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

SUMITOMO FORESTRY (Securities Code: 1911)

August 10, 2026

We extend our heartfelt sympathies to all those affected by the recent Kumamoto Earthquake.

We sincerely hope for the swiftest possible recovery.

Notes

- "Net income attributable to owners of parent" is expressed as "net income."
- From FY12/2026, we newly established *a Real Estate segment* and transferred the real estate business and the construction business to this new segment, that had previously been included in *the Global Construction and Real Estate segment* and *the Housing segment*.
- In addition, in connection with the new establishment of *the Real Estate segment*, the segment name has been renamed from *the Global Construction and Real Estate segment* to *the Overseas Housing segment*.
- As we have revised the initial purchase price allocation due to the finalization of provisional accounting treatment related to business combinations, the figures for the previous fiscal year on this material have also been revised.
- A stock split has been carried out in a ratio of three shares for every one share of common stock, with June 30, 2025 as the record date and July 1, 2025 as the effective date.
- On May 14, 2026, we acquired shares of Tri Pointe Homes, Inc. (hereinafter, "TPH"), making it a consolidated subsidiary. For the cumulative second quarter of the fiscal year under review, TPH's results have been consolidated for the three-month period from April 1, 2026 to June 30, 2026. Provisional accounting treatment has been applied to the purchase price allocation (PPA).

FY12/2026 Second Quarter Results

Statements of Income

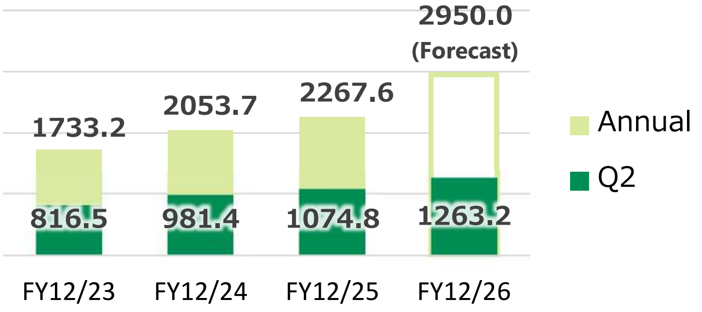
- Net sales increased on the effect of consolidating TPH and growth in the Australian housing business.
- In addition to higher SG&A expenses, deteriorating earnings in the U.S. housing and real estate businesses pushed income down.

(billion yen)	FY12/25 Q2	FY12/26 Q2	Change	Pct.
Net Sales	**1,074.8**	**1,263.2**	**+188.5**	**+17.5%**
Gross Profit	254.6	**277.7**	+23.0	+9.0%
SG&A Expenses	170.9	**217.7**	+46.8	+27.4%
Operating Income	83.7	**59.9**	-23.8	-28.4%
Non-operating income/expenses	4.5	**-10.2**	-14.7	-
Recurring income	**88.2**	**49.8**	**-38.5**	**-43.6%**
Recurring income to Net sales ratio	8.2%	**3.9%**	-4.3%pt	-
Extraordinary income/loss	-	**9.6**	+9.6	-
Net income	**49.3**	**26.9**	**-22.4**	**-45.5%**

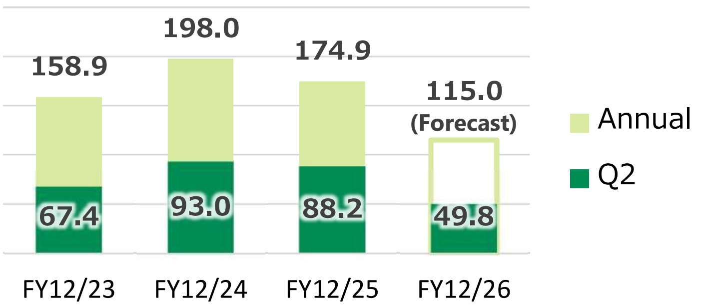
FX rate (average during term)

USD/JPY	148.50	**158.14**
AUD/JPY	94.12	**111.05**

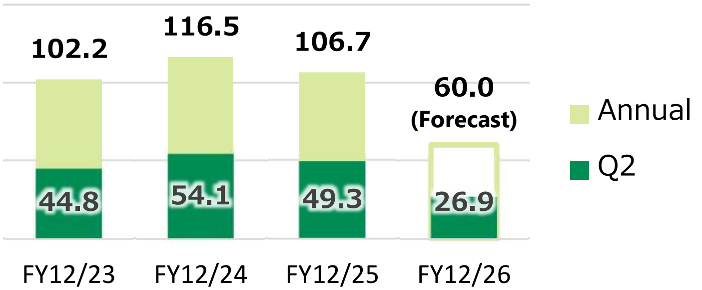
Net sales



Recurring income



Net income

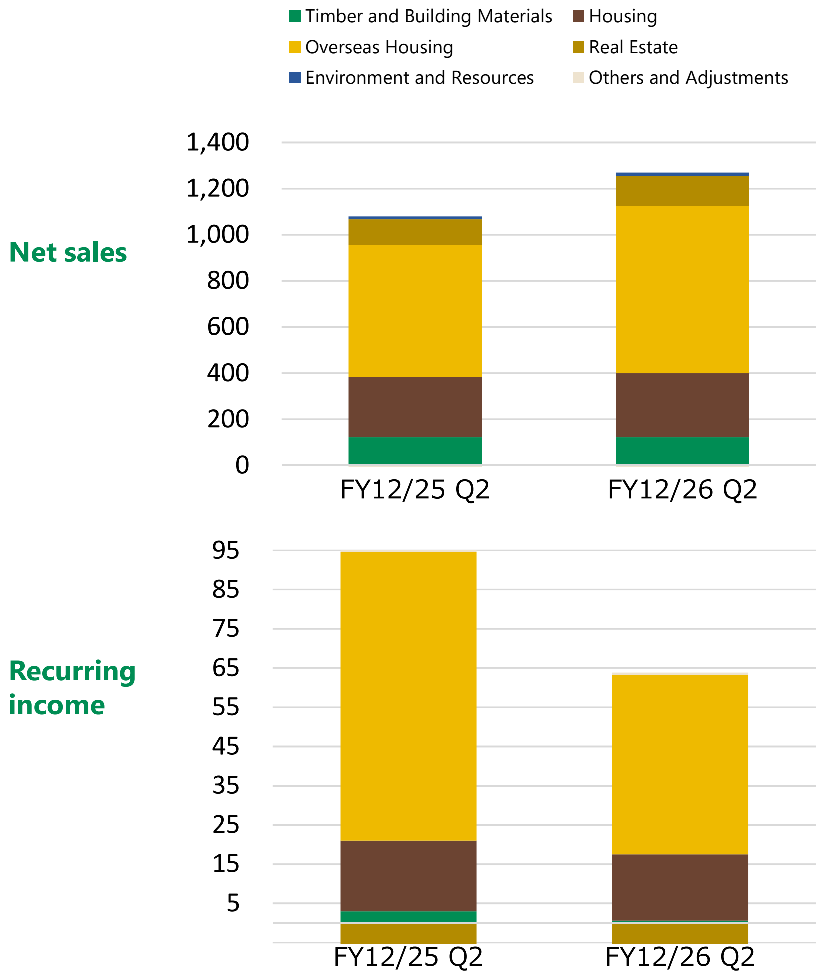


Results by Segment

- Net sales increased in the Timber and Building Materials, Housing, Overseas Housing, Real Estate, and Environment and Resources businesses; however, income declined in every one of these businesses.

(billion yen)		FY12/25 Q2	FY12/26 Q2	Change	Pct.
Timber and Building Materials	Net Sales	121.7	**122.2**	+0.6	+0.5%
	Recurring income	3.0	**0.6**	-2.4	-79.4%
	RI/Net sales ratio	2.5%	**0.5%**	-1.9%pt	-
Housing	Net Sales	261.2	**277.4**	+16.2	+6.2%
	Recurring income	18.0	**16.9**	-1.1	-6.4%
	RI/Net sales ratio	6.9%	**6.1%**	-0.8%pt	-
Overseas Housing	Net Sales	572.8	**725.6**	+152.8	+26.7%
	Recurring income	74.5	**45.7**	-28.8	-38.6%
	RI/Net sales ratio	13.0%	**6.3%**	-6.7%pt	-
Real Estate	Net Sales	111.6	**131.6**	+20.0	+17.9%
	Recurring income	-6.3	**-12.9**	-6.6	-
	RI/Net sales ratio	-	**-**	-	-
Environment and Resources	Net Sales	12.7	**13.8**	+1.2	9.1%
	Recurring income	-0.8	**-1.2**	-0.5	-
	RI/Net sales ratio	-	**-**	-	-
Others	Net Sales	13.9	**14.7**	+0.8	+6.1%
	Recurring income	2.5	**1.4**	-1.0	-42.2%
	RI/Net sales ratio	17.7%	**9.6%**	-8.1%pt	-
Adjustment	Net Sales	-19.0	**-22.0**	-3.0	-
	Recurring income	-2.6	**-0.7**	+1.9	-
TOTAL	Net Sales	1,074.7	**1,263.2**	+188.5	+17.5%
	Recurring income	88.2	**49.8**	-38.5	-43.6%
	RI/Net sales ratio	8.2%	**3.9%**	-4.3%pt	-

* Recurring Income to Net sales ratio



Domestic Housing Segment

Happiness Grows from Trees
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(billion yen)		FY12/25 Q2	FY12/26 Q2	Change	Pct.
Orders received	Custom-built detached houses	209.8	**228.1**	+18.3	+8.7%
	Apartments	12.9	**14.8**	+1.8	+14.3%
Units & Prices of Custom-bulit detached houses	Units	4,223	**4,349**	+126.0	+3.0%
	Unit price (mil. Yen)	45.1	**47.8**	+2.7	+6.0%
Sales	Custom-built detached houses	186.0	**200.0**	+14.0	+7.5%
	Apartments	10.3	**11.0**	+0.7	+6.3%
	Detached spec home	9.2	**10.3**	+1.1	+11.5%
	Renovation	35.5	**35.7**	+0.3	+0.8%
	Others & Adjustments	20.2	**20.4**	+0.2	+1.1%
	TOTAL	261.2	**277.4**	+16.2	+6.2%
	RI/Net sales ratio	6.9%	**6.1%**	-0.8%pt	-
Units & Prices of Custom-bulit detached houses	Units	3,755	**3,784**	+29	+0.8%
	Unit price (mil. Yen)	47.8	**50.0**	+2.2	+4.6%

- **Order Status**

  Orders for higher-priced properties grew, drawing on the design capabilities that are one of our strengths, as exemplified by the Grand Estate Design Project. In addition, we expanded our value-added proposals, including original kitchens and vanities. As a result, both orders received and unit price exceeded the same period of the previous year.

- **Sales Status**

  Reflecting the strong orders received in the previous fiscal year, both sales and unit price in the custom-built detached housing business exceeded the same period of the previous year.

Overseas Housing Segment

(Reference) Excluding the impact of TPH

(billion yen)			FY12/25 Q2	FY12/26 Q2	Changes	Pct.	FY12/26 Q2 (excl. TPH)	Changes (excl. TPH)	Pct. (excl. TPH)
U.S.	Housing	Net Sales	374.0	**458.3**	+84.3	+22.5%	**347.3**	-26.7	-7.1%
		Recurring income	56.8	**37.0**	-19.8	-34.8%	**31.6**	-25.2	-44.4%
		RI/Net sales ratio	15.2%	**8.1%**	-7.1%pt	–	**9.1%**	-6.1%pt	–
	FITP	Net Sales	25.6	**32.5**	+6.9	+26.8%	**32.5**	+6.9	+26.8%
		Recurring income	0.9	**-0.1**	-1.1	-	**-0.1**	-1.1	-
		RI/Net sales ratio	3.6%	**-**	-	-	**-**	-	-
Australia	Housing	Net Sales	158.9	**217.9**	+59.0	+37.1%	**217.9**	+59.0	+37.1%
		Recurring income	11.5	**19.7**	+8.3	+72.0%	**19.7**	+8.3	72.0%
		RI/Net sales ratio	7.2%	**9.1%**	+1.8%pt	-	**9.1%**	+1.8%pt	-
Indonesia, Vietnam	Housing	Net Sales	0.0	**0.0**	+0.0	+3.4%	**0.0**	+0.0	+3.4%
		Recurring income	-0.1	**-0.1**	+0.0	-	**-0.1**	+0.0	-
Others & Adjustments		Net Sales	14.2	**16.8**	+2.6	+18.4%	**16.8**	+2.6	+18.4%
		Recurring income	5.3	**-10.9**	-16.2	-	**-0.5**	-5.8	-
TOTAL		Net Sales	572.8	**725.6**	+152.8	+26.7%	**614.5**	+41.8	+7.3%
		Recurring income	74.5	**45.7**	-28.8	-38.6%	**50.7**	-23.8	-32.0%
		RI/Net sales ratio	13.0%	**6.3%**	-6.7%pt	-	**8.2%**	-4.8%pt	-

FX rate (average during term)		
USD/JPY	148.50	**158.14**
AUD/JPY	94.12	**111.05**

- **U.S. Housing**
  Recurring income is expected to decline year-on-year due to sluggish demand and intensified sales competition..
- **Australian Housing**
  Due to strong order results and improved profitability, both net sales and recurring income increased.
- **Others & Adjustment**
  Recording of acquisition-related expenses associated with TPH

Overseas Single-Family Homes Business

		FY12/25 Q2	FY12/26 Q2	Change	Pct.
U.S. Housing	No. of Units order received	5,312	**6,476**	+1,164	+21.9%
	No. of Units sold	4,884	**5,392**	+508	+10.4%
	Sales (mil. USD)	2,424	**2,726**	+302	+12.4%
	Unit sales price (thousand USD)	496	**506**	+9	+1.9%
	RI/Net sales ratio	15.2%	**8.1%**	-7.1%pt	-
	Order backlog (units)	3,106	**4,699**	+1,593	+51.3%
	Lots owned	51,832	**67,321**	+15,489	+29.9%
	completed inventory	2,075	**2,152**	+77	+3.7%
	Option lots	31,701	**41,597**	+9,897	+31.2%
Australia Housing	No. of Units order received	3,991	**4,375**	+384	+9.6%
	No. of Units sold	3,636	**4,005**	+369	+10.2%
	Sales (mil. AUD)	1,688	**1,962**	+273	+16.2%
	Unit sales price (thousand AUD)	464	**490**	+25	+5.5%
	RI/Net sales ratio	7.2%	**9.1%**	+1.8%pt	-
	Order backlog (units)	7,872	**8,467**	+595	+7.6%

- **U.S. Housing**

  On a basis including TPH, both orders received and sales exceeded the same period of the previous year.

  Excluding the impact of TPH, orders remained on par with the previous year. However, the recurring profit margin declined year-on-year due to lower selling prices and higher sales incentives.

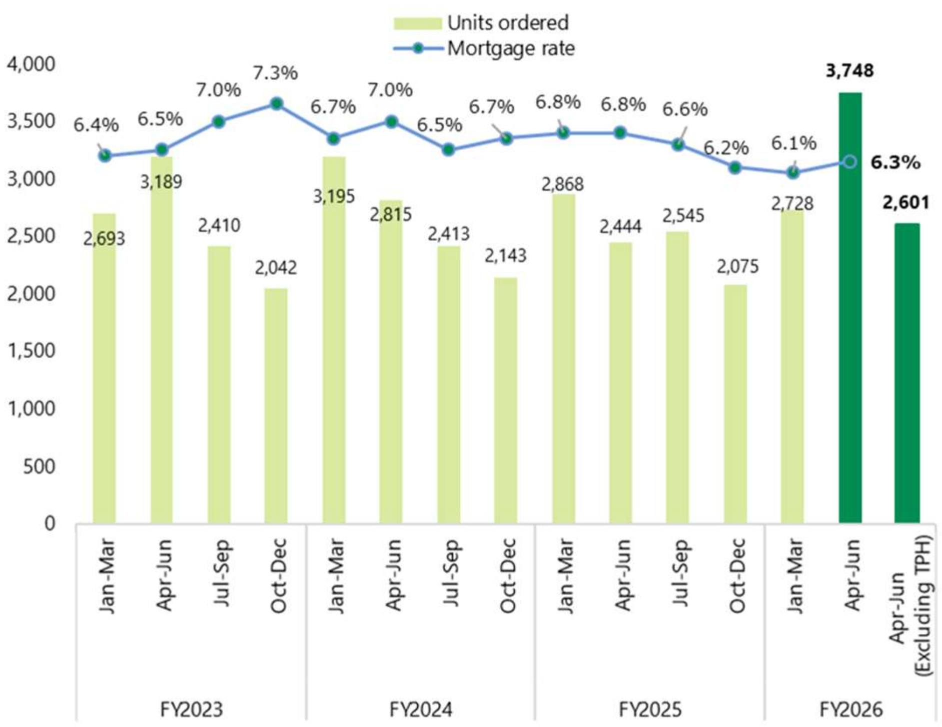
(Reference) Excluding the impact of TPH

		FY12/25 Q2	FY12/26 Q2	Change	Pct.
U.S. Housing	No. of Units order received	5,312	**5,329**	+17	+0.3%
	No. of Units sold	4,884	**4,379**	-505	-10.3%
	Sales (mil. USD)	2,424	**2,041**	-384	-15.8%
	Unit sales price (thousand USD)	496	**466**	-30	-6.1%
	RI/Net sales ratio	15.2%	**9.1%**	-6.1%pt	-

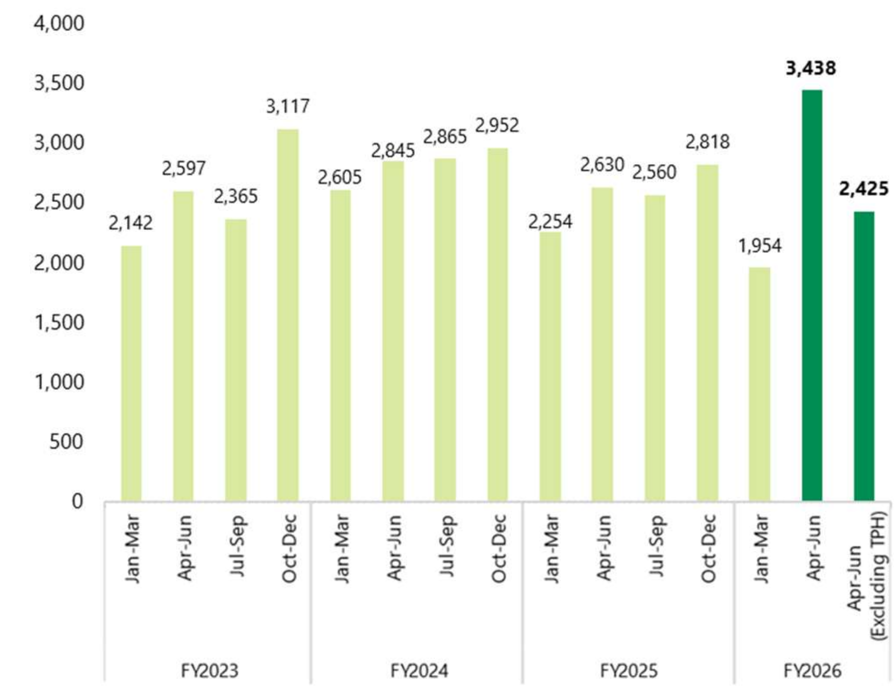
- **Australian Housing**

  Orders grew, centered on Western Australia and South Australia, with the number of units ordered up 9.6% year on year. The number of units sold also exceeded the same period of the previous year as construction progressed smoothly.

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

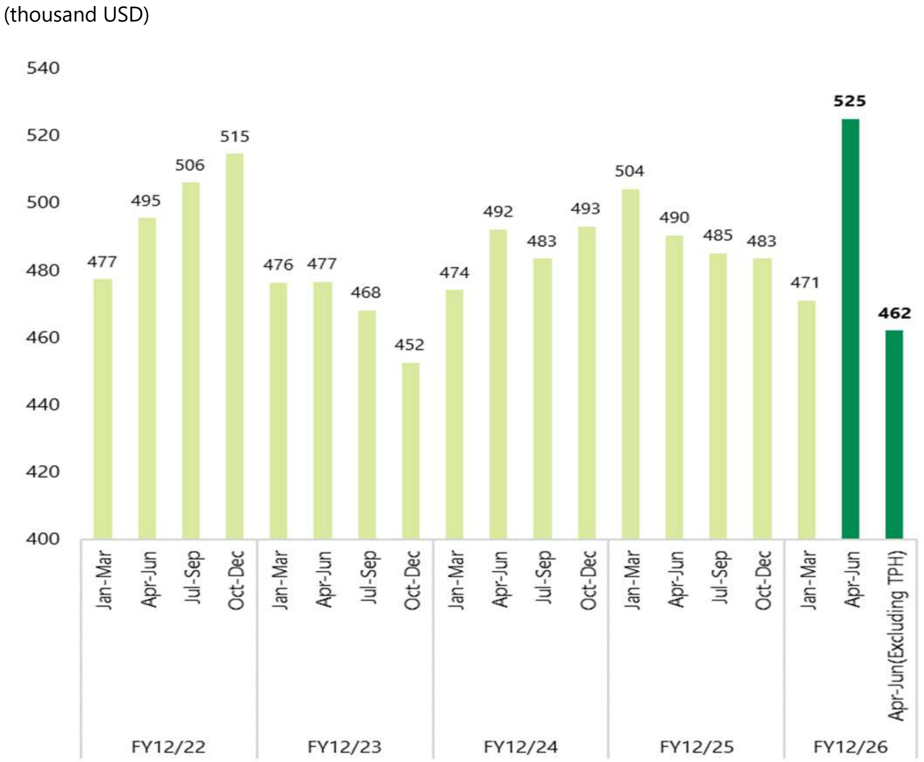


Trends in number of units sold for U.S. single-family homes (on a delivery basis)

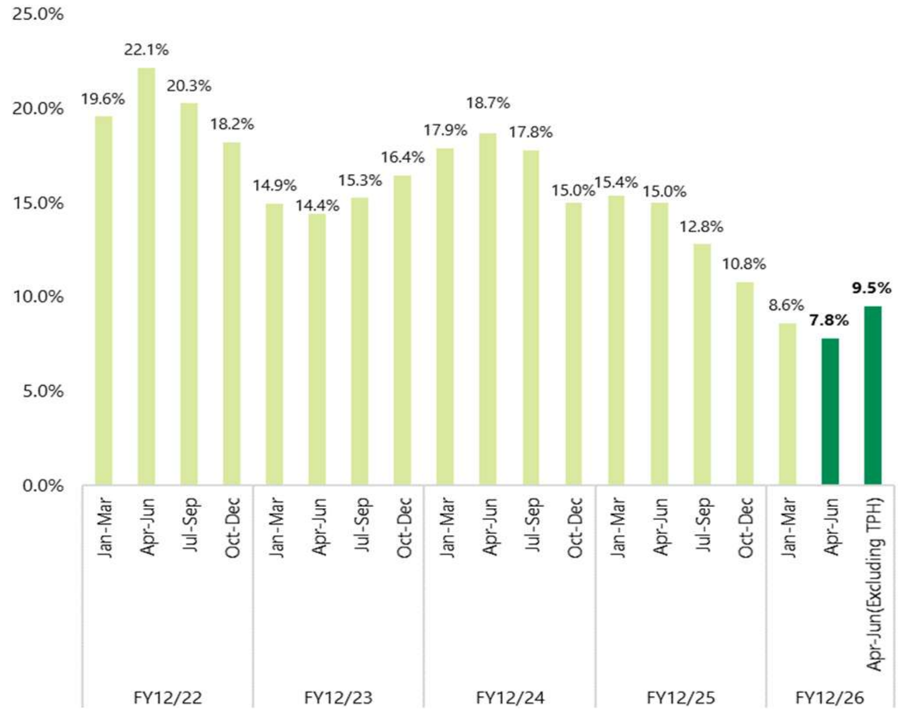


*Source: Federal National Mortgage Association (Fannie Mae)
https://www.fanniemae.com/research-and-insights/forecast

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



Real Estate Segment

(billion yen)			FY12/25 Q2	FY12/26 Q2	Change	Pct.
Overseas	U.S. Real Estate	Net Sales	80.1	**91.0**	+10.8	+13.5%
		Recurring income	-2.8	**-10.9**	-8.2	-
		RI/Net sales ratio	-	**-**	-	-
Domestic	Property Management and Real Estate Development	Net Sales	17.3	**21.8**	+4.6	+26.4%
		Recurring income	1.2	**0.4**	-0.8	-63.9%
		RI/Net sales ratio	7.0%	**2.0%**	-5.0%pt	-
	Construction	Net Sales	14.5	**18.9**	+4.4	+30.0%
		Recurring income	1.3	**1.5**	+0.1	+9.8%
		RI/Net sales ratio	9.2%	**7.8%**	-1.4%pt	-
Others & Adjustments		Net Sales	-0.4	**-0.1**	+0.2	-
		Recurring income	-6.1	**-3.9**	+2.2	-
TOTAL		Net Sales	111.6	**131.6**	+20.0	+17.9%
		Recurring income	-6.3	**-12.9**	-6.6	-
		RI/Net sales ratio	-	**-**	-	-

FX rate (average during term)		
USD/JPY	148.50	**158.14**
AUD/JPY	94.12	**111.05**

- **Overseas (U.S. Real Estate)**

  The recurring loss widened due to the recognition of valuation losses on certain LP investment projects.

- **Domestic (Property Management and Real Estate Development)**

  While sales increased due to earnings contributions from LeTech, income declined as the timing of sales of some projects was pushed back.

Timber and Building Materials/Environment and Resources Segment

(billion yen)		FY12/25 Q2	FY12/26 Q2	Change	Pct.
Timber and Building Materials	Net Sales	121.7	**122.2**	+0.6	+0.5%
	Recurring income	3.0	**0.6**	-2.4	-79.4%
	RI/Net sales ratio	2.5%	**0.5%**	-1.9%pt	-
Environment and Resources	Net Sales	12.7	**13.8**	+1.2	+9.1%
	Recurring income	-0.8	**-1.2**	-0.5	-
	RI/Net sales ratio	-	**-**	-	-

- **Status of Timber and Building Materials**

  Net sales increased on the solid performance of the manufacturing business in New Zealand and elsewhere. On the other hand, income declined due to factors such as delays in the launch of the U.S. sawmill acquired in the previous fiscal year.

- **Status of Environment and Resources**

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

Balance Sheet ー Assets

(billion yen)	End of 12/2025	End of 6/2026	Changes
Current assets	1,693.7	**2,436.1**	+742.4
Cash, deposits, securities	185.4	**232.6**	+47.2
Receivables	241.7	**263.6**	+21.9
Real estate for sale	227.7	**316.9**	+89.3
Real estate for sale in process	756.6	**1,318.8**	+562.1
Other receivables	103.6	**123.9**	+20.2
Others	178.7	**180.4**	+1.7
Non-current assets	878.3	**1,153.9**	+275.6
Land and Construction in process	114.8	**109.0**	-5.9
Other non-current assets	207.8	**237.9**	+30.1
Intangible fixed assets	76.1	**242.1**	+166.0
Investment securities	377.3	**450.0**	+72.7
Others	102.2	**114.9**	+12.8
Non-current assets	2,572.0	**3,590.0**	+1,018.0

FX rate (end of term)

USD/JPY	156.56	**162.39**
AUD/JPY	104.82	**111.56**

	End of 12/2025	End of 6/2026	Changes
Real estate for sale and Reals estate for sale in process	984.3	**1,635.7**	+651.4
U.S. (bil. Yen)	833.9	**1,450.3**	+616.4
U.S. (mil. USD)	5,327	**8,931**	+3,605

- **Balance Sheet ー Assets**

  Total assets increased due to factors such as the new consolidation of TPH in the U.S. and the depreciating yen.

Balance Sheet ― Liabilities and Net Assets

Happiness Grows from Trees
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(billion yen)	End of 12/2025	End of 6/2026	Changes
Liabilities	1,435.2	**2,349.2**	+914.0
Payables	292.6	**333.8**	+41.2
Interest bearing debt	769.5	**1,599.0**	+829.5
Contract liabilities	99.0	**121.1**	+22.1
Income taxes payable	10.8	**13.1**	+2.3
Others	263.4	**282.2**	+18.9
Net assets	1,136.8	**1,240.8**	+104.0
Shareholders' equity	762.8	**773.8**	+11.0
Accumulated other comprehensive income	241.2	**320.8**	+79.6
Foreign currency translation adjustment	175.7	**243.0**	+67.3
Non-controlling interests	132.8	**146.2**	+13.4
Share acquisition rights	0.1	**0.1**	+0.0
Total liabilities and net assets	2,572.0	**3,590.0**	+1,018.0

(billion yen)	End of 12/2025	End of 6/2026	Changes
Interest bearing debt	769.5	**1,599.0**	+829.5
Short-term borrowings	140.8	**822.3**	+681.5
Long-term borrowings	532.2	**578.9**	+46.7
Bonds payable	70.3	**155.6**	+85.2
Lease obligations	26.2	**42.2**	+16.0

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

  Interest-bearing debt increased due to factors such as the new consolidation of TPH and the depreciating yen. On the net assets side, foreign currency translation adjustment increased.

Investments / Real Estate for Sale / Cash Flow

■Investment

(billion yen)	Phase2 Plan	FY12/25	26/12 2Q	Progress Rate
Foresty-fund related	22.0	**0.5**	**1.8**	+10.2%
Forest resources business	5.0	**1.1**	**1.0**	+41.0%
Timber industrial complex	46.0	**8.1**	**3.0**	+24.1%
Manufacturing business	44.0	**6.7**	**1.1**	+17.7%
FITP business	4.0	**3.2**	**1.4**	+113.7%
Housing business	33.0	**26.7**	**623.6**	+1970.8%
Medium- to large-scale wooden constructions	45.0	**1.3**	**2.0**	+7.4%
Real estate development business	144.0	**90.0**	**31.2**	+84.1%
Renewable energy business	20.0	**0.2**	**0.2**	+2.1%
System-related	20.0	**4.7**	**3.7**	+42.2%
Others	30.0	**12.2**	**-13.4**	-4.0%
Total	**413.0**	**154.5**	**655.7**	**+196.2%**

■Real Estate for Sale（Increase)

(billion yen)	Phase2 Plan	FY12/25	26/12 2Q	Progress Rate
Overseas Housing	265.0	**81.3**	**-43.2**	+14.4%
Domestic Housing	35.0	**42.3**	**-27.0**	+43.8%
Total	**300.0**	**123.6**	**-70.2**	**+17.8%**

* Medium-Term Management Plan Phase2 : FY12/2025 to FY12/2027

- **Status of Investments / Real Estate for Sale**

  Investment in the housing business includes equity contributions related to the acquisition of TPH.
  The increase in properties for sale was mainly attributable to growth in the U.S. housing business and LeTech.

FY12/2026 Full-Year Forecast

Profit and Loss Statement

(billion yen)	FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
Net Sales	**2,267.6**	**2,950.0**	**+682.4**	**+30.1%**	**+360.0**
Gross Profit	524.6	**614.0**	+89.4	+17.0%	+54.0
SG&A Expenses	355.9	**471.0**	+115.1	+32.3%	+68.0
Operating Income	168.7	**143.0**	-25.7	-15.2%	-14.0
Non-operating income	6.2	**-28.0**	-34.2	-	-31.0
Recurring income	**174.9**	**115.0**	**-59.9**	**-34.2%**	**-45.0**
Recurring income to Net sales ratio	7.7%	**3.9%**	-3.8%pt	-	-2.3%pt
Extraordinary profit/loss	5.3	**9.6**	+4.3	+80.2%	+0.0
Net income	**106.7**	**60.0**	**-46.7**	**-43.7%**	**-35.0**
EPS	**174.13**	**97.85**	**-76.3**	**-43.8%**	**-57.24**

FX rate		
USD/JPY	149.66	**158.14**
AUD/JPY	96.51	**111.05**

- **Overview of FY12/26 Forecast**

  Full-year earnings forecast revised in light of Q2 results and other factors. Net sales have been revised upward by 360.0 billion yen, while recurring income and net income have been revised downward by 45.0 billion yen and 35.0 billion yen, respectively. FX assumptions remain unchanged from the first-half average rates.

Segment Net Sales and Recurring Income

(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
Timber and Building Materials	Net Sales	253.0	**255.0**	+2.0	+0.8%	-19.0
	Recurring income	12.8	**5.0**	-7.8	-60.8%	-5.0
	RI/Net sales ratio	5.0%	**2.0%**	-3.1%pt	-	-1.7%pt
Housing	Net Sales	542.3	**586.0**	+43.7	+8.1%	-10.0
	Recurring income	38.5	**34.5**	-4.0	-10.5%	-3.5
	RI/Net sales ratio	7.1%	**5.9%**	-1.2%pt	-	-0.5%pt
Overseas Housing	Net Sales	1,205.9	**1,776.0**	+570.1	+47.3%	+402.0
	Recurring income	138.0	**98.0**	-40.0	-29.0%	-15.0
	RI/Net sales ratio	11.4%	**5.5%**	-5.9%pt	-	-2.7%pt
Real Estate	Net Sales	254.1	**319.0**	+64.9	+25.6%	-12.0
	Recurring income	- 13.8	**-14.5**	-0.7	-	-15.5
	RI/Net sales ratio	-	**-**	-	-	-
Environment and Resources	Net Sales	26.8	**28.0**	+1.2	+4.6%	+0.0
	Recurring income	- 1.4	**- 1.3**	+0.1	-	+0.2
	RI/Net sales ratio	-	**-**	-	-	-
Others	Net Sales	28.1	**31.0**	+2.9	+10.3%	+1.0
	Recurring income	5.0	**4.5**	-0.5	-10.5%	+1.0
	RI/Net sales ratio	17.9%	**14.5%**	-3.4%pt	-	+2.8%pt
Adjustment	Net Sales	- 42.5	**- 45.0**	-2.5	-	-2.0
	Recurring income	- 4.2	**- 11.2**	-7.0	-	-7.2
TOTAL	Net Sales	2,267.6	**2,950.0**	+682.4	+30.1%	+360.0
	Recurring income	174.9	**115.0**	-59.9	-34.2%	-45.0
	RI/Net sales ratio	7.7%	**3.9%**	-3.8%pt	-	-2.3%pt

- **Overview of Recurring Income by Major Segment**

Timber and Building Materials:
Income is expected to decrease due to delays in ramping up the U.S. manufacturing subsidiary, and the previous forecast has also been revised downward.

Domestic housing business:
Recurring income has been revised downward due to a decrease in the number of completed units resulting from prolonged construction periods, as well as rising material costs.

Overseas Housing:
While incorporating improved profitability in the Australian housing business, the profit forecast has been revised downward due to the recording of PPA-related expenses and a decline in profitability in the US housing business.

Real Estate:
Reflecting the recording of valuation losses and a revision to the number of property sales in light of market conditions.

Domestic Housing Segment

Happiness Grows from Trees
SUMITOMO FORESTRY

(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
Orders received	Custom-built detached houses	420.1	**435.0**	+14.9	+3.5%	+15.0
	Apartments	26.4	**26.0**	-0.4	-1.4%	+0.0
Units & Prices of Custom-bulit detached houses	Units	8,357	**8,300**	-57.0	-0.7%	+100
	Unit price (mil. Yen)	45.9	**48.0**	+2.1	+4.6%	+1.5
Sales	Custom-built detached houses	389.0	**412.0**	+23.0	+5.9%	-14.0
	Apartments	19.1	**23.9**	+4.8	+25.4%	+1.2
	Detached spec home	20.1	**28.0**	+7.9	+39.2%	+1.8
	Renovation	77.9	**80.0**	+2.1	+2.7%	+0.5
	Others & Adjustments	36.3	**42.1**	+5.8	+16.1%	+0.5
	TOTAL	542.3	**586.0**	+43.7	+8.1%	-10.0
	RI/Net sales ratio	7.1%	**5.9%**	-1.2%pt	-	-0.5%pt
Units & Prices of Custom-bulit detached houses	Units	7,772	**7,750**	-22	-0.3%	-350
	Unit price (mil. Yen)	48.6	**50.4**	+1.8	+3.7%	-0.3

- **Orders received(Custom-built detached houses)**

  (vs. Previous Forecast) Reflecting solid first-half performance supported by product strategies and sales initiatives, the second-half plan has been revised upward for both unit prices and order volume.

  (vs. Previous Year) Order value is expected to exceed the same period of the previous year due to higher unit prices.

- **Sales(Custom-built detached houses)**

  (vs. Previous Forecast) Sales value is expected to be below the previous forecast due to a reduction in the number of units sold.

  (vs. Previous Year) Although longer construction periods are expected to weigh on unit sales, sales value is projected to exceed the same period of the previous year, supported by higher selling prices.

Overseas Housing Segment

Happiness Grows from Trees
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(billion yen)			FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
U.S.	Housing	Net Sales	786.1	**1,232.0**	+445.9	+56.7%	+370.0
		Recurring income	105.2	**101.5**	-3.7	-3.5%	+16.0
		RI/Net sales ratio	13.4%	**8.2%**	-5.1%pt	-	-1.7%pt
	FITP	Net Sales	55.3	**69.0**	+13.7	+24.8%	+6.0
		Recurring income	0.9	**0.7**	-0.2	-20.8%	-1.8
		RI/Net sales ratio	1.6%	**1.0%**	-0.6%pt	-	-3.0%pt
Australia	Housing	Net Sales	337.8	**442.0**	+104.2	+30.9%	+28.0
		Recurring income	26.3	**37.5**	+11.2	+42.5%	+7.5
		RI/Net sales ratio	7.8%	**8.5%**	+0.7%pt	-	+1.2%pt
Indonesia, Vietnam	Housing	Net Sales	+0.1	**+0.0**	-0.0	△34.2%	+0.0
		Recurring income	△0.7	**+0.8**	+1.5	-	+1.9
Others & Adjustments		Net Sales	26.7	**33.0**	+6.3	+23.4%	-2.0
		Recurring income	6.2	**-42.5**	-48.7	-	-38.6
TOTAL		Net Sales	1,205.9	**1,776.0**	+570.1	+47.3%	+402.0
		Recurring income	138.0	**98.0**	-40.0	-29.0%	-15.0
		RI/Net sales ratio	11.4%	**5.5%**	-5.9%pt	-	-2.7%pt

FX rate		
USD/JPY	149.66	**158.14**
AUD/JPY	96.51	**111.05**

- **Status of U.S. Housing**

  Net sales are expected to increase due to the new consolidation effect of TPH. Although profit is expected to decline year-on-year due to a decrease in profitability in the existing US housing business, it is projected to exceed the previous forecast.

- **Status of Australian Housing**

  Against a backdrop of strong order performance and steady construction progress, both net sales and recurring income are expected to exceed both the same period of the previous year and the previous forecast.

- **Others & Adjustment**

  Profit has been revised downward due to the recording of PPA-related expenses associated with TPH. As a result, the overseas housing business segment as a whole is expected to fall below both the same period of the previous year and the previous forecast.

Overseas Single-Family Homes Business

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(billion yen)		FY12/25	FY12/26 forecast	Changes	Pct.	vs. previous forecast
U.S. Housing	No. of Units sold (including TPH)	10,262	**14,160**	+3,898	+38.0%	+2,525
	No. of Units sold (excluding TPH)	10,262	**10,290**	+28	+0.3%	-1,345
	Sales (mil. USD)	5,252	**7,791**	+2,538	+48.3%	+2,045
	Unit sales price (thousand USD)	490	**520**	+30	+6.1%	+54
	RI/Net sales ratio	13.4%	**8.2%**	-5.1%pt	-	-1.7%pt
Australia Housing	No. of Units sold	7,404	**8,070**	+666	+9.0%	+270
	Sales (mil. AUD)	3,500	**3,980**	+480	+13.7%	+37
	Unit sales price (thousand AUD)	473	**493**	+20	+4.3%	-10
	RI/Net sales ratio	7.8%	**8.5%**	+0.7%pt	-	+1.2%pt

- **U.S. Housing**

  Reflecting the expansion of housing lots by the five existing companies and the effect of the new consolidation of TPH, the number of units sold is expected to exceed both the previous forecast and the actual results of the previous year. On the other hand, the profit margin has been revised downward to reflect an increase in sales promotion incentives.

- **Australian Housing**

  Owing to strong orders and smooth construction progress, both the number of units sold and profit margins have exceeded the plan, and the recurring income forecast has been revised upward.

Real Estate Segment

(billion yen)			FY12/25	FY12/26 forecast	Change	Pct.	vs. previous forecast
Overseas	U.S. Real Estate	Net Sales	179.7	**218.5**	+38.8	+21.6%	-15.5
		Recurring income	-1.1	**-12.5**	-11.4	-	-16.5
		RI/Net sales ratio	-	**-**	-	-	-
Domestic	Property Management and Real Estate Development	Net Sales	43.3	**62.0**	+18.7	+43.3%	+4.0
		Recurring income	3.1	**3.5**	+0.4	+13.8%	+0.0
		RI/Net sales ratio	7.1%	**5.6%**	-1.5%pt	-	-0.4%pt
	Construction	Net Sales	31.5	**39.0**	+7.5	+23.6%	+0.0
		Recurring income	3.0	**4.0**	+1.0	+33.5%	+1.5
		RI/Net sales ratio	9.5%	**10.3%**	+0.8%pt	-	+3.8%pt
Others & Adjustments		Net Sales	-0.5	**-0.5**	-0.0	-	-0.5
		Recurring income	-18.8	**-9.5**	+9.3	-	-0.5
TOTAL		Net Sales	254.1	**319.0**	+64.9	+25.6%	-12.0
		Recurring income	-13.8	**-14.5**	-0.7	-	-15.5
		RI/Net sales ratio	-	**-**	-	-	-

FX rate	FY12/25	FY12/26 forecast
USD/JPY	149.66	**158.14**
AUD/JPY	96.51	**111.05**

- **U.S. Real Estate business**

  In addition to the loss recorded in Q2, the forecast has been revised downward to reflect delays in asset sales.

- **The Property Management and Real Estate Development business, the Construction business**

  The Property Management and Real Estate Development business is expected to perform broadly in line with the plan, while recurring income in the Construction business is expected to surpass the previous forecast due to steady progress on large-scale projects.

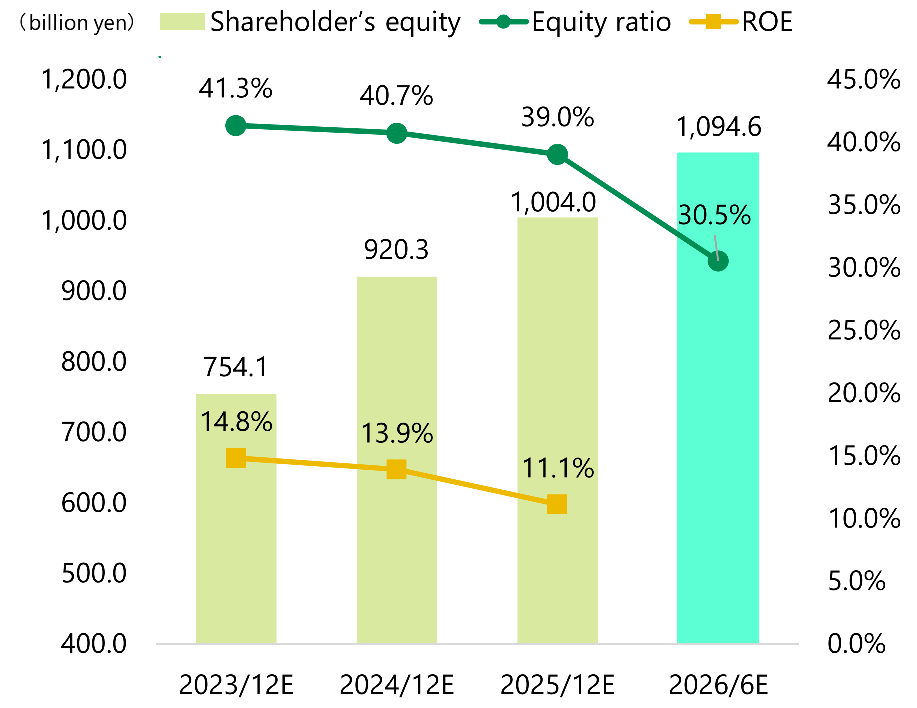
- **Others & Adjustment**

  The year-on-year variance was attributable to one-off factors recorded in the previous fiscal year, including impairment losses on real estate development projects in Europe and Australia recognized at fiscal year-end.

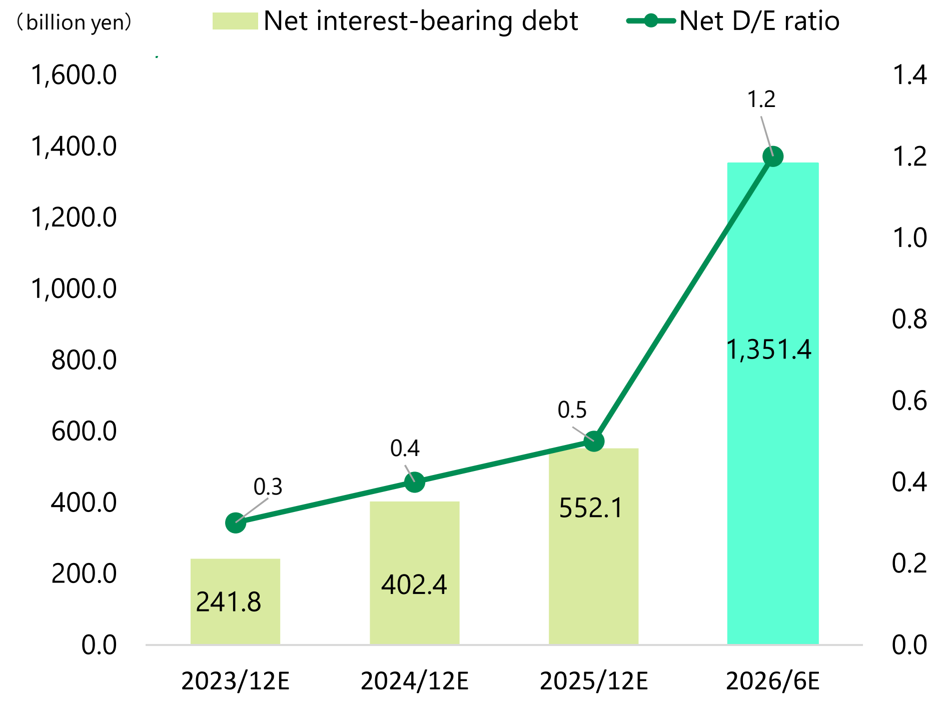
Financial Indicators

- Due to the effect of the weaker yen and the increase in assets and interest-bearing debt associated with the acquisition of TPH, the equity ratio declined, and the net D/E ratio rose.

Shareholders' Equity / Equity Ratio / ROE



Net Interest-Bearing Debt/Net D/E Ratio



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