

Happiness Grows from Trees



FY12/2024 Financial Results and FY12/2025 Forecast



February 14, 2025

Notes

- “Net income attributable to owners of parent” is expressed as “Net income.”
- From FY12/24, segment names has been changed as follows:
Global Housing, Construction and Real Estate Segment
→ Global Construction and Real Estate Segment
- In November 2024, we made Metricon, Australia's largest homebuilder, a consolidated subsidiary. For FY12/24, only the balance sheet has been consolidated, while the statement of income has not been incorporated.
- Regarding the FY12/23 results, we have revised the initial purchase price allocation due to the finalization of provisional accounting treatment related to business combinations, with adjustments made as shown in the table below.

(billion yen)

(Consolidated)	FY12/23 Before Revision	FY12/23 Amount of Adjustment	FY12/23 After Revision
Net Sales	1,733.2	0.0	1,733.2
Gross Profit	408.8	0.0	408.8
SG&A Expenses	262.1	0.5	262.6
Operating Income	146.8	-0.5	146.3
Recurring Income	159.4	-0.5	158.9
Net income	102.5	-0.3	102.2

*Without actuarial differences

SG&A Expenses	267.1	0.5	267.6
Recurring Income	154.4	-0.5	153.9

(billion yen)

	FY12/23 Before Revision	FY12/23 Amount of Adjustment	FY12/23 After Revision
Current assets	1,236.0	+0.2	1,236.2
Non-current assets	576.7	+11.8	588.5
Total assets	1,812.7	+12.0	1,824.7
Liabilities	989.4	+8.8	998.3
Net assets	823.3	+3.2	826.5
Total liabilities/net assets	1,812.7	+12.0	1,824.7

FY12/2024 Results



FY12/2024 Results

1. Statements of Income

- Sales and income increased due to strong performance in both the U.S. and Australian housing businesses, as well as the impact of a weakened yen. We achieved record-high profits.

(billion yen)

(Consolidated)	FY12/23	FY12/24	Change	Pct.
Net Sales	1,733.2	2,053.7	+ 320.5	+18.5%
Gross Profit	408.8	503.0	+ 94.1	+23.0%
SG&A Expenses	262.6	308.4	+ 45.8	+17.4%
Operating Income	146.3	194.6	+ 48.3	+33.0%
Recurring Income	158.9	198.0	+ 39.0	+24.6%
Net Income	102.2	116.5	+ 14.4	+14.1%

*Without actuarial differences

SG&A Expenses	267.6	318.2	+ 50.6	+18.9%
Recurring Income	153.9	188.2	+ 34.2	+22.2%

● Conversion rate (average during term)

	FY12/23	FY12/24
USD/JPY	140.57	151.47
AUD/JPY	93.27	99.92

FY12/2024 Results

2. Segment Sales and Recurring Income

- Timber and Building Materials: While biomass fuel sales and manufacturing business contributed positively, profits decreased due to deteriorating market conditions caused by declining housing starts.
- Housing: Sales and income increased due to full-year contribution from Sasazawa Construction, price revision effects in custom-built detached housing, and growth in the renovation business.
- Global Construction and Real Estate: Sales and income increased due to strong performance in the U.S. housing business, improved profit margins from higher unit prices in the Australian housing business, and the impact of a weaker yen.
- Environment and Resources: While gains from forestry-fund related sales increased, profits decreased due to factors including lower profitability in the biomass power generation business caused by soaring fuel prices.

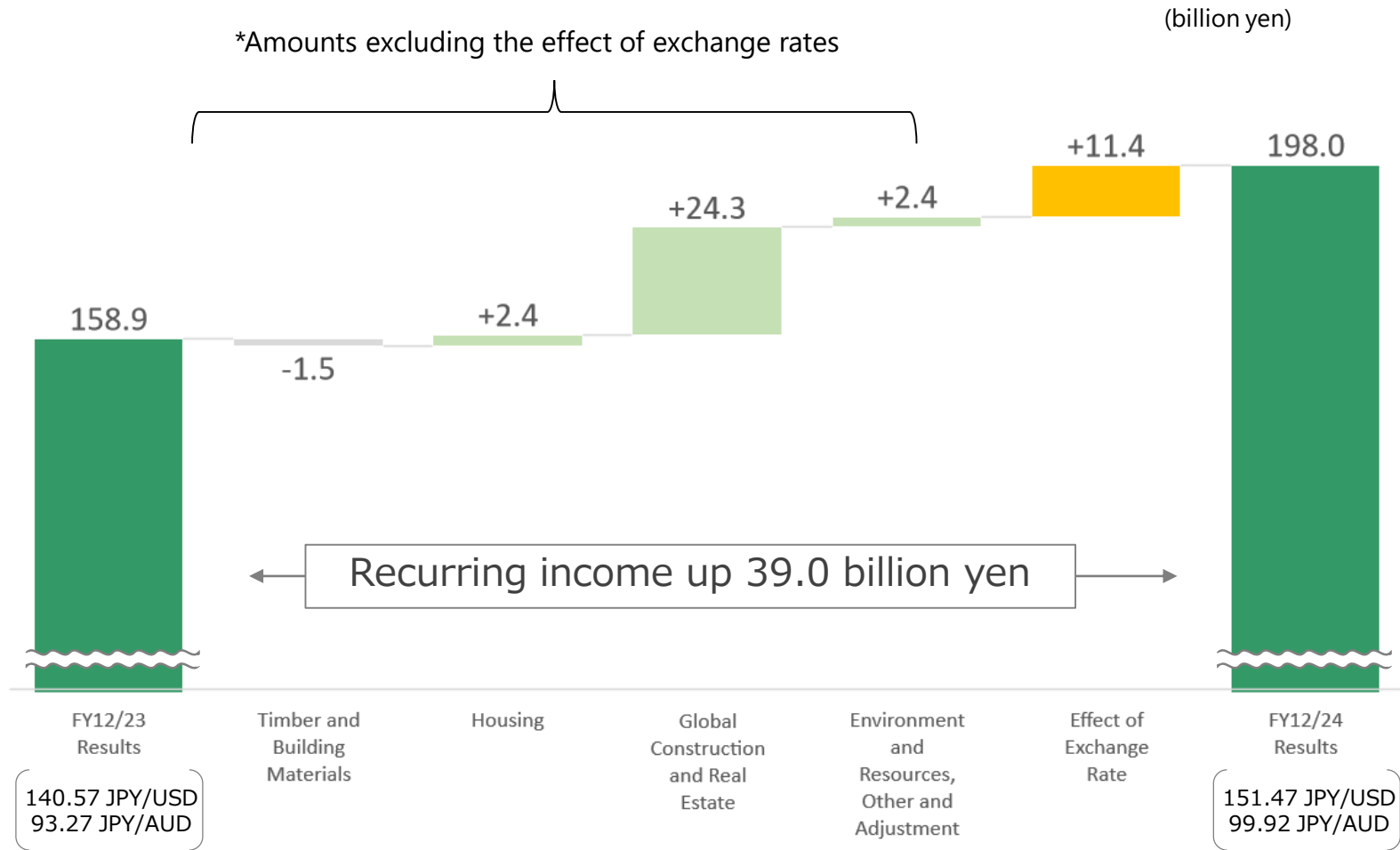
(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY12/23	FY12/24	Change	Pct.	FY12/23	FY12/24	Change	Pct.
Timber and Building Materials	236.1	253.2	+17.1	+7.2%	11.2	10.0	-1.2	-10.6%
Housing	534.0	542.3	+8.3	+1.5%	32.8	35.2	+2.4	+7.3%
Global Construction and Real Estate	948.1	1,240.0	+291.9	+30.8%	112.0	147.5	+35.4	+31.6%
Environment and Resources	24.8	27.0	+2.1	+8.5%	0.6	0.2	-0.3	-58.1%
Other	26.0	27.3	+1.3	+4.9%	2.2	0.7	-1.5	-67.8%
Adjustment	-35.9	-36.1	-0.2	-	0.2	4.4	+4.2	-
Total	1,733.2	2,053.7	+320.5	+18.5%	158.9	198.0	+39.0	+24.6%

FY12/2024 Results

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

- Recurring income for the entire group increased by ¥39.0 billion compared to the previous fiscal year, primarily driven by increased profits in the Global Construction and Real Estate business. Of this amount, the effect of the exchange rate accounted for ¥11.4 billion.



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

FY12/2024 Results

4. Domestic Housing Business Orders Received and Sales

- Custom-Built Detached Housing Orders: Both the number of units and monetary value exceeded the previous period, due to successful initiatives in promoting planned products 'Forest Selection' and strengthening land acquisition.
- Custom-Built Detached Housing Sales: Despite higher unit prices, both the number of units and monetary value fell below the previous period due to low order backlog at the beginning of the period.
- Gross profit margin achieved a high level exceeding pre-COVID/wood shock levels due to price revision effects and improvements in construction materials costs.

(billion yen)

		Orders received				Sales			
		FY12/23	FY12/24	Change	Pct.	FY12/23	FY12/24	Change	Pct.
Contract business	Custom-built detached houses *1	345.8	397.9	+52.2	+15.1%	373.5	362.8	-10.7	-2.9%
	(Units)	(7,318)	(8,108)	(+790)	(+10.8%)	(8,275)	(7,551)	(-724)	(-8.7%)
	(Unit price(mil. yen)) *2	(42.5)	(44.6)	(+2.2)	(+5.1%)	(43.8)	(46.7)	(+2.9)	(+6.6%)
	Apartments	16.8	19.3	+2.4	+14.5%	15.6	18.9	+3.3	+21.0%
Other	Detached spec home					19.7	21.5	+1.8	+9.3%
	Other *3					3.0	3.5	+0.5	+17.3%
Net Sales Total						411.8	406.7	-5.1	-1.2%
Profit Ratio						23.4%	24.7%	+1.3pt	
Gross Profit						96.3	100.3	+4.0	+4.1%

*1. Custom-built detached housing 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 Results

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

- U.S. Housing Companies: Sales and income increased due to higher unit sales volume and unit prices compared to the previous fiscal year, supported by stable housing demand.
- U.S. Real Estate Companies: Income decreased primarily due to delayed property sales caused by persistently high cap rates.
- FITP Companies: While sales increased due to expanded business operations including full-year contribution from newly consolidated companies and start of operations at new factories, income decreased due to slowdown in the multi-family housing market and upfront expenses.
- Australian Housing Companies: Sales and income increased due to improved profitability from higher unit prices and other factors.

(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	848.3	+157.0	+22.7%	105.9	147.0	+41.1	+38.8%
	US real estate companies	59.2	179.9	+120.6	+203.6%	2.0	1.7	-0.3	-17.3%
	FITP	29.4	42.0	+12.6	+42.9%	4.6	4.0	-0.5	-12.0%
Australia	Australia housing companies	141.5	155.7	+14.3	+10.1%	5.5	12.7	+7.2	+129.1%
Other, housing and real estate		0.9	1.4	+0.5	+56.0%	0.5	-0.9	-1.4	-
Other, consolidated adjustments, etc.		25.8	12.7	-13.1	-50.8%	-6.5	-17.0	-10.5	-
Total		948.1	1,240.0	+291.9	+30.8%	112.0	147.5	+35.4	+31.6%

FY12/2024 Results

6. Global Single Family Homes Business and Construction Business

- U.S.: Orders and sales exceeded the previous period's results through successful measures including the utilization of incentives in response to persistently high mortgage interest rates and the expansion of spec homes.
- Australia: Orders increased significantly, primarily due to strong performance in the order home business in Western Australia. Sales exceeded the previous period on a monetary basis, reflecting the effects of continued unit sales price increases.

<U.S.>

	FY12/23	FY12/24	Change	Pct.
Number of units ordered	10,334	10,566	+232	+2.2%
Number of units sold	10,221	11,267	+1,046	+10.2%
Sales (mil. USD)	4,918	5,601	+683	+13.9%
Unit sales price (thousand USD)	467	486	+19	+4.0%

Order backlog	3,339	2,678	-661	-19.8%
Lots owned	46,789	50,494	+3,705	+7.9%
(completed inventory)	1,572	1,871	+299	+19.0%
Option lots	24,153	29,790	+5,637	+23.3%

<Australia>

	FY12/23	FY12/24	Change	Pct.
Number of units ordered	2,935	3,669	+734	+25.0%
Number of units sold	3,402	3,287	-115	-3.4%
Sales (mil. AUD)	1,517	1,559	+42	+2.8%
Unit sales price (thousand AUD)	446	474	+28	+6.4%

<Construction business>

	FY12/23	FY12/24	Change	Pct.
Orders received (bn. yen)	6.6	12.4	+5.8	+87.1%
Sales (bn. yen)	5.3	3.7	-1.6	-30.5%

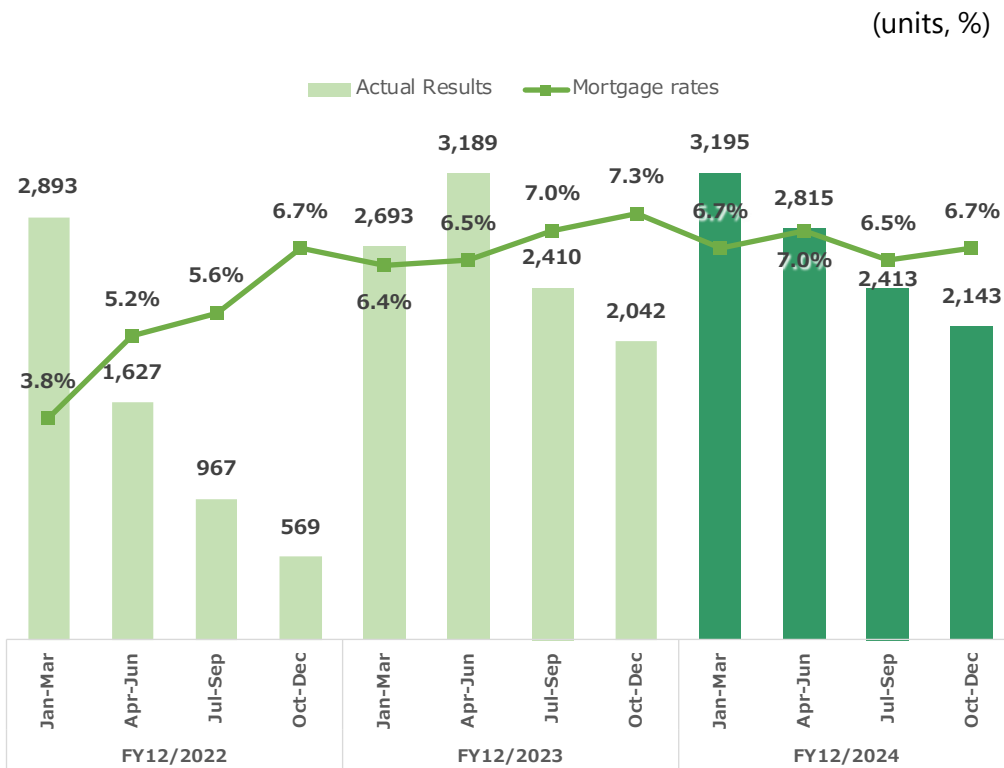
Note: From the fiscal year ending December 2024, U.S. unit sales prices are calculated excluding land sales and other such transactions.

FY12/2024 Results

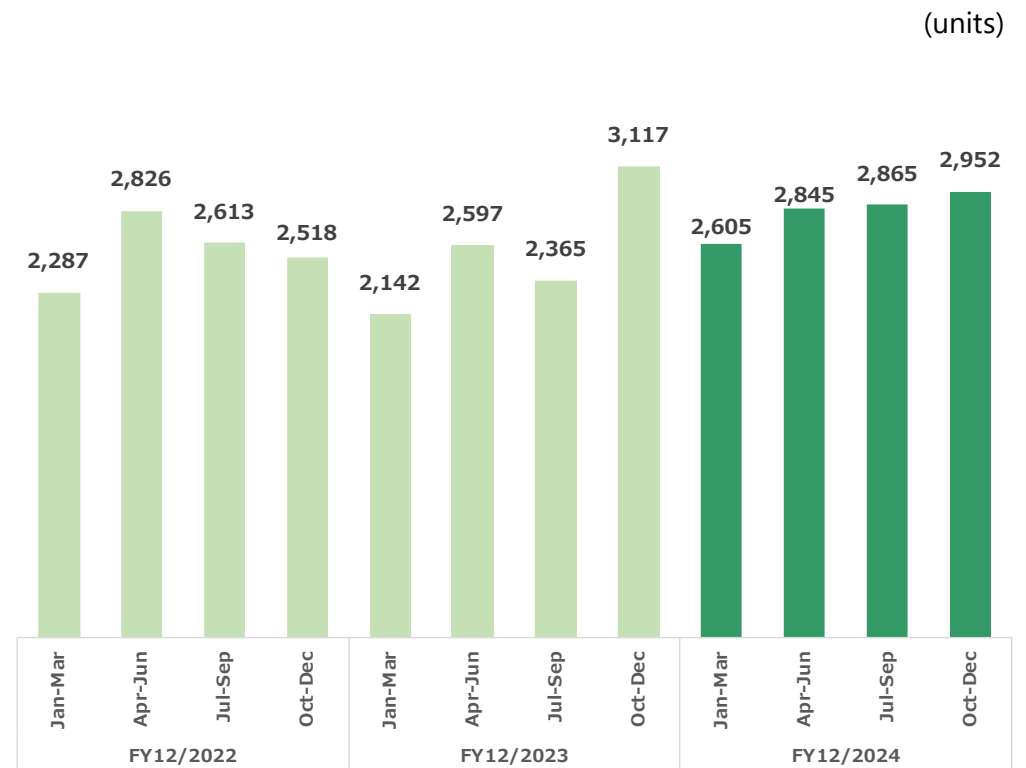
7. U.S. Single-Family Homes Business – Trends in Orders Received and Number of Units Sold

- Orders: Started strong at the beginning of the period when interest rate increases showed signs of stabilizing, but pace slowed due to persistently high mortgage rates.
- Sales: Overall performance remained strong due to the expansion of completed spec home inventory in anticipation of solid demand and the utilization of incentives, with the full-year unit sold exceeding both the previous year and the year before.

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



*Source: Federal National Mortgage Association (Fannie Mae) <https://www.fanniemae.com/media/50096/display>

FY12/2024 Results

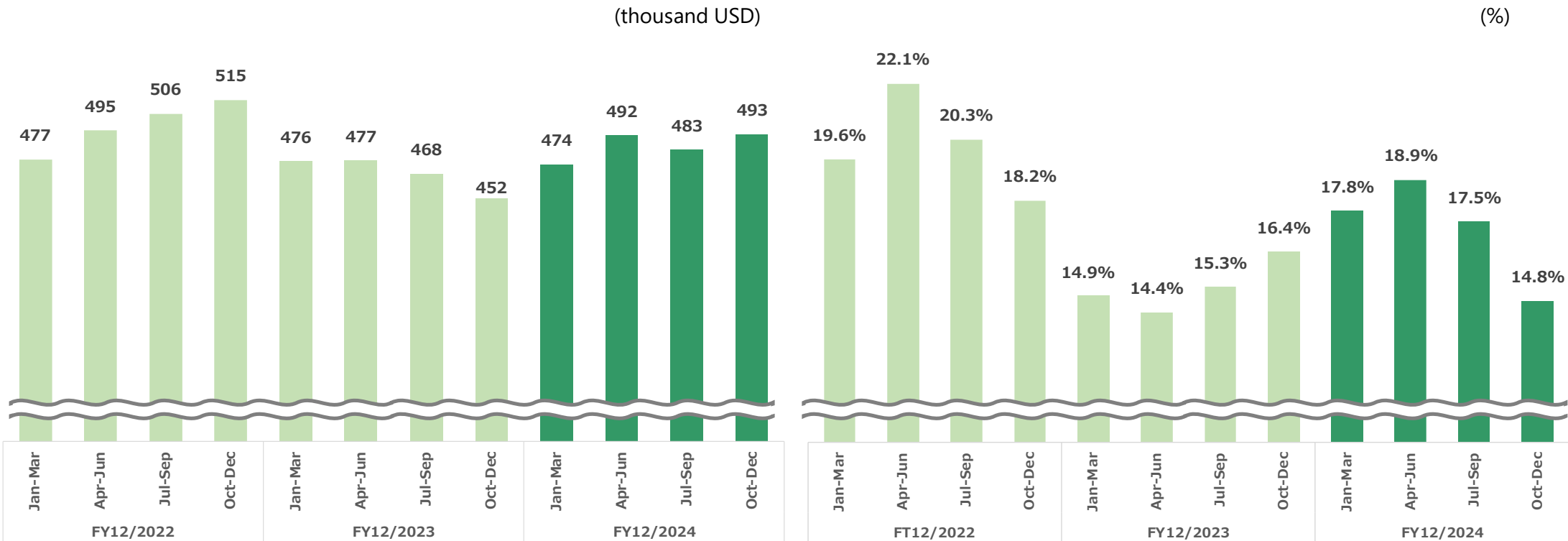
8. US Single Family Homes Business – Trends in Unit Selling Price and Recurring income to Net Sales Ratio

- Current recurring income margin is trending downward due to the use of incentives and other factors. However, for the full year, both unit sales prices and recurring income margin exceeded the previous year.

Note: From FY12/24, unit sales prices are calculated excluding land sales and other such transactions. Figures have been revised retroactively from FY12/22.

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

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



FY12/2024 Results

9. Investments

- Against the three-year investment plan of ¥297.0 billion under the Medium-Term Management Plan “Mission TREEING 2030 Phase 1”, the cumulative three-year actual investment amounted to ¥326.4 billion.
- Major activities in FY12/24 included real estate development investments in the U.S., business acquisition of Biscayne Homes, acquisition of equity shares in Metricon, establishment of a new FITP factory, capital investment and factory site for domestic timber processing business in Iwaki City, Fukushima Prefecture, and investments in forestry funds.

Breakdown		FY12/22	FY12/23	FY12/24	Total	(billion yen)		
						Three-Year Medium-Term Plan	Progress	
Major decarbonization-related investments	Timber industrial complex investments	0.4	0.1	6.2	6.7	20.0	34%	
	Overseas wooden non-residential construction	3.6	7.7	13.1	24.4	30.0	81%	
	Forestry-fund related investments	0.2	0.4	3.2	3.9	12.0	32%	
Investments and loans other than the above, by segment	Timber and Building Materials	Manufacturing business investments, etc.	3.9	3.7	3.3	10.9	35.0	31%
	Global Construction and Real Estate	Overseas real estate, land development, etc.	42.9	86.0	109.2	238.0	130.0	183%
	Housing	Model homes, offices, etc.	6.4	8.8	3.8	19.1	25.0	76%
	Environment and Resources	Renewable energy, forestry business, etc.	3.1	2.2	1.9	7.2	30.0	24%
	Other	System investments (DX promotion, etc.), etc.	2.1	7.2	6.9	16.2	15.0	108%
Total		62.6	116.1	147.7	326.4	297.0	110%	

FY12/2024 Results

10. Balance Sheet

- Due to the weakening of the yen, there were increases primarily in real estate for sales, real estate development investments, borrowings, and accumulated other comprehensive income (foreign currency translation adjustment). Of the ¥436.4 billion increase in total assets, approximately ¥130.0 billion was attributable to the effect of the foreign exchange rate.

				(billion yen)			
	End of December 2023	End of December 2024	Change		End of December 2023	End of December 2024	Change
Cash, deposits, securities	157.2	186.1	+ 28.9	Payables	269.0	287.1	+18.1
Receivables	209.4	242.6	+ 33.2	Short-term debt(Bank loans)	51.8	93.7	+41.9
Finished goods	35.6	39.3	+ 3.7	Contract liabilities	86.9	97.6	+10.7
Real estate for sale	127.9	178.9	+ 51.0	Advances received on construction contracts in progress	8.2	8.9	+0.8
Real estate for sale in process	524.6	681.8	+ 157.2	Other current liabilities	181.0	174.8	-6.2
Construction projects in progress	16.2	20.4	+ 4.3	Long-term debt/bonds issued	310.5	484.0	+173.5
Other receivables	87.4	101.3	+ 13.9	Liability for retirement benefits	10.6	9.7	-0.9
Other current assets	77.8	95.6	+ 17.8	Other long-term liabilities	80.4	85.2	+4.8
Total current assets	1,236.2	1,546.1	+ 309.9	Liabilities	998.3	1,241.0	+242.7
Tangible fixed assets	226.3	286.1	+ 59.8	Shareholders' equity	613.1	701.0	+87.9
Intangible fixed assets	76.1	75.0	-1.1	Accumulated other comprehensive income	141.0	219.3	+78.3
Investments and other assets	286.1	353.9	+ 67.9	Non-controlling interests	72.4	99.8	+27.4
Total non-current assets	588.5	715.0	+ 126.5	Net assets	826.5	1,020.1	+193.7
Total assets	1,824.7	2,261.1	+436.4	Total liabilities/net assets	1,824.7	2,261.1	+436.4

			(billion yen)	
	FY12/23		FY12/24	
Operating CF	125.3		27.1	
Investing CF	-112.5		-135.1	
Free CF	12.8		-108.0	
Financing CF	10.2		133.2	

● Conversion rate (end of term)

	End of December 2023	End of December 2024
USD/JPY	141.83	158.18
AUD/JPY	96.94	98.50

FY12/2025 Forecast



FY12/2025 Forecast

1. Statements of Income

- Planning to increase both sales and income across segments including Timber and Building Materials and Housing, driven by higher unit sales in the U.S. and Australia.
- Following the new shareholder return policy, there are plans to increase the annual dividend per share to ¥182.

(billion yen)

(Consolidated)	FY12/24	FY12/25 Forecast	Change	Pct.
Net Sales	2,053.7	2,556.0	+ 502.3	+24.5%
Gross Profit	503.0	577.0	+ 74.0	+14.7%
SG&A Expenses	308.4	382.0	+ 73.6	+23.9%
Operating Income	194.6	195.0	+ 0.4	+0.2%
Recurring Income	198.0	205.0	+ 7.0	+3.6%
Net Income	116.5	123.0	+ 6.5	+5.6%

*Without actuarial differences

SG&A Expenses	318.2	382.0	+ 63.8	+20.1%
Recurring Income	188.2	205.0	+ 16.8	+9.0%

● Conversion rate (average during term)

	FY12/24	FY12/25 Forecast
USD/JPY	151.47	150.00
AUD/JPY	99.92	100.00

● Trend in dividend per share (Yen)

	FY12/23	FY12/24	FY12/25 Plan
Interim dividend	60	65	91
Year-end dividend	65	80	91
Total	125	145	182

FY12/2025 Forecast

2. Segment Sales and Recurring Income

- Timber and Building Materials: Planning for increased sales and income through expanded market share in domestic distribution business and growth in manufacturing business.
- Housing: Planning for increased sales and income primarily due to higher unit sales volume driven by increased order backlog at the beginning of the period for custom-built detached housing, along with higher unit prices.
- Global Construction and Real Estate: While U.S. housing business profits are expected to decrease due to cost increases, planning for overall sales and income growth driven by increased profits in the U.S. real estate business and positive effects from Metricon consolidation.
- Environment and Resources: Expected to show decreased profits due to recording of upfront expenditures for the tropical peatland pilot project in Indonesia and other factors.

(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY12/24	FY12/25 Forecast	Change	Pct.	FY12/24	FY12/25 Forecast	Change	Pct.
Timber and Building Materials	253.2	293.0	+ 39.8	+15.7%	10.0	12.0	+ 2.0	+20.0%
Housing	542.3	585.0	+ 42.7	+7.9%	35.2	38.0	+ 2.8	+8.0%
Global Construction and Real Estate	1,240.0	1,673.0	+ 433.0	+34.9%	147.5	161.0	+ 13.5	+9.2%
Environment and Resources	27.0	27.5	+ 0.5	+2.0%	0.2	0.0	- 0.2	-
Other	27.3	30.5	+ 3.2	+11.7%	0.7	1.3	+ 0.6	+84.3%
Adjustment	-36.1	-53.0	-16.9	-	4.4	-7.3	-11.7	-
Total	2,053.7	2,556.0	+ 502.3	+24.5%	198.0	205.0	+ 7.0	+3.6%

FY12/2025 Forecast

3. Domestic Housing Business Orders Received and Sales

- Custom-built housing orders are planned to maintain the same level as the previous period through a combination of existing first-time buyer initiatives, enhanced high-end market coverage through the grand estate design project, and improved contract conversion rates through data utilization.
- Planning for higher unit sales and monetary value compared to the previous period due to increased order backlog at the start of the period and higher unit prices.
- While the gross profit margin will be lower than the previous year due to rising labor costs and land costs for spec homes, profits are planned to increase due to growth in the number of units sold.

(billion yen)

		Orders received				Sales			
		FY12/24	FY12/25 Forecast	Change	Pct.	FY12/24	FY12/25 Forecast	Change	Pct.
Contract business	Custom-built detached houses *1	397.9	390.0	-7.9	-2.0%	362.8	395.0	+32.2	+8.9%
	(Units)	(8,108)	(8,100)	(-8)	(-0.1%)	(7,551)	(7,940)	(+389)	(+5.2%)
	(Unit price (mil. Yen)) *2	(44.6)	(44.0)	(-0.6)	(-1.4%)	(46.7)	(49.4)	(+2.7)	(+5.8%)
	Apartments	19.3	20.0	+0.7	+3.9%	18.9	19.7	+0.8	+4.3%
Other	Detached spec home					21.5	23.7	+2.2	+10.2%
	Other *3					3.5	2.6	-0.9	-25.4%
Net Sales Total						406.7	441.0	+34.3	+8.4%
Profit Ratio						24.7%	24.3%	-0.4pt	
Gross Profit						100.3	107.0	+6.7	+6.7%

*1. Custom-built detached housing sales amount includes land for order 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.

FY12/2025 Forecast

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

- U.S. Housing Companies: Planning for decreased profits despite higher unit sales, due to aggressive incentive offerings and rising land acquisition costs.
- U.S. Real Estate Companies : Planning for increased sales and income driven by higher number of property sales.
- FITP: Planning to expand business through entry into new areas and increased sales within the group.
- Australian Housing Companies: Planning for increased sales and income through business scale expansion with Metricon consolidation and higher unit sales prices.

(billion yen)

		Net Sales				Recurring Income			
		FY12/24	FY12/25 Forecast	Change	Pct.	FY12/24	FY12/25 Forecast	Change	Pct.
U.S.	U.S. housing companies	848.3	974.0	+125.7	+14.8%	147.0	140.0	-7.0	-4.7%
	U.S. real estate companies	179.9	247.0	+67.1	+37.3%	1.7	6.0	+4.3	+261.7%
	FITP	42.0	51.0	+9.0	+21.5%	4.0	4.0	-0.0	-0.9%
Australia	Austrarlia housing companies	155.7	373.0	+217.3	+139.5%	12.7	20.0	+7.3	+57.4%
Other, housing and real estate		1.4	2.0	+0.6	+41.9%	-0.9	-0.5	+0.4	-
Other, consolidated adjustments, etc.		12.7	26.0	+13.3	+105.0%	-17.0	-8.5	+8.5	-
Total		1,240.0	1,673.0	+433.0	+34.9%	147.5	161.0	+13.5	+9.2%

FY12/2025 Forecast

5. Global Single Family Homes Business and Construction Business

- U.S.: Planning to increase the number of units sold through the expansion of spec homes and the provision of incentives such as rate buy-downs.
- Australia: Planning for significant increases in both unit sales and monetary value due to Metricon consolidation and strong orders in the previous period from the existing three companies.

<U.S.>

	FY12/24	FY12/25 Forecast	Change	Pct.
Number of units sold	11,267	12,740	+1,473	+13.1%
Sales (mil. USD)	5,601	6,493	+893	+15.9%
Unit sales price (thousand USD)	486	490	+4	+0.8%

<Construction business>

	FY12/24	FY12/25 Forecast	Change	Pct.
Orders received (bn. yen)	12.4	15.0	+2.6	+21.1%
Sales (bn. yen)	3.7	10.0	+6.3	+170.2%

<Australia>

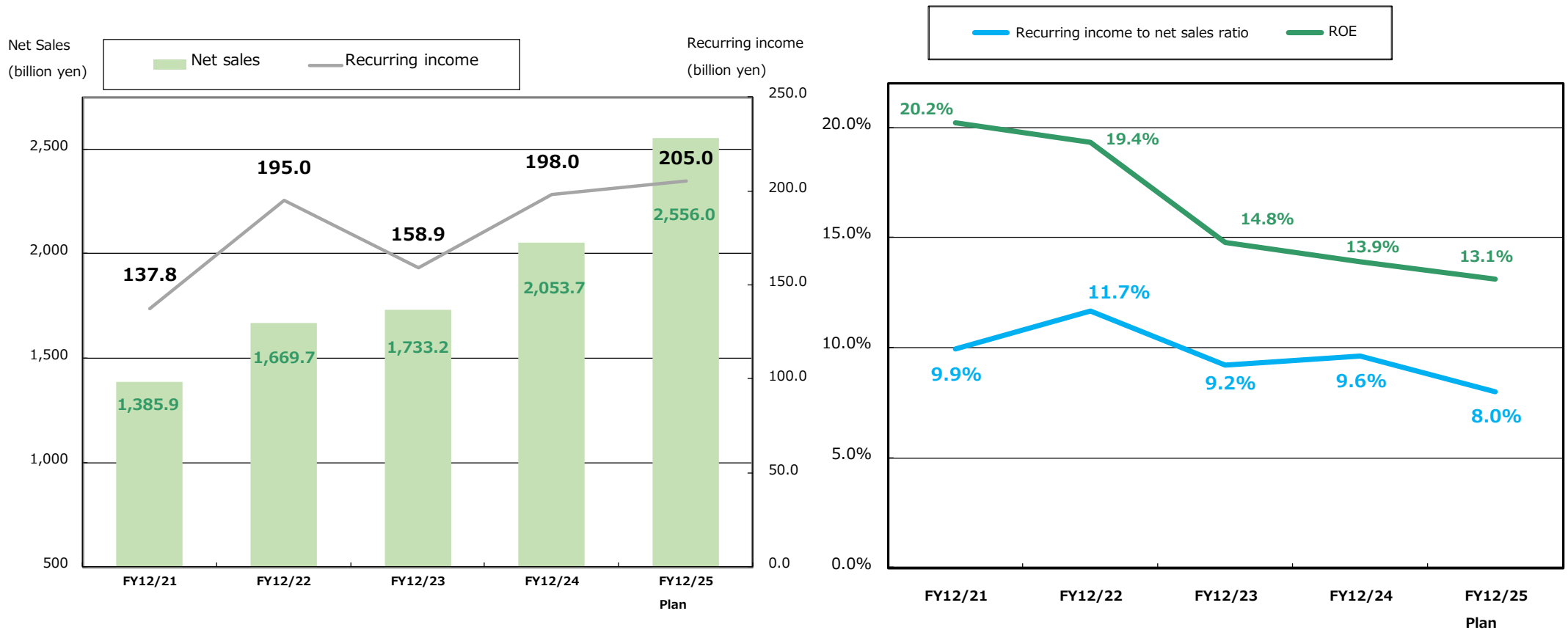
	FY12/24	FY12/25 Forecast	Change	Pct.
Number of units sold	3,287	7,790	+4,503	+137.0%
Sales (mil. AUD)	1,559	3,730	+2,171	+139.3%
Unit sales price (thousand AUD)	474	479	+5	+1.1%

Note: From FY12/24, U.S. unit sales prices are calculated excluding land sales and other such transactions.

FY12/2025 Forecast

6. Changes in Profit and Loss, Recurring Income to Net Sales Ratio, and ROE

- While ROE for FY12/24 fell below the target of 15%, partly due to increased foreign currency translation adjustment from the weak yen, it still significantly exceeded the cost of shareholders' equity of 7.4%.
- Targeting ROE of 15% or higher, we aim to improve investment returns through effective investments that focus on future growth.





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.**