------|---------------------------------|-----------------|---------------|--------|---------|---------------|---------------|--------|---------|
| | | FY12/23 1Q | FY12/24 1Q | Change | Pct. | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
| Contract business | Custom-built detached houses *1 | 90.7 | 96.8 | +6.1 | +6.7% | 84.6 | 81.7 | -2.9 | -3.5% |
| | (Units) | (2,041) | (2,048) | (+7) | (+0.3%) | (1,879) | (1,756) | (-123) | (-6.5%) |
| | (Unit price(mil. yen)) *2 | (40.8) | (43.2) | (+2.4) | (+5.8%) | (42.7) | (45.7) | (+3.1) | (+7.2%) |
| | Apartments | 4.9 | 4.8 | -0.1 | -1.7% | 3.9 | 4.3 | +0.4 | +9.4% |
| Spec home and | Detached spec home | | | | | 4.8 | 2.9 | -1.9 | -40.0% |
| | Other *3 | | | | | 0.7 | 0.9 | +0.2 | +30.3% |
| Net Sales Total | | 93.9 | 89.7 | -4.3 | -4.5% | | | | |
| Profit Ratio | | 20.5% | 23.9% | +3.4p | | | | | |
| Gross Profit | | 19.2 | 21.4 | +2.1 | +11.1% | | | | |

*1. Custom-built detached houses sales amount includes land for custom-built housing and interior products, etc.

*2. Unit price for orders received was calculated from orders received at the time of contract signing for units ordered in the current period. Orders received for additional construction were not included.

*3. Other sales amount includes commission sales from insurance agency business, etc.

FY12/2024 First Quarter Results

5. Construction and Real Estate Segment Sales and Recurring Income

- **U.S.:** Both sales and income increased significantly, underpinned by stable housing demand, and boosted by improvements in the housing market conditions and growth in the single family homes business.
- **Australia:** In addition to the easing of prolonged construction periods, price pass-through also contributed to the increase in sales and income.

(billion yen)

| | | Net Sales | | | | Recurring Income | | | |
|---------------------------------------|-----------------------------|---------------|---------------|--------|---------|------------------|---------------|--------|---------|
| | | FY12/23 1Q | FY12/24 1Q | Change | Pct. | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
| U.S. | US housing companies | 140.2 | 188.4 | +48.2 | +34.3% | 21.0 | 33.7 | +12.7 | +60.8% |
| | US real estate companies | 11.5 | 37.5 | +25.9 | +225.2% | -1.0 | -0.9 | +0.1 | - |
| | FITP | 5.1 | 9.5 | +4.4 | +86.6% | 0.5 | 1.3 | +0.8 | +159.7% |
| Australia | Australia housing companies | 25.6 | 30.2 | +4.6 | +17.8% | -0.2 | 1.1 | +1.2 | - |
| Other, housing and real estate | | 0.2 | 0.2 | +0 | +22.7% | -0 | -0 | -0 | - |
| Other, consolidated adjustments, etc. | | 10.8 | 8.5 | -2.3 | -21.6% | -0.6 | -1.5 | -0.9 | - |
| Total | | 193.4 | 274.2 | +80.8 | +41.8% | 19.7 | 33.6 | +14.0 | +70.9% |

● Conversion rate (average during term)

| | FY12/23 1Q | FY12/24 1Q |
|---------|---------------|---------------|
| USD/JPY | 132.39 | 148.43 |
| AUD/JPY | 90.49 | 97.61 |

FY12/2024 First Quarter Results

6. Global Single Family Homes Business and Construction Business

- **U.S.:** Both orders and sales increased year-on-year on the back of improvements in customers' home purchase mindsets.
- **Australia:** Orders increased year-on-year due to the steady housing market conditions in Western Australia, successful promotional campaigns in the ready built homes business, and other factors.

<U.S.>

(units, billion yen)

| | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
|----------------------------------|---------------|---------------|--------|--------|
| Number of units ordered | 2,693 | 3,195 | +502 | +18.6% |
| Number of units sold | 2,142 | 2,605 | +463 | +21.6% |
| Sales (billion yen) | 140.2 | 188.4 | +48.2 | +34.3% |
| (million USD) | 1,059 | 1,269 | +210 | +19.8% |
| Unit selling price (million yen) | 65.5 | 72.3 | +6.8 | +10.5% |
| (thousand USD) | 494 | 487 | -7 | -1.5% |

(units, lots)

| | | | | |
|-----------------------|--------|--------|--------|--------|
| Order backlog | 3,535 | 3,982 | +447 | +12.6% |
| Lots owned | 41,673 | 45,503 | +3,830 | +9.2% |
| (completed inventory) | 1,574 | 1,575 | +1 | +0.1% |
| Option lots | 26,985 | 26,409 | -576 | -2.1% |

<Australia>

(units, billion yen)

| | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
|----------------------------------|---------------|---------------|--------|--------|
| Number of units ordered | 594 | 795 | +201 | +33.8% |
| Number of units sold | 691 | 663 | -28 | -4.0% |
| Sales (billion yen) | 25.6 | 30.2 | +4.6 | +17.8% |
| (million AUD) | 283 | 309 | +26 | +9.2% |
| Unit selling price (million yen) | 37.1 | 45.5 | +8.4 | +22.8% |
| (thousand AUD) | 410 | 466 | +57 | +13.8% |

<Construction business>

(billion yen)

| | FY12/23 1Q | FY12/24 1Q | Change | Pct. |
|-----------------|---------------|---------------|--------|--------|
| Orders received | 1.4 | 0 | -1.4 | -98.6% |
| Sales | 1.7 | 0.5 | -1.2 | -71.5% |

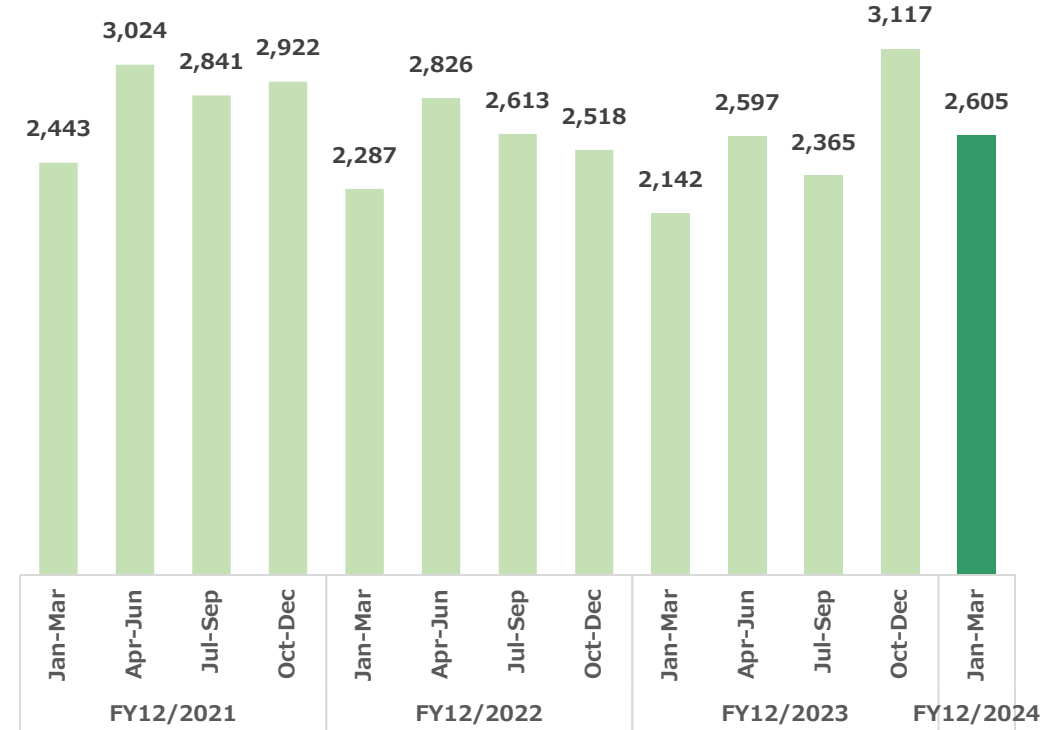
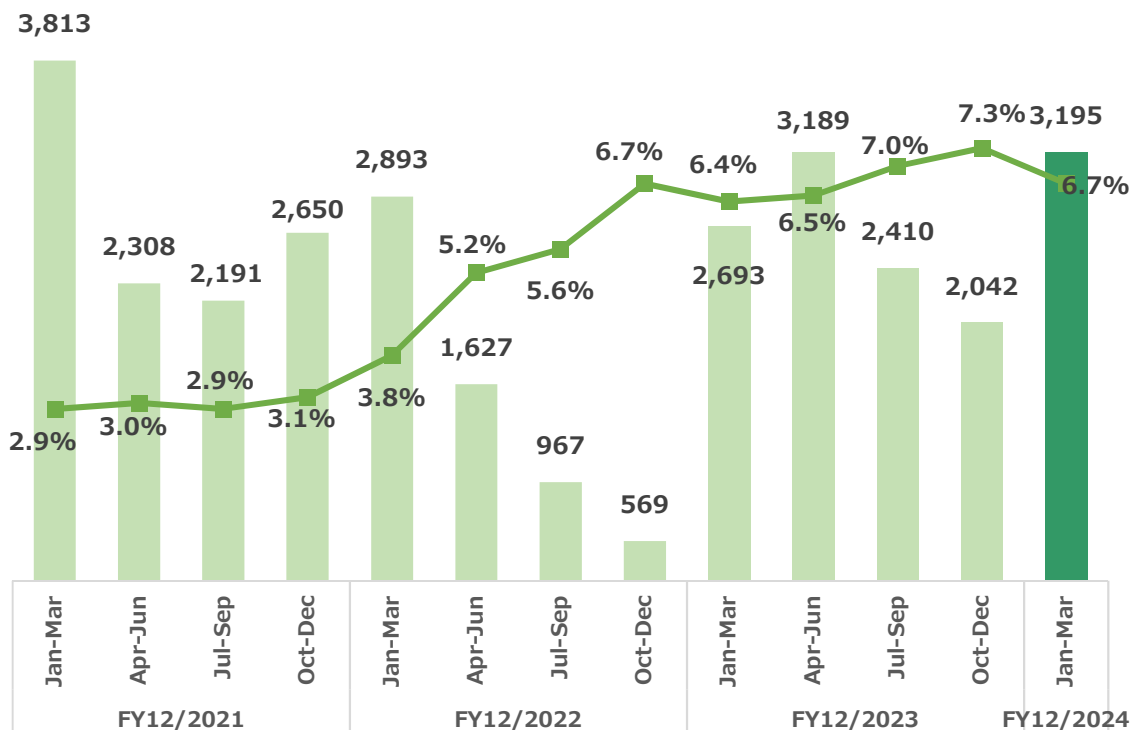
FY12/2024 First Quarter Results

7. US Single Family Homes Business – Trends in Orders Received and Number of Units Sold

- The number of units ordered is on a recovery trend, backed by a growth in the population of home buyers and a shortage in the number of pre-owned homes in circulation.
- The number of units sold increased year-on-year against mortgage levels of around 7%, due to successful measures such as the granting of incentives.

Trends in number of units ordered for US single family homes, and mortgage rates* (units/%)

Trends in number of units sold for US single family homes (units)



* Source: Federal National Mortgage Association (Fannie Mae) <https://www.fanniemae.com/media/50986/display>

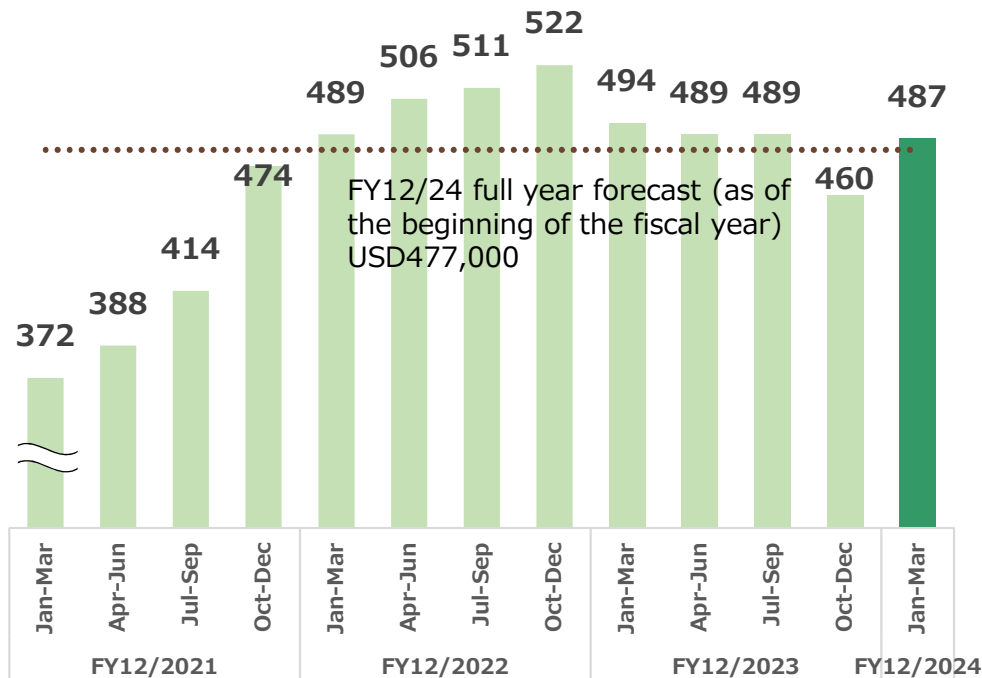
FY12/2024 First Quarter Results

8. US Single Family Homes Business – Trends in Unit Selling Price and Recurring income to Net Sales Ratio

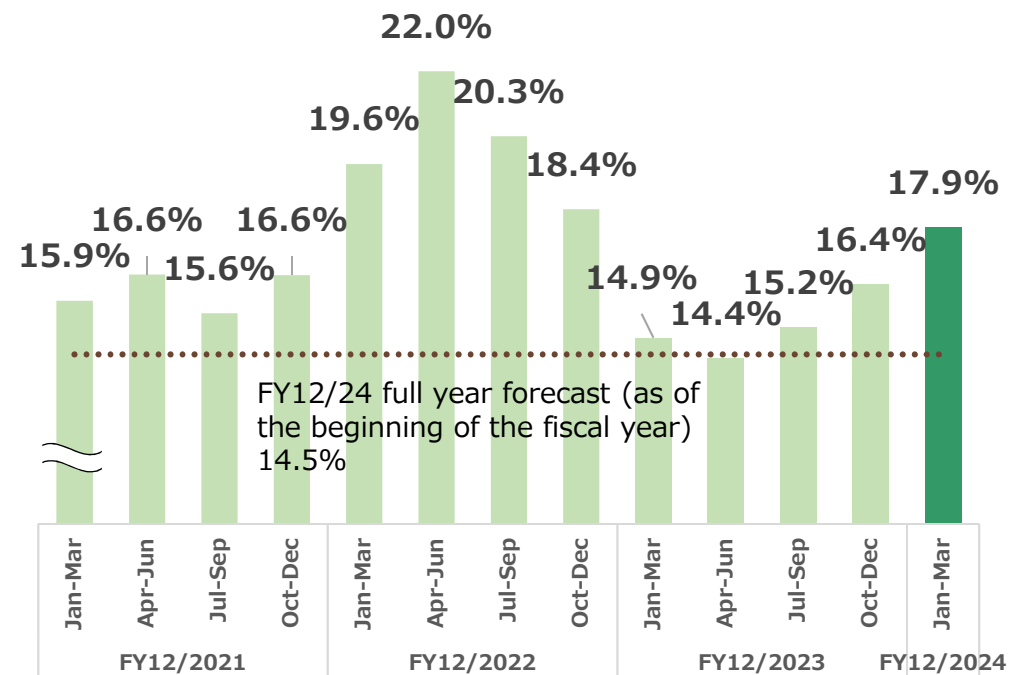
- Both unit selling price and recurring income to net sales ratio exceeded the forecast at the beginning of the fiscal year.

Trends in Unit Selling Price for US Single Family Homes

(thousand USD)



Trends in Recurring Income to Net Sales Ratio for US Single Family Homes



FY12/2024 First Quarter Results

9. Balance Sheet

- Net assets increased due to the yen conversion of the balance sheet amounts for overseas subsidiaries associated with the continued yen depreciation, increases in real estate for sale and real estate for sale in process, and other factors.

(billion yen)

| | End of December 2023 | End of FY12/24 1Q | Change | | End of December 2023 | End of FY12/24 1Q | Change |
|--------------------------------------|-------------------------|----------------------|---------------|---|-------------------------|----------------------|---------------|
| Cash, deposits, securities | 157.2 | 139.1 | -18.2 | Payables | 269.0 | 248.9 | -20.1 |
| Receivables | 209.4 | 210.3 | +0.9 | Short-term debt(Bank loans) | 51.8 | 46.8 | -5.0 |
| Finished goods | 35.6 | 37.3 | +1.6 | Contract liabilities | 86.9 | 95.6 | +8.7 |
| Real estate for sale | 127.9 | 142.8 | +14.9 | Advances received on construction contracts in progress | - | - | - |
| Real estate for sale in process | 524.6 | 592.3 | +67.7 | Other current liabilities | 180.3 | 218.9 | +38.6 |
| Construction projects in progress | 16.2 | 17.3 | +1.1 | Long-term debt/bonds issued | 310.5 | 329.9 | +19.4 |
| Other receivables | 87.2 | 83.8 | -3.4 | Liability for retirement benefits | 10.6 | 10.7 | +0.1 |
| Other current assets | 77.8 | 73.3 | -4.6 | Other long-term liabilities | 80.4 | 81.0 | +0.7 |
| Total current assets | 1,236.0 | 1,296.2 | +60.1 | Liabilities | 989.4 | 1,031.8 | +42.4 |
| Tangible fixed assets | 226.3 | 242.9 | +16.6 | Shareholders' equity | 613.4 | 622.3 | +8.9 |
| Intangible fixed assets | 64.4 | 67.2 | +2.8 | Accumulated other comprehensive income | 141.0 | 192.0 | +51.0 |
| Investments and other assets | 286.1 | 317.2 | +31.1 | Non-controlling interests | 68.9 | 77.2 | +8.4 |
| Total non-current assets | 576.7 | 627.2 | +50.5 | Net assets | 823.3 | 891.6 | +68.3 |
| Total assets | 1,812.7 | 1,923.4 | +110.7 | Total liabilities/net assets | 1,812.7 | 1,923.4 | +110.7 |

FY12/2024 Full Year Forecast



FY12/2024 Full Year Forecast

1. Statements of Income

- Remains unchanged since the start of the fiscal year.

(billion yen)

| (Consolidated) | FY12/23 | FY12/24 Forecast | Change | Pct. |
|------------------|---------|---------------------|--------|--------|
| Net Sales | 1,733.2 | 2,065.0 | +331.8 | +19.1% |
| Gross Profit | 408.8 | 466.0 | +57.2 | +14.0% |
| SG&A Expenses | 262.1 | 304.5 | +42.4 | +16.2% |
| Operating Income | 146.8 | 161.5 | +14.7 | +10.0% |
| Recurring Income | 159.4 | 173.0 | +13.6 | +8.5% |
| Net Income | 102.5 | 105.5 | +3.0 | +2.9% |

*Without actuarial differences

| | | | | |
|------------------|-------|-------|-------|--------|
| SG&A Expenses | 267.1 | 304.5 | +37.4 | +14.0% |
| Recurring Income | 154.4 | 173.0 | +18.6 | +12.0% |

● Conversion rate

| | FY12/2023 | FY12/2024 |
|---------|-----------|-----------|
| USD/JPY | 140.57 | 140.00 |
| AUD/JPY | 93.27 | 92.00 |

*"Net income attributable to owners of parent" is expressed as "Net income."

FY12/2024 Full Year Forecast

2. Segment Sales and Recurring Income

- Remains unchanged since the start of the fiscal year.

(billion yen)

| (Consolidated) | Net Sales | | | | Recurring Income | | | |
|-------------------------------|-----------|------------------|--------|--------|------------------|------------------|--------|---------|
| | FY12/23 | FY12/24 Forecast | Change | Pct. | FY12/23 | FY12/24 Forecast | Change | Pct. |
| Timber and Building Materials | 236.1 | 237.0 | +0.9 | +0.4% | 11.2 | 14.0 | +2.8 | +25.2% |
| Housing | 534.0 | 540.0 | +6.0 | +1.1% | 32.8 | 31.5 | -1.3 | -3.9% |
| Construction and Real Estate | 948.1 | 1,274.0 | +325.9 | +34.4% | 112.5 | 132.5 | +20.0 | +17.7% |
| Environment and Resources | 24.8 | 27.0 | +2.2 | +8.7% | 0.6 | 1.5 | +0.9 | +165.8% |
| Other | 26.0 | 28.0 | +2.0 | +7.5% | 2.2 | 2.4 | +0.2 | +9.5% |
| Adjustment | -35.9 | -41.0 | -5.1 | - | 0.2 | -8.9 | -9.1 | - |
| Total | 1,733.2 | 2,065.0 | +331.8 | +19.1% | 159.4 | 173.0 | +13.6 | +8.5% |

FY12/2024 Full Year Forecast

3. Domestic Housing Business Orders Received and Sales

- Remains unchanged since the start of the fiscal year.

(billion yen)

| | | Orders received | | | | Sales | | | |
|---------------------------|---------------------------------|-----------------|------------------|-----------------|---------|---------|------------------|--------|---------|
| | | FY12/23 | FY12/24 Forecast | Change | Pct. | FY12/23 | FY12/24 Forecast | Change | Pct. |
| Contract business | Custom-built detached houses *1 | 345.8 | 364.0 | +18.2 | +5.3% | 373.5 | 367.0 | -6.5 | -1.8% |
| | (Units) | (7,318) | (7,800) | (+482) | (+6.6%) | (8,275) | (7,730) | (-545) | (-6.6%) |
| | (Unit price (mil. Yen)) *2 | (42.5) | (42.5) | (+0.0) | (+0.1%) | (43.8) | (47.0) | (+3.2) | (+7.3%) |
| | Apartments | 16.8 | 19.0 | +2.2 | +13.0% | 15.6 | 16.7 | +1.1 | +7.0% |
| Spec home and development | Detached spec home | | | | | 19.7 | 23.2 | +3.5 | +17.7% |
| | Other *3 | | | | | 3.0 | 2.2 | -0.9 | -28.5% |
| | | | | Net Sales Total | | 411.8 | 409.0 | -2.8 | -0.7% |
| | | | | Profit Ratio | | 23.4% | 23.5% | +0.1p | |
| | | | | Gross Profit | | 96.3 | 96.0 | -0.3 | -0.3% |

*1. Custom-built detached houses sales amount includes land for custom-built housing and interior products, etc.

*2. Unit price for orders received was calculated from orders received at the time of contract signing for units ordered in the current period. Orders received for additional construction were not included.

*3. Other sales amount includes commission sales from insurance agency business, etc.

FY12/2024 Full Year Forecast

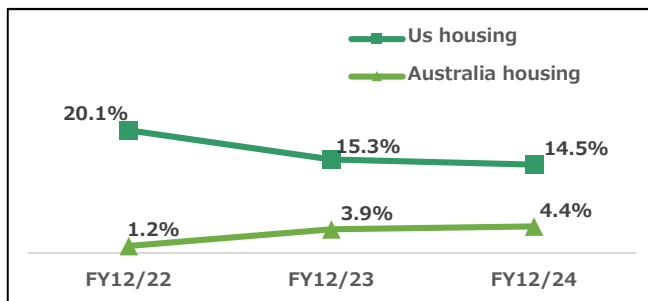
4. Construction and Real Estate Segment Sales and Recurring Income

- Remains unchanged since the start of the fiscal year.

(billion yen)

| | | Net Sales | | | | Recurring Income | | | |
|---------------------------------------|-----------------------------|-----------|----------------|--------|---------|------------------|--------------|--------|---------|
| | | FY12/23 | FY12/24 | Change | Pct. | FY12/23 | FY12/24 | Change | Pct. |
| U.S. | US housing companies | 691.3 | 787.0 | +95.7 | +13.8% | 105.9 | 114.0 | +8.1 | +7.7% |
| | US real estate companies | 59.2 | 256.0 | +196.8 | +332.2% | 2.0 | 12.5 | +10.5 | +522.9% |
| | FITP | 29.4 | 46.0 | +16.6 | +56.6% | 4.6 | 7.5 | +2.9 | +63.5% |
| Australia | Australia housing companies | 141.5 | 149.0 | +7.5 | +5.3% | 5.5 | 6.5 | +1.0 | +17.2% |
| Other, housing and real estate | | 0.9 | 1.1 | +0.2 | +21.8% | 0.5 | -0.3 | -0.8 | - |
| Other, consolidated adjustments, etc. | | 25.8 | 34.9 | +9.1 | +35.4% | -6.0 | -7.7 | -1.7 | - |
| Total | | 948.1 | 1,274.0 | +325.9 | +34.4% | 112.5 | 132.5 | +20.0 | +17.7% |

■ Overseas housing companies: Changes in ratio of recurring income to net sales



● Conversion rate

| | FY12/2023 | FY12/2024 |
|---------|-----------|---------------|
| USD/JPY | 140.57 | 140.00 |
| AUD/JPY | 93.27 | 92.00 |

FY12/2024 Full Year Forecast

5. Global Single Family Homes Business and Construction Business

- Remains unchanged since the start of the fiscal year.

<U.S.>

(units, billion yen)

| | FY12/23 | FY12/24 | Change | Pct. |
|----------------------------------|---------|---------|--------|--------|
| Number of units sold | 10,221 | 11,785 | +1,564 | +15.3% |
| Sales (billion yen) | 691.3 | 787.0 | +95.7 | +13.8% |
| (million USD) | 4,918 | 5,621 | +703 | +14.3% |
| Unit selling price (million yen) | 67.6 | 66.8 | -0.9 | -1.3% |
| (thousand USD) | 481 | 477 | -4 | -0.9% |

<Construction business>

(billion yen)

| | FY12/23 | FY12/24 | Change | Pct. |
|-----------------|---------|---------|--------|-------|
| Orders received | 6.6 | 7.0 | +0.4 | +5.7% |
| Sales | 5.3 | 5.5 | +0.2 | +3.3% |

<Australia>

(units, billion yen)

| | FY12/23 | FY12/24 | Change | Pct. |
|----------------------------------|---------|---------|--------|-------|
| Number of units sold | 3,402 | 3,385 | -17 | -0.5% |
| Sales (billion yen) | 141.5 | 149.0 | +7.5 | +5.3% |
| (million AUD) | 1,517 | 1,620 | +103 | +6.8% |
| Unit selling price (million yen) | 41.6 | 44.0 | +2.4 | +5.9% |
| (thousand AUD) | 446 | 478 | +33 | +7.3% |

To strengthen the foundation of our business in Florida State in the U.S., we acquired, through our existing subsidiary DRB, Biscayne Homes in March 2024. Biscayne Homes is engaged in the single family homes business primarily in the Tampa area of Florida.

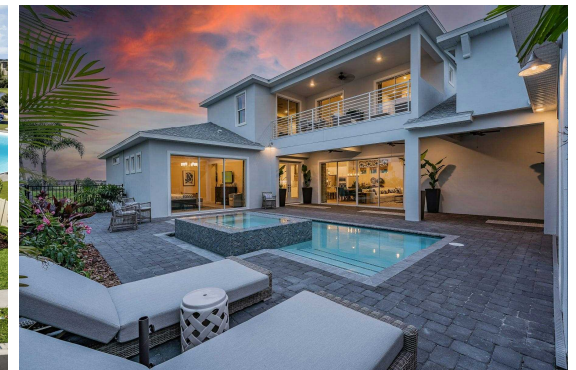


Strengths of Biscayne Homes

- Engages in the construction and sale of single family homes and townhomes mainly in Florida’s Tampa area.
- Has developed a strong relationship with Metro Development Group, the top residential lot developer in Florida State. Possesses an ample land pipeline.
- Biscayne’s business and land pipeline will be taken over by DRB’s newly established Tampa Branch, thereby strengthening our business foundation in the same area by leveraging DRB’s sales, construction, and material procurement functions.



Examples of exteriors (Townhomes)



Example of interiors



Biscayne sells properties mainly in Metro Development Group's residential lots, which include large pool lagoons in the communities.

Expansion of the US Single Family Homes Business

Sumitomo Forestry aims to achieve sales of 23,000 units in the U.S. by 2030. Housing demand growth is anticipated in Florida State, based on expectations of population growth and employment growth in the future. **We will work on increasing the number of units sold through new M&A alongside organic growth.**

Sumitomo Forestry Group's single family homes business expansion area in Florida State (as of March 31, 2024)



Strong potential of Florida's housing market

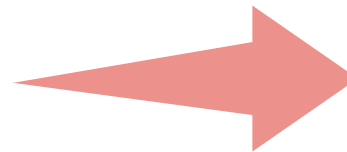
GDP: 4th in U.S. (US\$1.4 trillion)

Population: 3rd in U.S. (22 million)

Housing start permits issued for single family homes: 2nd in U.S. (134,000 units)

Population growth rate: 1st in U.S.

*All indicators are actual figures for 2022.



Target sales volume in Florida State in 2030

5,000 units

Reference: Sales forecast in Florida State in FY12/2024

Approx. 800 units



Thank you for listening.

- **The forecast figures in this presentation are based on projections deemed logical at the time when it was prepared. Actual performance may differ materially from these projections.**
- **This document does not constitute a solicitation to invest or purchase any financial instruments.**