

Happiness Grows from Trees



FY12/2024

Third Quarter Financial Results and Full Year Forecast



October 31, 2024

Notes

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

The U.S. Single-family homes Business

- In the US housing market, housing demand is expected to remain strong for the time being on the back of a decline in the number of housing starts after the global financial crisis known as the "Lehman Shock," population growth, and particularly an increase in the population of home-buyers among the so-called Gen Z and millennials, in recent years.
- With regard to sales, in the third quarter under review, unit prices, profit margins, and the number of units sold stayed at the high levels seen until the second quarter. In particular, profit margins significantly exceeded both the results for the same period last year and the full year forecast.
- With regard to orders, the direction of movement for mortgage rates was uncertain, trending downward from mid-July 2024 and rising again at the end of September. As a result, customers became cautious about making home-purchase decisions and demonstrated a wait-and-see attitude.
- We expect this trend to subside once the outlook for mortgage rates stabilizes, and we will continue to maintain the housing supply system of each Group company. We also aim to capture demand from builders outside the Group through the FITP business* while expanding earnings through Group synergy, such as reducing construction times.

The U.S. Real Estate Development Business

- In the US real estate development business, the cost of securing funding remains high, and investors are demanding higher returns on investment, making it persistently difficult to increase the selling prices of the real estate development properties that Sumitomo Forestry is developing and selling.
- Against the backdrop of a housing shortage in the U.S., the leasing of developed properties has generally remained steady in the rental multi-family housing market. We will carefully assess the terms of sale and timing before making sales decisions.

* 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

Australia Single-family homes Business

- In the Australia single-family homes business, profit margins have improved as cost increases have stabilized and construction delays, caused by delays in administrative procedures and other reasons, are being resolved. In addition, the market as a whole is showing signs of gradual recovery, with a strong showing for orders in Western Australia.
- With the addition of Metricon, Australia's top builder, to the Group alongside the existing Group companies, Sumitomo Forestry is expected to become the industry-leading corporate Group in the Australian housing market. Going forward, we will work on developing the Australian housing market, which is anticipated to continue growing, to make it a pillar of our earnings for our overseas housing business, second only to the U.S.

Domestic Housing Business

- The business environment remains severe with a continued decline in the number of construction starts for owner-occupied houses. Amid these conditions, Sumitomo Forestry has successfully won orders covering an extensive price range, from the high price range to around 35 million yen. This can be attributed to our order homes, which boast high customer satisfaction thanks to the sophisticated designs backed by Sumitomo Forestry's advanced design capabilities. In addition to the fact that profit margins are improving due to the effect of price revisions, our high value-added proposals such as ZEH have contributed to continuous increases in unit order prices and unit selling prices.

Full Year Forecast

- In view that sales in the mainstay US single-family homes business are largely progressing as expected, no changes have been made to the full year forecast, which was revised at the time of the announcement of the second quarter results for FY12/2024. In addition, while actuarial differences related to retirement benefits are currently trending positively against profits, they have not been factored into the full year forecast.

FY12/2024 Third Quarter Results



FY12/2024 Third Quarter Results

1. Statements of Income

- Although the exchange rate swung toward a higher yen than the anticipated level, both sales and income increased due to an increase in the number of units sold and improved profit margins in the US single-family homes business.

(billion yen)

(Consolidated)	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Net Sales	1,232.9	1,492.3	+ 259.5	+21.0%
Gross Profit	282.4	367.8	+ 85.5	+30.3%
SG&A Expenses	184.7	225.3	+ 40.5	+21.9%
Operating Income	97.6	142.6	+ 44.9	+46.0%
Recurring Income	99.6	142.9	+ 43.4	+43.5%
Net Income	63.8	85.6	+ 21.8	+34.1%

● Conversion rate (average during term)

	FY12/23 3Q	FY12/24 3Q
USD/JPY	138.12	151.18
AUD/JPY	92.30	100.10

FY12/2024 Third Quarter Results

2. Segment Sales and Recurring Income

- Timber and Building Materials: Despite a recovery in the results of the overseas manufacturing businesses, the growth in sales volume was sluggish due to a decline in the number of new housing starts in Japan. As a result, sales increased while income fell.
- Housing: Although there was a drop in the number of spec homes sold due to a shortage in the order backlog at the beginning of the fiscal year for custom-built detached houses, a revision of selling prices led to an increase in unit selling prices and profit margins. As a result, sales decreased but income increased.
- Global Construction and Real Estate: Both sales and income increased due to the strong performance of the US single-family homes business and the recovery in the performance of the Australian housing business.
- Environment and Resources: Sales increased while income fell, due to an increase in fee revenue from the forestry fund and lower profit margins in the biomass power plants caused by soaring fuel prices.

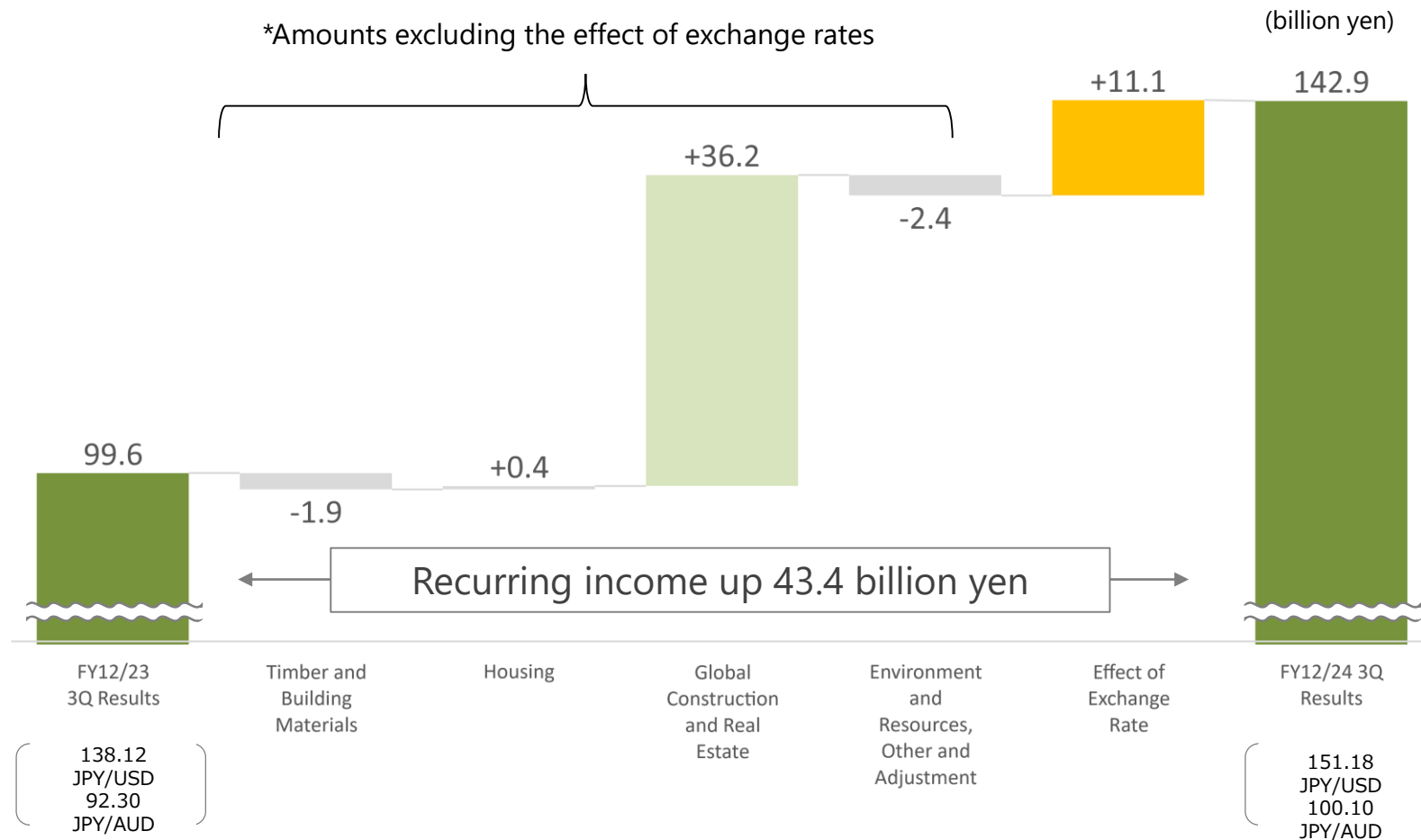
(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY12/23 3Q	FY12/24 3Q	Change	Pct.	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Timber and Building Materials	175.7	186.7	+11.1	+6.3%	8.0	6.3	-1.6	-20.5%
Housing	386.7	381.5	-5.2	-1.3%	22.0	22.5	+0.4	+2.0%
Global Construction and Real Estate	658.9	909.9	+251.0	+38.1%	70.2	117.2	+47.0	+66.9%
Environment and Resources	18.0	19.9	+1.9	+10.3%	0.7	-0.2	-1.0	-
Other	19.4	20.0	+0.6	+3.1%	1.5	0.7	-0.8	-53.7%
Adjustment	-25.9	-25.7	+0.2	-	-2.9	-3.6	-0.7	-
Total	1,232.9	1,492.3	+259.5	+21.0%	99.6	142.9	+43.4	+43.5%

FY12/2024 Third Quarter Results

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

- Overall recurring income increased by 43.4 billion yen year on year, primarily due to an increase in income in the Global Construction and Real Estate segment. The effect of exchange rates contributed 11.1 billion yen to this increase.



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

FY12/2024 Third Quarter Results

4. Domestic Housing Business Orders Received and Sales

- Orders received for custom-built detached houses increased year on year on both unit and monetary basis due to strong performance in the high price range, as well as successful measures such as expanding orders for the planned product line, "Forest Selection."
- Sales decreased year on year on both unit and monetary basis due to a fall in the number of units ordered in the previous fiscal year.
- Gross profit to net sales ratio increased year on year due to the effects of price revisions implemented to date, as well as the fact that material costs and other costs remained largely unchanged.

(billion yen)

		Orders received				Sales			
		FY12/23 3Q	FY12/24 3Q	Change	Pct.	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Contract business	Custom-built detached houses *1	262.8	299.4	+36.7	+14.0%	272.0	256.7	-15.3	-5.6%
	(Units)	(5,630)	(6,116)	(+486)	(+8.6%)	(5,822)	(5,130)	(-692)	(-11.9%)
	(Unit price(mil. yen)) *2	(41.9)	(44.5)	(+2.6)	(+6.3%)	(43.3)	(46.4)	(+3.1)	(+7.1%)
	Apartments	11.1	14.8	+3.7	+33.6%	12.0	14.4	+2.4	+20.0%
Other	Detached spec home					14.5	12.7	-1.8	-12.5%
	Other *3					2.2	2.5	+0.4	+16.2%
Net Sales Total						300.7	286.3	-14.4	-4.8%
Profit Ratio						23.3%	24.6%	+1.3pt	
Gross Profit						70.1	70.4	+0.3	+0.5%

*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 Third Quarter Results

5. Global Construction and Real Estate Segment Sales and Recurring Income

- U.S.: Against the backdrop of strong housing demand, the single-family homes business registered year-on-year increases in sales and income, in both the aspects of the number of units sold and unit selling price.
The real estate development business saw an increase in sales and income due to property sales and the addition of revenue from JPI.
The FITP business structure expanded steadily, with a new factory commencing operation among other developments.
- Australia: Income increased significantly as inflation stabilized and long construction periods gradually returned to normal.

(billion yen)

		Net Sales				Recurring Income			
		FY12/23 3Q	FY12/24 3Q	Change	Pct.	FY12/23 3Q	FY12/24 3Q	Change	Pct.
U.S.	US housing companies	481.3	622.7	+141.4	+29.4%	71.5	113.0	+41.5	+58.1%
	US real estate companies	35.0	134.5	+99.4	+283.9%	-4.3	0.9	+5.1	-
	FITP	20.2	31.8	+11.6	+57.6%	3.1	3.7	+0.6	+21.0%
Australia	Australia housing companies	100.3	112.1	+11.9	+11.8%	2.8	8.5	+5.7	+207.0%
Other, housing and real estate		0.7	0.8	+0.2	+24.5%	0.4	-0.4	-0.8	-
Other, consolidated adjustments, etc.		21.4	8.0	-13.4	-62.7%	-3.2	-8.4	-5.2	-
Total		658.9	909.9	+251.0	+38.1%	70.2	117.2	+47.0	+66.9%

● Conversion rate (average during term)

	FY12/23 3Q	FY12/24 3Q
USD/JPY	138.12	151.18
AUD/JPY	92.30	100.10

FY12/2024 Third Quarter Results

6. Global Single Family Homes Business and Construction Business

- U.S.: Orders have slowed down due to the continued uncertainty regarding the direction of mortgage rate movements, but nevertheless registered a year-on-year increase on a 9-month cumulative basis.
- Australia: Order volume significantly exceeded that of the previous fiscal year due to the strong performance of the order homes business in the state of Western Australia, among other factors. Sales also increased year on year due to progress made in passing on costs to prices alongside an increase in unit selling prices.

<U.S.>

	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Number of units ordered	8,292	8,423	+131	+1.6%
Number of units sold	7,104	8,315	+1,211	+17.0%
Sales (bn. yen)	481.3	622.7	+141.4	+29.4%
(mil. USD)	3,485	4,119	+634	+18.2%
Unit selling price (mil. yen)	67.8	74.9	+7.1	+10.5%
(thousand USD)	491	495	+5	+1.0%

Order backlog	4,340	3,487	-853	-19.7%
Lots owned	47,078	49,119	+2,041	+4.3%
(completed inventory)	1,266	1,679	+413	+32.6%
Option lots	24,903	28,720	+3,817	+15.3%

<Australia>

	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Number of units ordered	2,179	2,767	+588	+27.0%
Number of units sold	2,485	2,387	-99	-4.0%
Sales (bn. yen)	100.3	112.1	+11.9	+11.8%
(mil. AUD)	1,086	1,120	+34	+3.1%
Unit selling price (mil. yen)	40.3	47.0	+6.6	+16.5%
(thousand AUD)	437	469	+32	+7.4%

<Construction business>

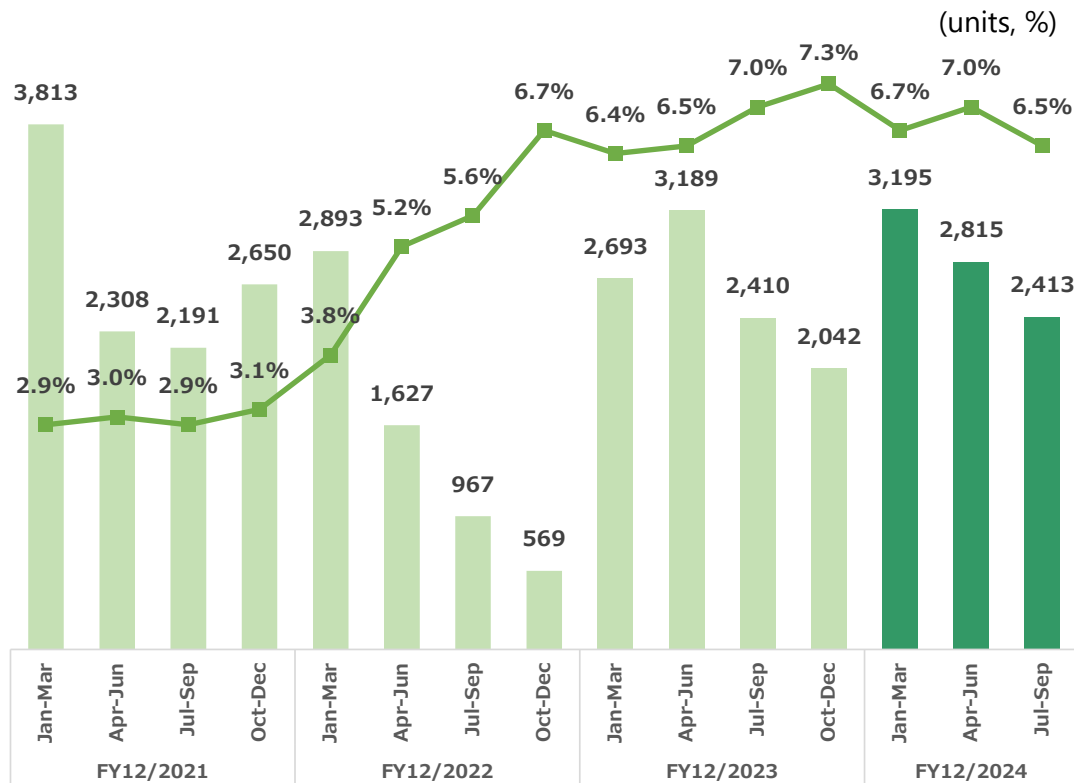
	FY12/23 3Q	FY12/24 3Q	Change	Pct.
Orders received (bn. yen)	3.5	9.2	+5.8	+167.7%
Sales (bn. yen)	4.1	2.2	-1.9	-46.0%

FY12/2024 Third Quarter Results

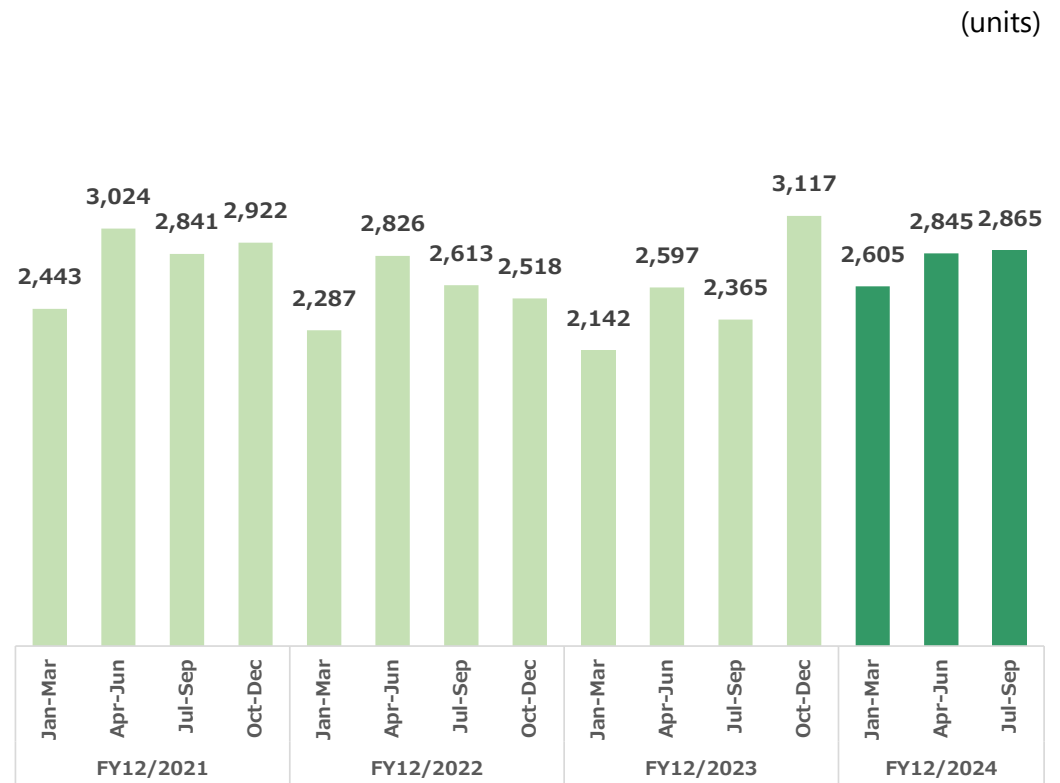
7. US Single Family Homes Business – Trends in Orders Received and Number of Units Sold

- Order volume declined from the previous quarter as more customers adopted a wait-and-see attitude to ascertain the trend of mortgage rates. Demand is anticipated to materialize once mortgage rates stabilize.
- The number of units sold has remained strong from the beginning of the fiscal year, reaching a level that exceeded that of the previous fiscal year and the year before that.

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



Trends in number of units sold for US single family homes



*Source: Federal National Mortgage Association (Fannie Mae) <https://www.fanniemae.com/media/53421/display>

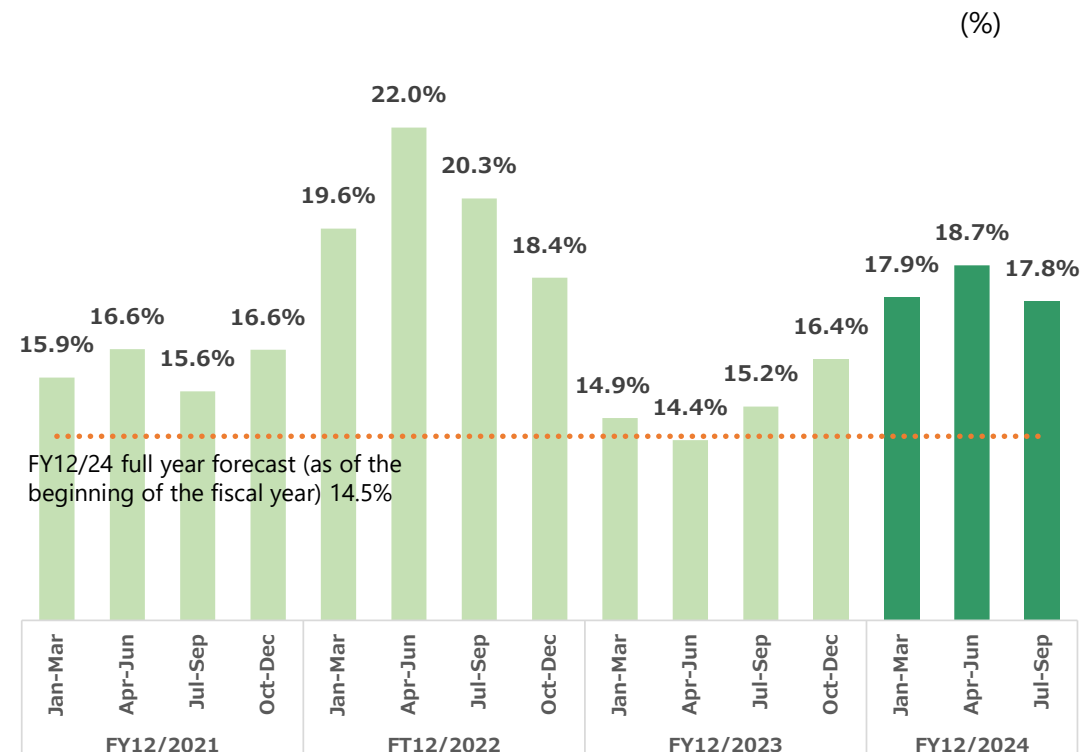
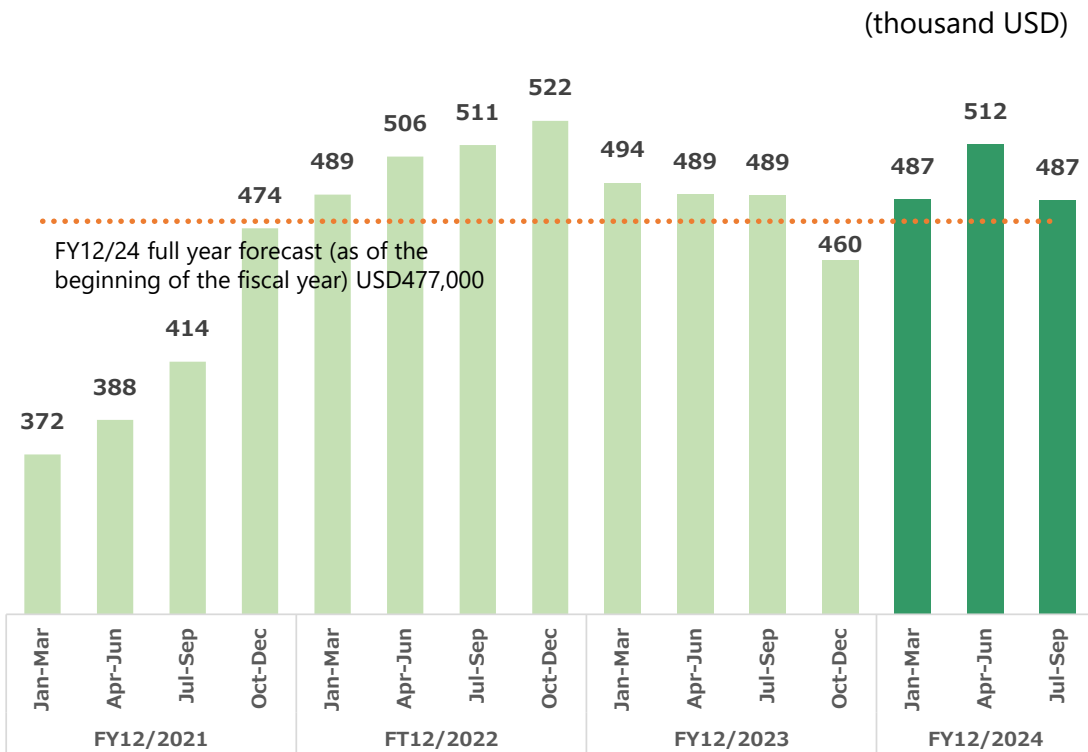
FY12/2024 Third Quarter Results

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. Compared to the revised forecast levels, which were increased during the announcement of the FY12/2024 second quarter results, unit selling price was on par with the forecast (US\$490,000) while recurring income to net sales ratio significantly surpassed the forecast (16.4%).

Trends in unit selling price for US single family homes

Trends in recurring income to net sales ratio for US single family homes



FY12/2024 Third Quarter Results

9. Balance Sheet

- Total assets increased as a result of increase of the yen-denominated amounts in the balance sheet of overseas subsidiaries due to the depreciation of the yen, and increases in real estate for sale and real estate for sale in process, among other factors.

(billion yen)

	End of December 2023	End of FY12/24 3Q	Change		End of December 2023	End of FY12/24 3Q	Change
Cash, deposits, securities	157.2	137.1	-20.1	Payables	269.0	251.0	-18.0
Receivables	209.4	217.1	+7.6	Short-term debt(Bank loans)	51.8	91.4	+39.7
Finished goods	35.6	39.7	+4.1	Contract liabilities	86.9	94.2	+7.3
Real estate for sale	127.9	153.9	+26.0	Advances received on construction contracts in	0.0	0.0	+0.0
Real estate for sale in process	524.6	628.5	+104.0	Other current liabilities	180.3	209.4	+29.0
Construction projects in progress	16.2	19.1	+2.9	Long-term debt/bonds issued	310.5	382.4	+71.9
Other receivables	87.2	93.1	+5.9	Liability for retirement benefits	10.6	10.8	+0.2
Other current assets	77.8	88.1	+10.3	Other long-term liabilities	80.4	79.6	-0.8
Total current assets	1,236.0	1,376.7	+140.7	Liabilities	989.4	1,118.7	+129.3
Tangible fixed assets	226.3	258.6	+32.3	Shareholders' equity	613.4	670.3	+56.9
Intangible fixed assets	64.4	62.0	-2.4	Accumulated other comprehensive income	141.0	147.5	+6.5
Investments and other assets	286.1	321.6	+35.6	Non-controlling interests	68.9	82.4	+13.5
Total non-current assets	576.7	642.3	+65.6	Net assets	823.3	900.2	+76.9
Total assets	1,812.7	2,018.9	+206.2	Total liabilities/net assets	1,812.7	2,018.9	+206.2

● Conversion rate (end of term)

	End of December 2023	End of FY12/24 3Q
USD/JPY	141.83	142.73
AUD/JPY	96.94	98.73

FY12/2024 Full Year Forecast



FY12/2024 Full Year Forecast

1. Statements of Income

- Remains unchanged since the previous forecast.

The impact of exchange rates is expected to be insignificant. Actuarial differences related to liability for retirement benefits have not been factored into the full year forecast.

(billion yen)

(Consolidated)	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Net Sales	1,733.2	2,095.0	+ 361.8	+20.9%	-
Gross Profit	408.8	495.0	+ 86.2	+21.1%	-
SG&A Expenses	262.1	315.0	+ 52.9	+20.2%	-
Operating Income	146.8	180.0	+ 33.2	+22.7%	-
Recurring Income	159.4	193.0	+ 33.6	+21.1%	-
Net Income	102.5	115.0	+ 12.5	+12.2%	-

● Trend in dividend per share

(Yen)

	FY12/23	FY12/24	FY12/24 Change from previous forecast
Interim dividend	60	65	-
Year-end dividend	65	80	-
Total	125	145	-

● Conversion rate (average during term)

	FY12/23	FY12/24 Forecast
USD/JPY	140.57	152.12
AUD/JPY	93.27	100.15

* Previous forecast figures are from the forecast announced with the 2Q results (August 8, 2024).

FY12/2024 Full Year Forecast

2. Segment Sales and Recurring Income

- Remains unchanged since the previous forecast.

(billion yen)

(Consolidated)	Net Sales					Recurring Income				
	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Timber and Building Materials	236.1	252.0	+ 15.9	+6.7%	-	11.2	11.0	-0.2	-1.7%	-
Housing	534.0	540.0	+ 6.0	+1.1%	-	32.8	34.0	+ 1.2	+3.7%	-
Global Construction and Real Estate	948.1	1,280.0	+ 331.9	+35.0%	-	112.5	152.0	+ 39.5	+35.1%	-
Environment and Resources	24.8	27.0	+ 2.2	+8.7%	-	0.6	0.0	-0.6	-	-
Other	26.0	28.0	+ 2.0	+7.5%	-	2.2	2.1	-0.1	-4.2%	-
Adjustment	-35.9	-32.0	+ 3.9	-	-	0.2	-6.1	-6.3	-	-
Total	1,733.2	2,095.0	+ 361.8	+20.9%	-	159.4	193.0	+ 33.6	+21.1%	-

* Previous forecast figures are from the forecast announced with the 2Q results (August 8, 2024).

FY12/2024 Full Year Forecast

3. Domestic Housing Business Orders Received and Sales

- Remains unchanged since the previous forecast.
By promoting sales measures tailored to each price range, we will work on winning orders.

(billion yen)

		Orders received					Sales				
		FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Contract business	Custom-built detached houses *1	345.8	387.0	+41.2	+11.9%	-	373.5	367.0	-6.5	-1.8%	-
	(Units)	(7,318)	(8,070)	(+752)	(+10.3%)	-	(8,275)	(7,520)	(-755)	(-9.1%)	-
	(Unit price (mil. Yen)) *2	(42.5)	(43.5)	(+1.0)	(+2.5%)	-	(43.8)	(47.0)	(+3.2)	(+7.3%)	-
	Apartments	16.8	19.0	+2.2	+13.0%	-	15.6	16.8	+1.2	+7.6%	-
Other	Detached spec home						19.7	22.1	+2.4	+12.3%	-
	Other *3						3.0	2.1	-0.9	-29.5%	-
Net Sales Total							411.8	408.0	-3.8	-0.9%	-
Profit Ratio							23.4%	24.5%	+1.1pt		-
Gross Profit							96.3	100.0	+3.7	+3.8%	-

*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. Global Construction and Real Estate Segment Sales and Recurring Income

- Remains unchanged since the previous forecast.
Housing demand itself is robust, and we aim to achieve our targets while keeping close watch on mortgage rate trends.

(billion yen)

		Net Sales					Recurring Income				
		FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
U.S.	US housing companies	691.3	871.0	+179.7	+26.0%	-	105.9	143.0	+37.1	+35.1%	-
	US real estate companies	59.2	195.0	+135.8	+229.2%	-	2.0	4.0	+2.0	+99.3%	-
	FITP	29.4	42.0	+12.6	+43.0%	-	4.6	4.5	-0.1	-1.9%	-
Australia	Austrarlia housing companies	141.5	154.0	+12.5	+8.9%	-	5.5	9.5	+4.0	+71.3%	-
Other, housing and real estate		0.9	1.0	+0.1	+10.7%	-	0.5	-0.5	-1.0	-	-
Other, consolidated adjustments, etc.		25.8	17.0	-8.8	-34.1%	-	-6.0	-8.5	-2.5	-	-
Total		948.1	1,280.0	+331.9	+35.0%	-	112.5	152.0	+39.5	+35.1%	-

● Conversion rate (average during term)

	FY12/23	FY12/24 Forecast
USD/JPY	140.57	152.12
AUD/JPY	93.27	100.15

FY12/2024 Full Year Forecast

5. Global Single Family Homes Business and Construction Business

- Remains unchanged since the previous forecast for the US and Australia housing businesses.
 With regard to the monetary value of orders for the Construction Business, the full year forecast has been revised upward in light of the order results achieved in 3Q cumulative period.

<U.S.>

	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Number of units sold	10,221	11,675	+1,454	+14.2%	-
Sales (bn. yen)	691.3	871.0	+179.7	+26.0%	-
(mil. USD)	4,918	5,726	+808	+16.4%	-
Unit selling price (mil. yen)	67.6	74.6	+7.0	+10.3%	-
(thousand USD)	481	490	+9	+1.9%	-

<Construction business>

	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Orders received (bn. yen)	6.6	13.0	+6.4	+96.3%	+4.7
Sales (bn. yen)	5.3	4.3	-1.0	-19.3%	-

<Australia>

	FY12/23	FY12/24 Forecast	Change	Pct.	Change from previous forecast
Number of units sold	3,402	3,180	-222	-6.5%	-
Sales (bn. yen)	141.5	154.0	+12.5	+8.9%	-
(mil. AUD)	1,517	1,538	+21	+1.4%	-
Unit selling price (mil. yen)	41.6	48.4	+6.8	+16.5%	-
(thousand AUD)	446	484	+38	+8.5%	-

Acquisition of Metricon, Australia's Largest Home Builder

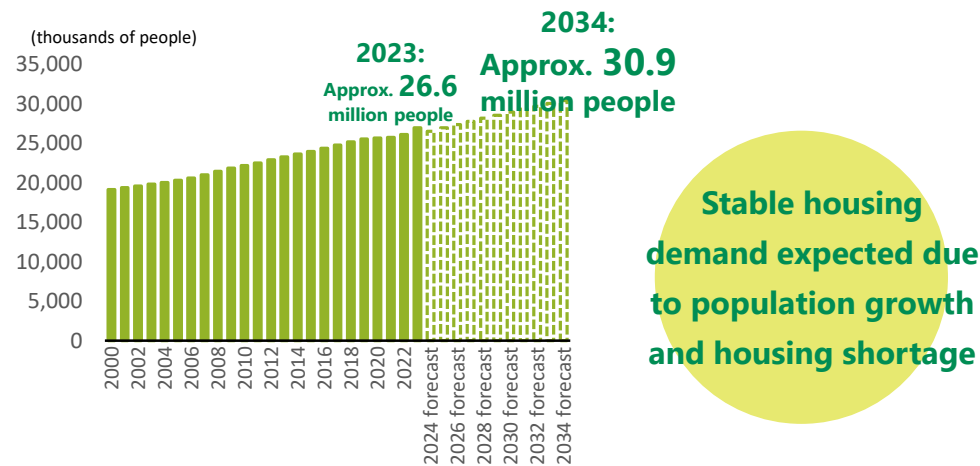


New M&A Acquisition of Metricon, Australia's largest home builder

Sumitomo Forestry has acquired a 51% stake in Metricon, Australia's largest home builder*¹. With this acquisition, we will expand our housing business in Australia in addition to the housing business in the U.S., which is a pillar of our earnings, and build a stable portfolio for our overseas business.

Australia's housing market

Population growth due to migrant policies, and chronic housing shortage



Source: ABS, Centre for Population

Current situation and future outlook

✓ Improving trend for long construction periods



The number of housing starts has increased sharply with the introduction of the housing subsidy policy in 2020. Despite persistent problems including administrative delays in development permit procedures, delays in the supply of materials, and long construction periods due to a shortage of craftsmen, the material shortage has now been largely resolved, and the shortage of craftsmen is also approaching a resolution.

✓ Increase in demand for affordable housing

Housing prices have risen significantly due to the housing supply shortage. This, coupled with the impact of rising policy interest rates, has led to strong customer demand for affordable housing.

Overview of Metricon



Established	1976
Head office	501 Blackburn Road, Mt Waverley VIC
No. of employees	1,567 (as of March 31, 2024)
Business	Order homes business, social housing, affordable housing
Results/financial position for FY6/24 *2	Net sales: AUD 2,019 million Recurring income: AUD 29 million Total assets: AUD 530 million Net assets: AUD 53 million No. of housing starts: 3,894 units
Areas of operation	Three eastern states (VIC, NSW, QLD), and SA  





*1 The shares are scheduled to be transferred in November 2024.

*2 Provisional value before audit.

New M&A Acquisition of Metricon, Australia's largest home builder

Metricon has established a strong brand presence across its areas of operation. It ranks first in Australia with a housing start scale of 3,894 units per year. Metricon offers a wide range of products, from homes suitable for first-time buyers to luxury brands. In recent years, it has been expanding its business domains to cover areas such as affordable products, townhouses, and social housing, in order to support customers amid rising housing prices. Its order home business is its mainstay, and it is also characterized by its highly capital-efficient business based on a cash-first model.

- Survey of Australian housing brands (conducted in August 2024)
Metricon is a leading brand across its areas of operation.

	VIC (Melbourne)	NSW (Sydney)	QLD	SA
1st		Company D		
2nd	Company B		Company F	Company H
3rd	Company C	Company E	Company G	Company I

Source: Freeform Strategy

- Examples of Metricon's order homes
Offers an extensive product lineup by price range and target customers



Premium brand "Signature"



"Home Solution" brand for first-time buyers

- Also holds business domains that our existing subsidiaries do not have, such as brands in the areas of development and reconstruction of existing urban areas, social housing, and affordable housing



Supports the development and reconstruction of existing urban areas with the "DualOcc"*1 brand



"Town Living" brand townhouses



Social housing*2 brand "Everyone"



Affordable housing brand "ABC"

With the acquisition of Metricon, Sumitomo Forestry Group aims to further increase its market share by expanding its coverage in each area of operation as well as the range of products sold.

*1 Building two or more homes on a single lot

*2 Projects contracted by the state government to build public housing for low-income earners

New M&A Acquisition of Metricon, Australia's largest home builder

With the acquisition of Metricon, Sumitomo Forestry Group will achieve more than 7,000 housing starts a year for single-family homes in Australia. It will also achieve the target of supplying 5,500 units of single-family homes, as set out in the Long-Term Vision, six years ahead of schedule. Going forward, we aim to pursue Group synergy and establish a structure that will enable us to double the initial planned target and supply 10,000 units per year by 2030.

■ Becoming Australia's top builder through the acquisition of Metricon

Rank	Home builder	No. of housing starts
Equivalent to 1st	Sumitomo Forestry (3 existing subsidiaries + Metricon)	7,067
1	Metricon Homes	3,894
2	ABN Group	3,881
Equivalent to 3rd	Sumitomo Forestry (Total for 3 existing subsidiaries)	3,170
3	Home Group and Blueprint Homes	2,653
4	NXT Building Group	2,559
5	AHB Group	2,405

Source: Calculated by Sumitomo Forestry based on the ranking of housing starts by each builder for the fiscal year ended June 2024, prepared by the Housing Industry Association (HIA) of Australia

■ Post-acquisition initiatives and creation of Group synergy

- ✓ Promote improvements in profitability, such as by reducing costs in Metricon
- ✓ Create Group synergy by leveraging Metricon's top-ranked scale in Australia

Joint purchasing of materials

Sharing of back-office operations

Improving negotiation capabilities with land developers

etc.



Reference: Target sales volume in Australia by 2030 (initial plan) 5,500 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.**