



June 23, 2021

For Immediate Release

Company name: Sumitomo Forestry Co., Ltd.  
 (Stock code: 1911 1st section, Tokyo Stock Exchange)  
 Representative: Toshiro Mitsuyoshi, President & CEO  
 Inquiries: Toshihiro Horii, General Manager of Corporate Communications Dept.  
 (Tel: +81-3-3214-2270)

## Announcement of Amendment to Forecast of Financial Results and Dividends

In light of recent performance of Sumitomo Forestry Co., Ltd. (“the Company”), the forecasts of financial results and dividends announced on April 30, 2021 are hereby amended as follows:

### 1. Amendment to Forecast of Financial Results

Amendment to forecast of consolidated financial results for the full year ending December 31, 2021 (January 1, 2021 through December 31, 2021)

(Millions of Yen)

	Net sales	Operating income	Recurring income	Profit for the year attributable to owners of the parent	Net income per share (yen)
Previously announced forecast (A)	1,257,000	72,500	80,000	48,000	264.55
Amended forecast (B)	1,310,000	88,000	100,000	60,000	316.70
Amount of increase/decrease (B-A)	+53,000	+15,500	+20,000	+12,000	-
Rate of increase/decrease (%)	+4.2%	+21.4%	+25.0%	+25.0%	-
(Reference) Actual results for the previous fiscal year (year ended December 2020)	839,881	47,462	51,293	30,398	167.54

(Note 1) With the “Issuance of New Shares and Secondary Offering of Shares” announced today, the number of issued shares is expected to increase. The revised forecast of net income per share is based on the average number of shares (scheduled to be) issued during the fiscal year, including the number of shares to be publicly offered (16,000,000 shares). The number of shares does not include the capital increase by way of third-party allotment in connection with the secondary offering of shares by way of over allotment (up to 2,400,000 shares).

(Note 2) Effective from the previous consolidated fiscal year, the Company has changed its fiscal term end (last day of the business year) from March 31 to December 31, and the previous consolidated fiscal year, which was the transitional period for the change in fiscal term, was an irregular nine-month period from April 1, 2020 to December 31, 2020.

### 2. Reasons for Amendment to Forecast of Financial Results

With the backdrop of strong demand for housing in the United States, net sales, operating income, recurring income and profit for the year attributable to owners of the parent are expected to exceed the previously announced levels, mainly due to higher than expected profit levels in the detached housing business caused by a rise in selling prices and an increase in income from the sale of properties in the real estate development business in the United States.

### 3. Amendment to Forecast of Dividends

	Annual dividends per share		
	At the end of the second quarter	At the end of the fiscal year	Total
Previous forecast	25.00 yen	25.00 yen	50.00 yen
Amended forecast	35.00 yen	35.00 yen	70.00 yen
Actual payments for the previous fiscal year (year ended December 2020)	10.00 yen	25.00 yen	35.00 yen

(Note) Effective from the previous consolidated fiscal year, the Company has changed its fiscal term end (last day of the business year) from March 31 to December 31, and the previous consolidated fiscal year, which was the transitional period for the change in fiscal term, was an irregular nine-month period from April 1, 2020 to December 31, 2020.

### 4. Reasons for Amendment to Dividend Forecast

The Company recognizes the return of profits to shareholders as one of its most important management issues, and its basic policy is to implement this policy on a continuous and stable basis. The previously announced dividend forecast for the fiscal year has been revised in accordance with the basic policy, taking into account the amendments to the financial results forecast.

(Note) Statements regarding forecast of financial results and dividends contained in this document are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable, and do not represent a commitment by the Company that they will be achieved. Actual results may differ significantly due to various factors.

End

(Reference Information) The previous forecast was announced on April 30, 2021.

■ Consolidated Statements of income

(Millions of Yen)

	Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
Timber and Building Materials Business	212,000	215,000	+3,000	+1.4%
Housing and Construction Business	495,000	503,000	+8,000	+1.6%
Overseas Housing and Real Estate Business	545,000	591,000	+46,000	+8.4%
Environment and Resources Business	22,000	22,000	-	-
Other Businesses	26,000	26,000	-	-
Adjustment	(43,000)	(47,000)	(4,000)	-
Net Sales	1,257,000	1,310,000	+53,000	+4.2%
Gross Profit	22.1% 278,000	22.5% 295,000	+17,000	+6.1%
Operating Income	5.8% 72,500	6.7% 88,000	+15,500	+21.4%
Non-operating Income/Expenses	7,500	12,000	+4,500	+60.0%
Timber and Building Materials Business	2.6% 5,500	2.6% 5,500	-	-
Housing and Construction Business	4.0% 20,000	3.6% 18,000	(2,000)	(10.0%)
Overseas Housing and Real Estate Business	10.3% 56,000	13.2% 78,000	+22,000	+39.3%
Environment and Resources Business	13.6% 3,000	13.6% 3,000	-	-
Other Businesses	9.6% 2,500	9.6% 2,500	-	-
Adjustment	(7,000)	(7,000)	-	-
Recurring Income	6.4% 80,000	7.6% 100,000	+20,000	+25.0%
Profit Attributable to Owners of Parent	3.8% 48,000	4.6% 60,000	+12,000	+25.0%

[Segment Overview]

(1) Housing and Construction Business

In our core custom-built detached housing business, the cost of lumber and other materials continues to rise against the backdrop of economic recovery mainly in the United States and China, but we expect sales to proceed favorably by minimizing the impact of rising costs through rationalization and securing material supplies by leveraging the Group's lumber procurement capabilities. However, costs are expected to increase for some of the housing for which orders have already been placed, and the profitability is expected to be lower than anticipated.

(2) Overseas Housing and Real Estate Business

The U.S. housing market has been booming since the previous fiscal year due to factors such as decrease in secondhand housing inventories, accelerated migration from urban areas to suburbs and low mortgage interest rates resulting from monetary easing measures. Sales prices are expected to rise more than the soaring cost of lumber, and profitability is expected to be higher than anticipated. Profits from sales of properties are also expected to increase at Crescent Communities, which is a real estate development company.

In addition, our detached housing business in Australia is expected to record a higher level of profit than anticipated against the backdrop of the government subsidy program for housing construction and low housing loan interest rates.

(3) Other Segments

The Timber and Building Materials Business, Environment and Resources Business and Other Businesses are expected to remain solid, and there is no change from the previously announced forecast.

■ State of Housing and Construction Business (Non-Consolidated)

(Units/Millions of Yen)

Numbers of Units	
Ordered	Custom-built Detached Houses (Unit)
	Apartment (Unit)
Delivery	Custom-built Detached Houses (Unit)
	Apartment (Unit)
	Spec Homes (Unit)

Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
7,800	8,000	+200	+2.6%
580	580	-	-
8,000	8,250	+250	+3.1%
950	950	-	-
360	360	-	-

Amount	
Ordered	Custom-built Detached Houses
	Apartment
	Other Contracts
Sales	Custom-built Detached Houses(*1)
	Apartment
	Other Contracts
	Spec Homes
Backlog of Orders Received at Term End	Custom-built Detached Houses
	Apartment
	Other Contracts

Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
298,000	312,000	+14,000	+4.7%
13,000	12,000	(1,000)	(7.7%)
5,000	2,600	(2,400)	(48.0%)
321,000	327,000	+6,000	+1.9%
16,000	19,000	+3,000	+18.8%
2,000	2,100	+100	+5.0%
16,000	16,000	-	-
258,288	266,288	+8,000	+3.1%
22,893	18,893	(4,000)	(17.5%)
4,568	2,068	(2,500)	(54.7%)

Price per Unit (Custom-built Detached Houses)	
Price per Unit (*2)	
Price per Unit of Construction Completed	

Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
34.4	35.2	+0.8	+2.3%
39.2	39.0	(0.2)	(0.6%)

Gross Profit Ratio	
Housing and Construction Business (Non-Consolidated)	

Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
23.1%	21.3%	-	-

\*1 The sales of custom-built detached houses include land for custom-built detached houses.

\*2 The "price per unit" of custom-built detached houses is calculated from unit price for orders received at the time of contract conclusion for the units ordered this period; thus the unit price for orders received for additional construction are not included.

■ State of Overseas Housing and Real Estate Business

(Units)

Units Sold	Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
Detached Houses in U.S. (Unit)	11,000	11,050	+50	+0.5%
Detached Houses in Australia (Unit)	3,550	3,550	-	-
Total	14,550	14,600	+50	+0.3%

(Millions of Yen)

Housing Business in U.S. (*1)	Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
Net Sales	418,100	461,700	+43,600	+10.4%
Operating Income	12.2% 51,080	14.9% 68,680	+17,600	+34.5%
Recurring Income	12.0% 50,300	14.9% 68,900	+18,600	+37.0%
Profit for the Year	50,020	68,500	+18,480	+36.9%

Housing Business in Australia (*2)	Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
Net Sales	95,400	100,200	+4,800	+5.0%
Operating Income	4.4% 4,200	5.0% 5,010	+810	+19.3%
Recurring Income	4.2% 3,970	5.0% 4,970	+1,000	+25.2%
Profit for the Year	3,270	4,130	+860	+26.3%

Crescent Communities	Previously announced forecast (A)	Amended forecast (B)	Amount of increase/decrease (B-A)	Rate of increase/decrease (%)
Net Sales	15,400	15,300	(100)	(0.6%)
Operating Income	5.6% 860	- (170)	(1,030)	-
Recurring Income	18.2% 2,810	31.5% 4,820	+2,010	+71.5%
Profit for the Year	2,840	4,820	+1,980	+69.7%

\*1 Housing Business in U.S. consists of five groups: Gehan Homes Group, DRB Group, Bloomfield Homes Group, MainVue Homes Group and Edge Homes Group.

\*2 Housing Business in Australia consists of three groups: Henley Group, Wisdom Group and Scott Park Group.