

Briefing Session on
Overseas Housing and
Real Estate Business



Sumitomo Forestry Co., Ltd.
June 21, 2022

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Overview of Overseas Housing and Real Estate Business

Overview of Overseas Housing and Real Estate

- Actively entered new promising growth markets since launching housing business in the United States in 2003.
- Currently expanding housing and real estate business in the United States, Australia, and Asia.
- With respecting employees, local residents, companies, society, and other stakeholders, we promoted efforts to create value together through business activities, including selling housing that addresses the climate and market needs in each region.

■ FY12/2021 results

Net sales **644.6** billion yen

Recurring income ratio **16.2%**

CAGR* **32.5%**
Annual growth rate

* Based on annual growth rate and net sales from 2012 to 2021



Growth from M&A and Organic Growth

■ Single-family homes in the United States and Australia : Trend in number of units sold

FY12/2021 results

Number of units sold **14,399 units**

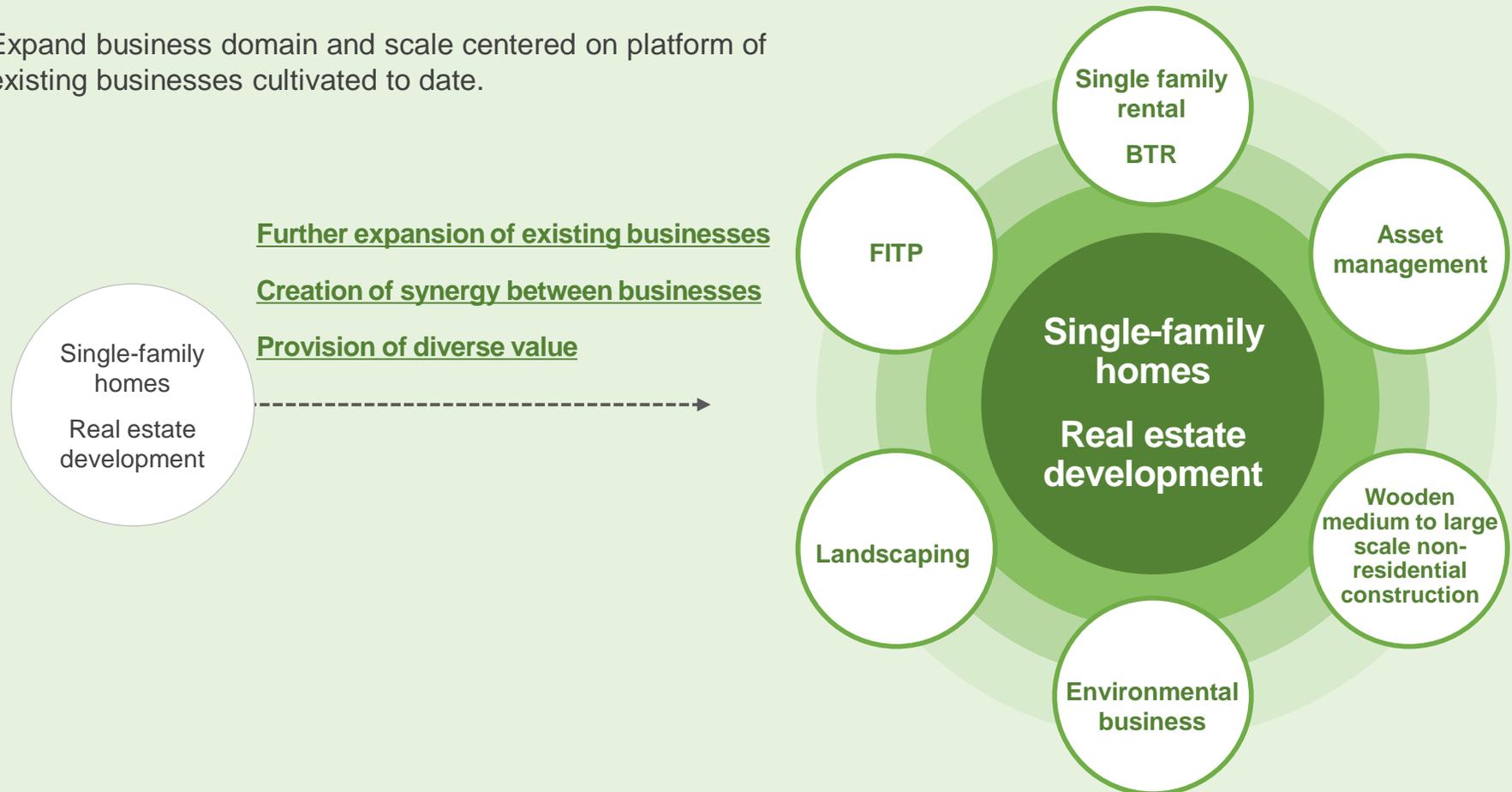
Number of units sold increased significantly as a result of M&A in the United States and Australia and subsequent organic growth in response to housing needs in each region.



Synergy Between Businesses / Provision of Diverse Value

- Accelerated efforts in new businesses, including peripheral businesses, in addition to Single-family homes business and real estate development business.
- Pursued further growth while strengthening resistance to changes in business environment by expanding existing businesses, creating synergy between businesses, providing diverse value, and reducing costs.

Expand business domain and scale centered on platform of existing businesses cultivated to date.

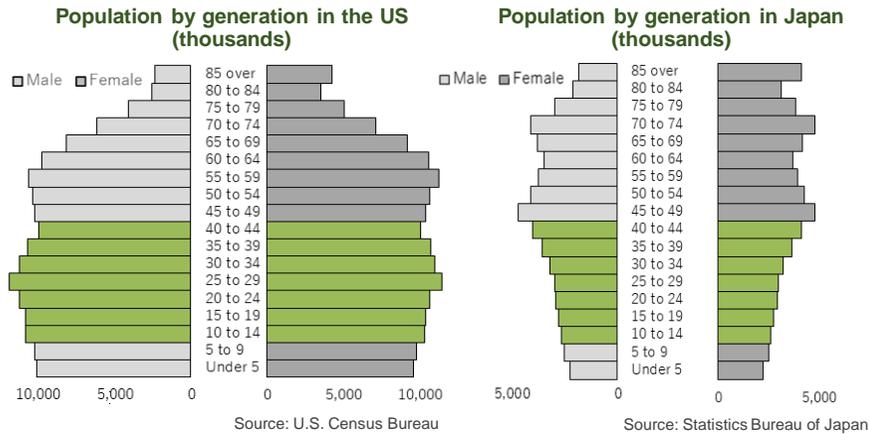


Single-family homes Business in the United States

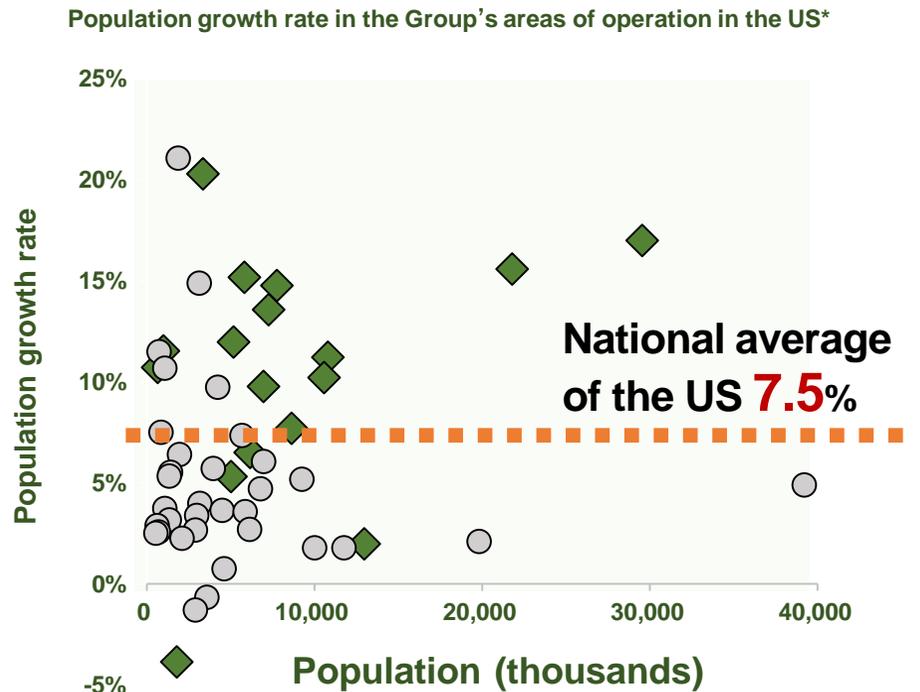
Market Environment

- Housing needs expected to continue to arise steadily in housing market in the US against the backdrop of increase in population of new homebuyers, including millennials and Gen Z, and shortage of existing home inventory

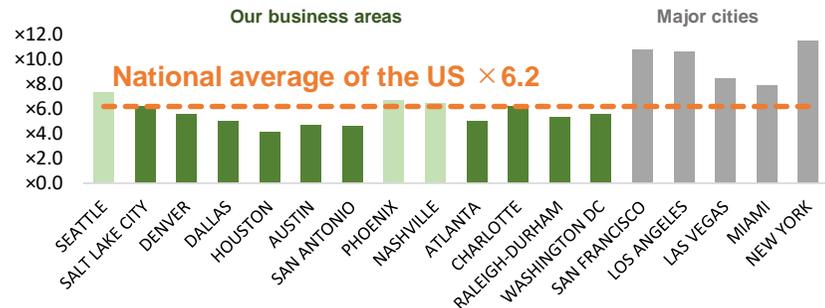
Large population of millennials and Gen Z in the US



Population in our business areas growing faster than national average



Detached house price to household income ratio is low in our business areas*



* Crescent and 5 housing builders in the US

Source: Prepared in-house based on U.S. Census Bureau materials (As of April 2022)

* 2021 population compared to 2010 population (Estimates based on numbers as of April 2020)

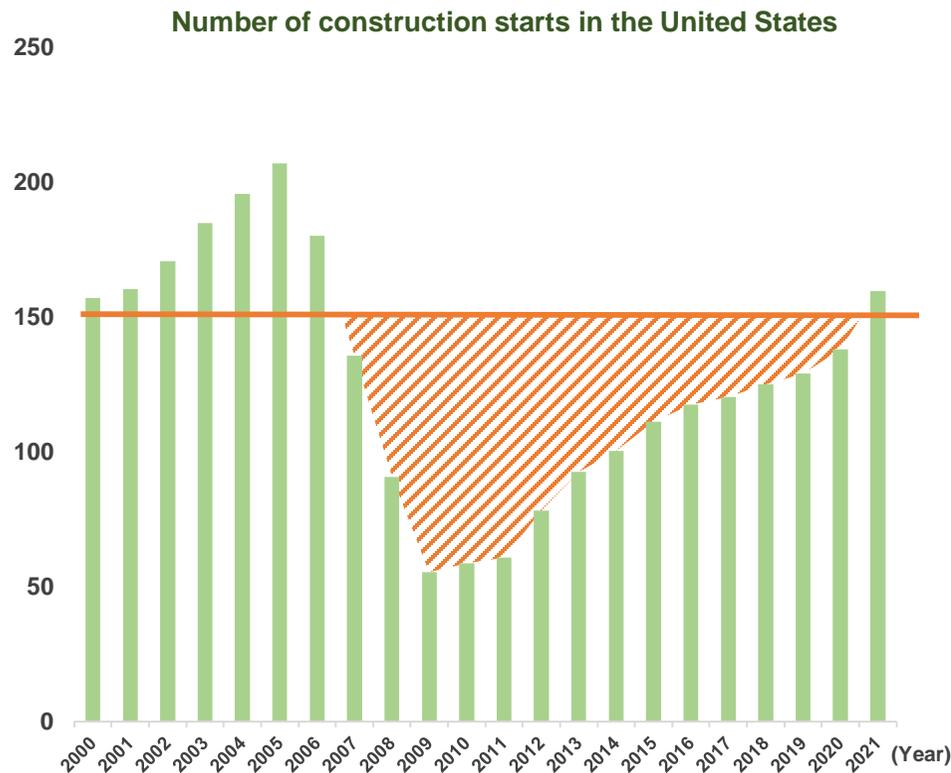
Source: Prepared in-house based on U.S. Census Bureau materials

Market Environment

- Currently a shortage of existing housing inventory, due in part to reduced construction starts mainly because of 2008 global financial crisis (estimated shortage of 4-6 million houses).
- The current situation is different from what it was during 2008 global financial crisis as the percentage of subprime loan and variable interest mortgages is low.

Housing supply remains inadequate

(Ten thousand units)

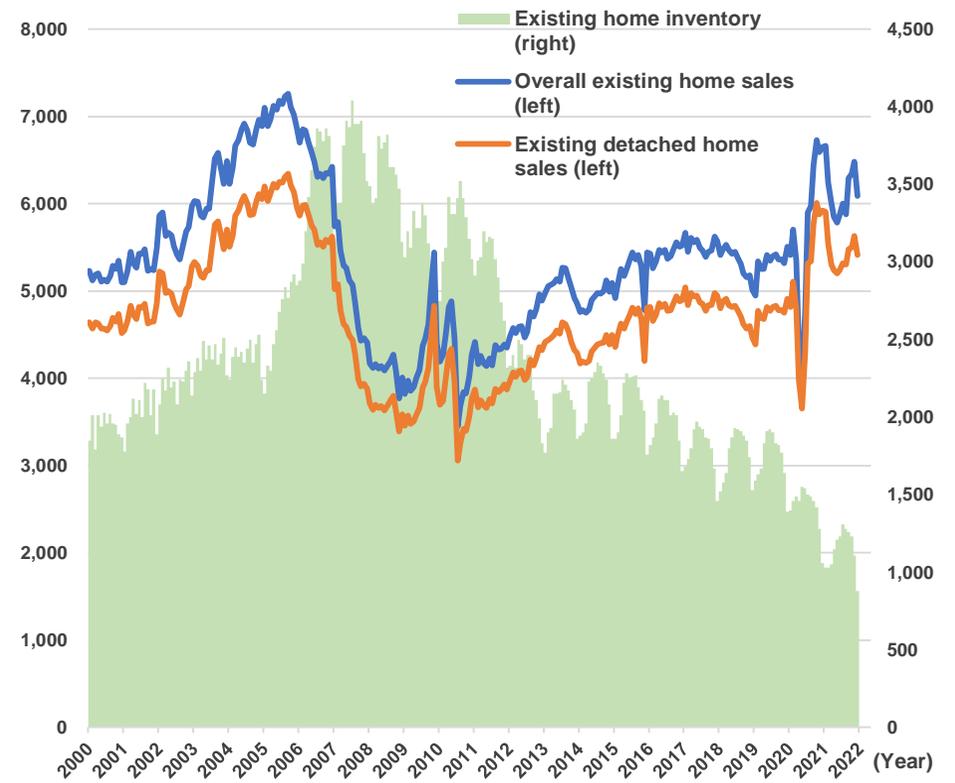


Source: U.S. Census Bureau

Existing housing inventory remains low

(Thousand units)

(Thousand units)



Source: NAR

Market Environment (Our Business Areas)

- In metropolitan areas with high population and employment growth in the United States, we are engaged in single-family homes business through consolidated subsidiaries of Sumitomo Forestry

Total of 5 companies

Number of units delivered in FY2021

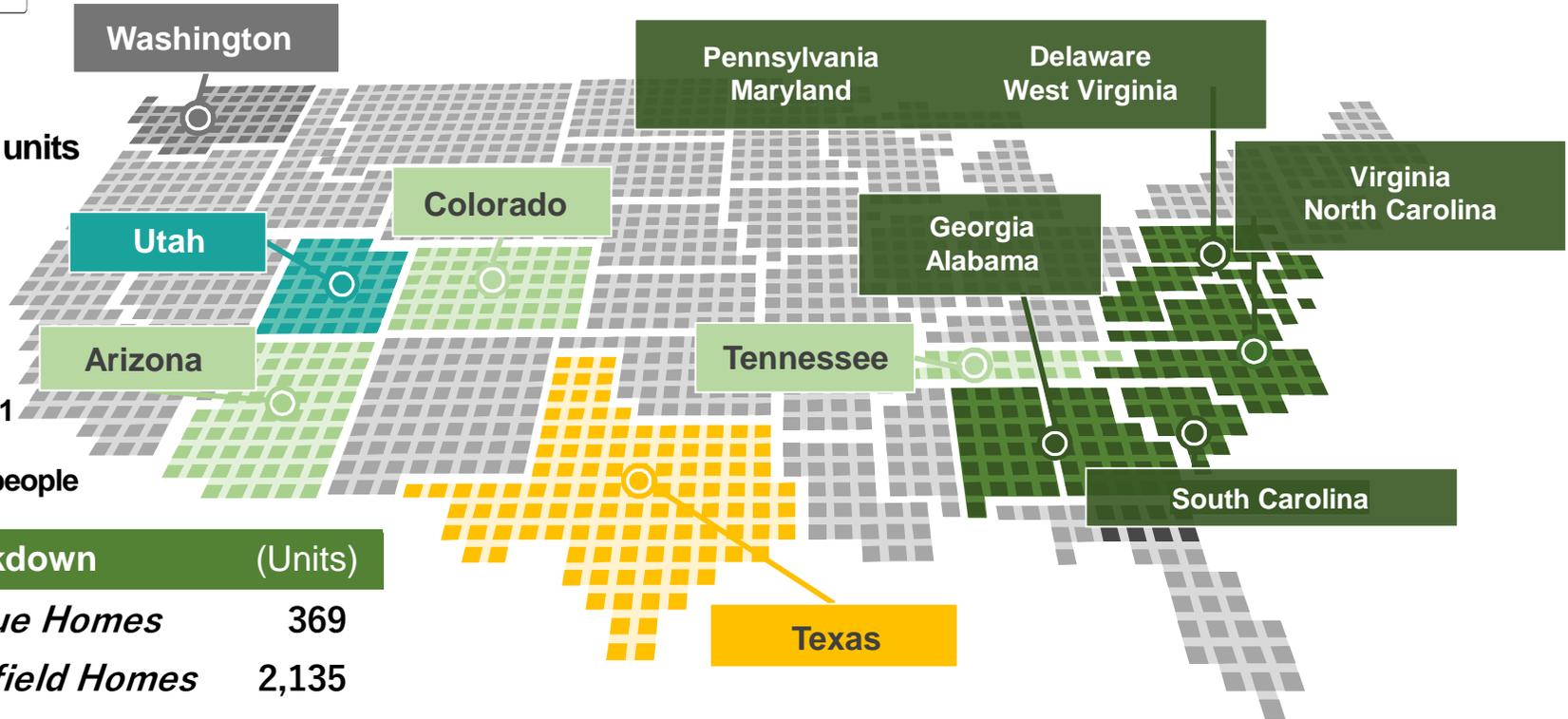
 **11,230** units

Top 100 builders in 2021

 **8th** place

Number of employees in FY2021

 **1,499** people



| Breakdown | | (Units) |
|---|-------------------------|---------|
|  | <i>MainVue Homes</i> | 369 |
|  | <i>Bloomfield Homes</i> | 2,135 |
|  | <i>Gehan Homes</i> | 3,138 |
|  | <i>DRB</i> | 4,064 |
|  | <i>Edge Homes</i> | 1,524 |

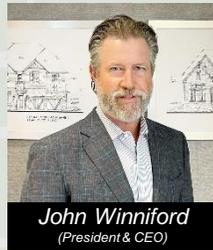
Our Strengths (Introduction to Management of each Subsidiary)



Seattle/Tacoma/
Bellevue, Wash.

7th

Employees: 81



Austin/Round
Rock/
Georgetown,
Texas

8th

Employees: 506

Raleigh/Cary, N.C.

Washington/Arlington/Alexandria,
D.C./Va./Md./W. Va.

Greenville/Anderson, S.C.

Charleston/North Charleston, S.C.

Atlanta-Sandy Springs-Alpharetta, GA

Employees: 621

3rd

5th

7th

8th

10th



Salt Lake City, Utah

1st

Provo/Orem, Utah

1st

Employees: 145



Dallas/Fort Worth/Arlington, Texas

3rd

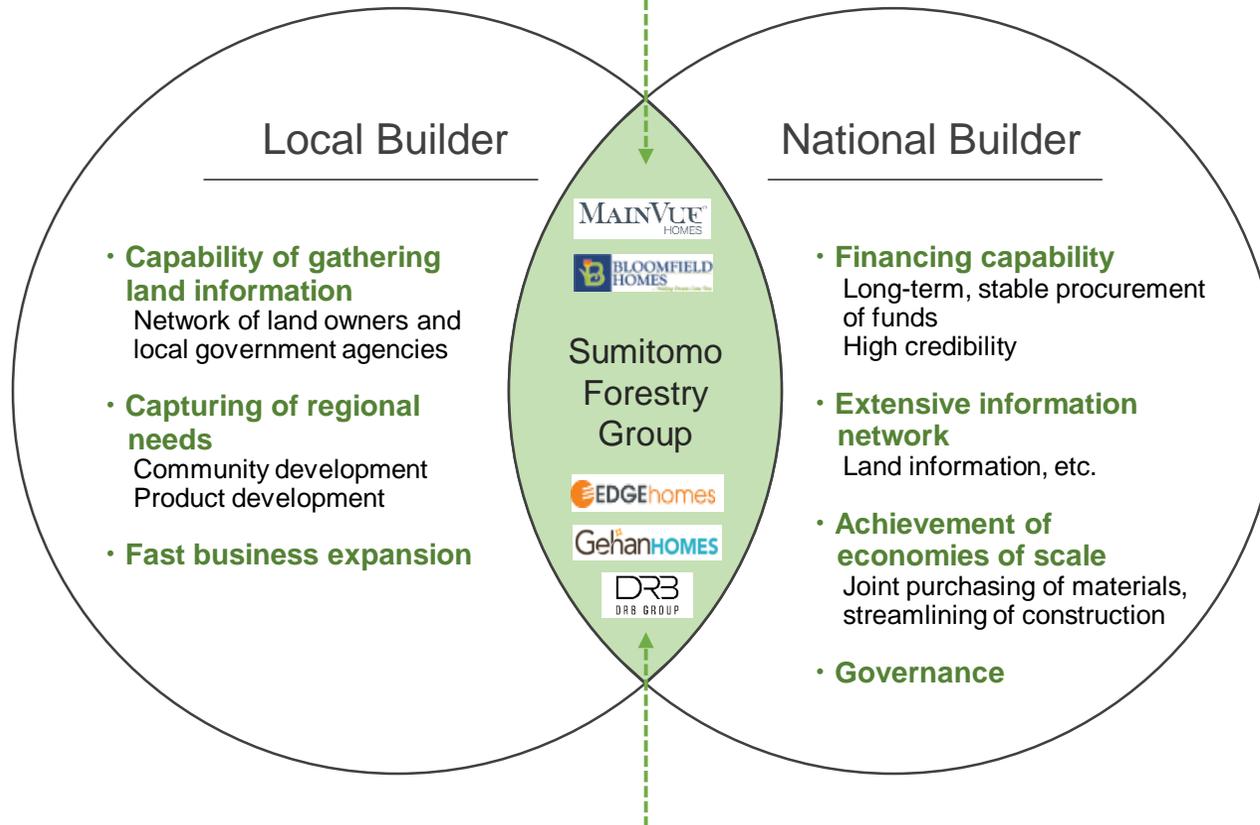
Employees: 146

Ranking: Based on number of units delivered in 2021 (source: Zonda Media); Employees: As of December 31, 2021

Our Strengths (Our Distinctive Position)

The Distinctive Position of the Sumitomo Forestry Group

Each company is engaged in a regional business while simultaneously acting as the Sumitomo Forestry Group, selling more than 11,000 houses per year



Pursuing business growth through excellent position that allows us to enjoy the benefits of both a local and a national builder

Our Strengths (Residential Land Development)

- Track record of residential land development in various parts of the United States since full-scale entry into single-family homes business in the United States in 2003
- Having system for steadily securing residential land (which is in high demand) over long term is essential for sustainable growth of single-family homes business in the United States
- Expand synergy with single-family homes business by developing it also as land for our detached spec homes

Promoting in-house development at our builder companies, including Mark III, which specializes in residential land development



Our consolidated subsidiary

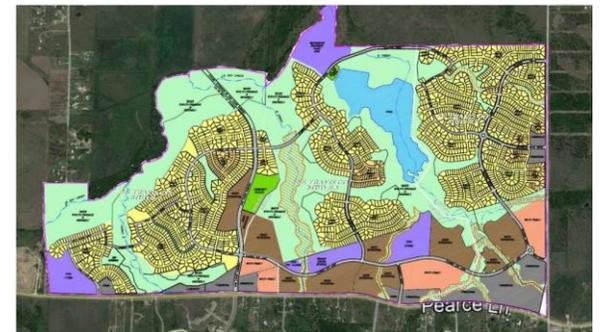
- Land development company established in 1974.
- Develops and sells land for single-family homes and commercial land in South Carolina in the southern United States.
- Possesses integrated functions related to land development such as construction planning, land acquisition, license acquisition and development work management.
- 20-30 new community development starts per year, delivering 2,000-2,500 plots per year.



Example of land development through joint venture (Hines)

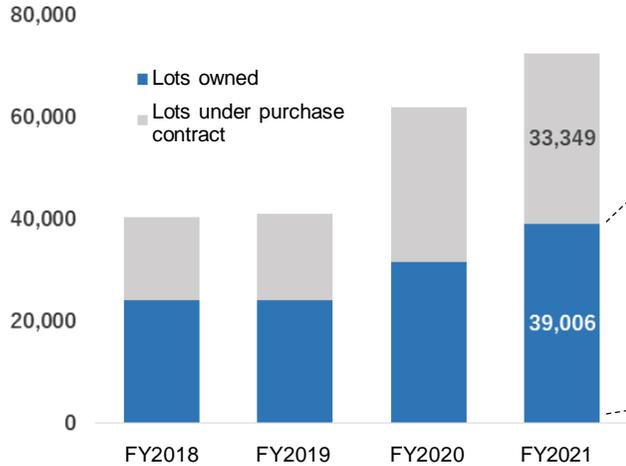
Hines

- Unlisted global real estate investment company established in 1957. Wealth of experience in various real estate investments and also promotes ESG initiatives. Recognized as one of the world's largest and most highly rated real estate companies.
- Since 2019, we have started three residential land development projects in North America with Hines, and the total number of lots developed is around 6,600.



Our Strengths (Land Purchasing and Risk Avoidance)

Lots owned and under purchase contract in the Single-family homes Business in the United States

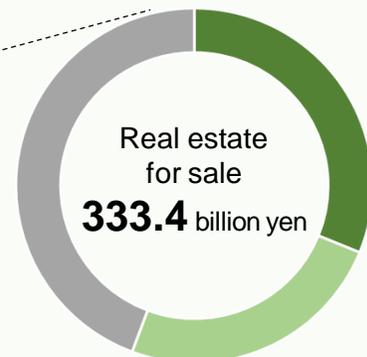
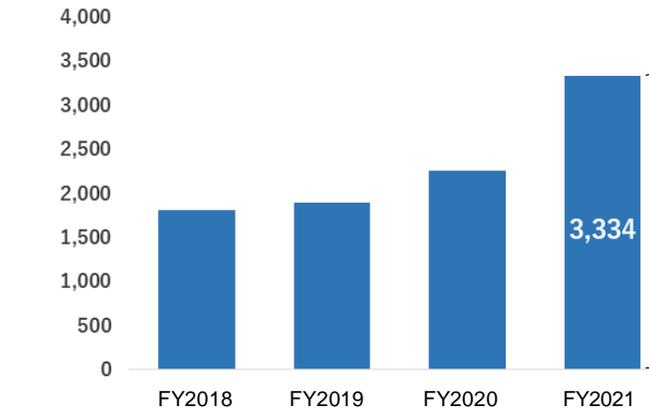


Breakdown of lots owned and balance of real estate for sale



- Undeveloped / under development land
- Completed residential land
- Buildings with land under construction / completed

Balance of real estate for sale in the United States



1 Use of option contracts

Using option contracts, we secure plots for future growth and hedge against the risk of market slumps

2 Long-term ownership to reduce costs / risks

More than 25,000 plots are undeveloped or under development with low cost / risk of ownership, allowing us to make flexible decisions according to the market environment

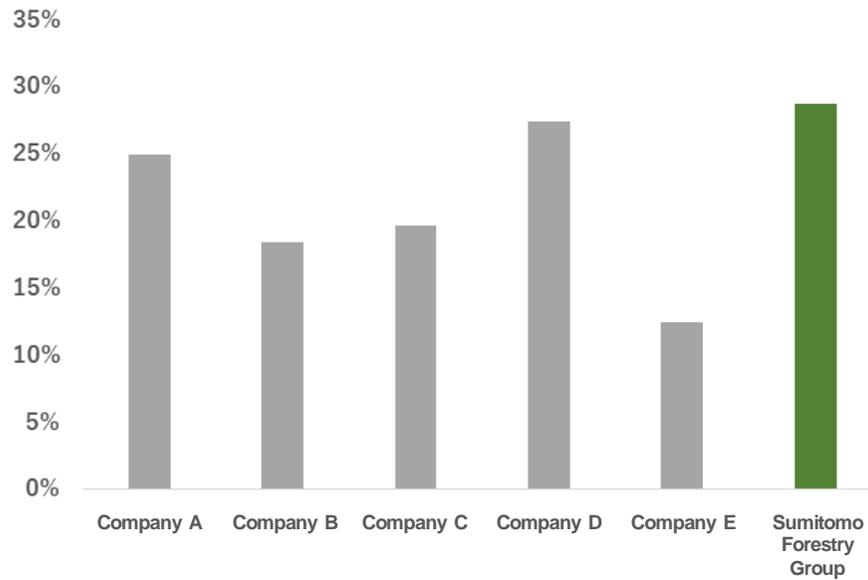
3 Buildings with land under contract

Most of the buildings with land under construction/completed, which account for roughly half of the balance of real estate for sale, are under contract, with limited risk (only 171 units in finished inventory)

Our Strengths (High Efficiency)

High return on assets (ROA)

Comparison with top builders in the United States



* ROA = Income before income tax ÷ Total assets (two-year average)

* The Company : FY12/2021 results

Other builders : Results from most recent fiscal year-end

FY2024 target

ROA Maintain at at least **20%**

* Simple total of five housing companies in the US



Real Estate Development Business in the United States

Real Estate Development Business in the US : Commercial Real Estate Development

- In addition to commercial real estate development by wholly owned subsidiary Crescent, we are developing housing complex and single family/townhouse rentals via a joint venture with the US developers such as Trammell Crow Residential, JPI, and Longbranch through wholly owned subsidiary SFA MF.

Crescent Communities



■ Crescent track record (since its establishment in 1963)

*As of December 31, 2021



| | | |
|----------------------------------|---|---|
| Housing complexes 68 projects | Commercial facilities 21 million square feet | Master plan development 60 communities |
|----------------------------------|---|---|

≒ 1.95 million m²

Floor area of commercial real estate construction starts in FY2021

2,383 thousand square feet

≒ 220 thousand m²

Total number of housing complex starts in FY2021

4,379 units

(15th out of NNMC 25 Largest Developers)

SFA MF Holdings



■ TCR joint venture examples

- Alexan Heartwood**
Seattle: 135 housing complexes
Leasing began in May 2021
- Alexan Alderwood**
Seattle: 387 housing complexes
Leasing to begin in January 2023
- Alexan Bothell**
Seattle: 368 housing complexes
Leasing to begin in March 2024



■ Longbranch joint venture examples

- Harvest Meadow Project**
Austin suburbs/SFR (single family rental)
118 units/Leasing began in August 2021
- Harrison Bridge Project**
Greenville/SFR (single family rental)
118 units/Leasing began in February 2022



■ JPI joint venture examples

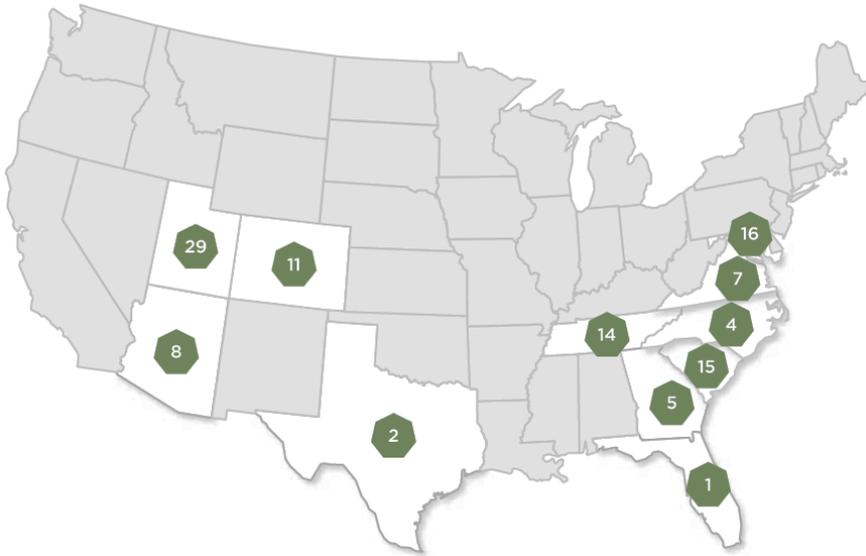
- Jefferson on Imperial**
Los Angeles/244 housing complexes
Leasing began in August 2021
- Jefferson Gallery House**
Dallas/353 housing complexes
Leasing began in August 2021
- Jefferson Grand Prairie**
Dallas/380 housing complexes
Leasing to begin in October 2022

Real Estate Development in the US : Crescent Communities

- Expanding business in 16 cities where business growth is expected based on demographics, employment environment, living costs, attractiveness, etc. from the southeastern to the southwestern United States

Crescent business areas (states) and net migration rankings (Note 1)

Doing business in 4 out of 5 states with highest net migration (influx)



Note 1: U.S.Census Bureau(2010-2018)

Attractiveness rankings of Crescent Communities business areas

Cities where Crescent has operations rank among those where people want to live based on data such as cost of living, job market, and quality of education, and questionnaire surveys



10 cities placed in Top 20 Best Places to Live by US News (cities with populations of 1 million or more)

4 cities placed in Top 10 Best Places to Live in 2019 by Money Magazine



4 cities among 11 US cities selected as 50 global superstar cities in 2018 by McKinsey & Company

Received award from National Association of Home Builders (NAHB) for 3 consecutive years

- Took highest award in 2 categories of Multifamily Pillars of the Industry Awards 2021 organized by NAHB. Crescent has received award from NAHB for 3 consecutive years
- Crescent has been rated highly by stakeholders and the market, including being named the Multifamily Development Firm of the Year by NAHB in 2019.



Real Estate Development in the US : ESG Initiatives by Crescent

- Crescent considers it our corporate responsibility to work actively on ESG initiatives to have a positive impact on people, the planet, and the regions in which we live and work.

Environmentally conscious development

- **Policy on environmental certifications**

In principle, NGBS or LEED certification is acquired for all housing complexes.



NGBS/LEED certification: Certification programs managed by non-profits in the United States. They evaluate energy savings and consideration for the environment based on items such as material procurement at properties, efficiency of energy and water use, operations, and maintenance.

- **Utilization of timber, a sustainable resource**

Most of our housing complexes of seven stories or less are made of wood, which contributes to the carbon stock through the use of timber.



- **Consideration for health and wellness**

Emphasis has been placed on the wellness of tenants since before the COVID-19 pandemic. We are also actively working to acquire Fitwel certification, a program that evaluates the environmental performance of buildings and blocks with a focus on people's wellness.



Development management structure

- We have strong business planning capabilities and a development management system that meet the level of expectations of our institutional investors and have brought the main functions in-house, from project procurement to property sales.
- Our development management system is well governed and has earned a high level of trust from our stakeholders.
- Crescent is the wholly owned subsidiary of Sumitomo Forestry. Four people from the Tokyo head office, including directors, have been seconded to check the management system and provide governance.

Developments co-created with local communities

- **Canvas session**

Emphasis is placed on the development process through brainstorming with stakeholders, referred to as Canvas session in which the specifics of the development business plan are worked out.



General contractors, design firms, and leasing companies participate in projects along with a wide range of stakeholders, including local residents and restaurant managers. We share the project overview and historic background/characteristics of the area and participants give their ideas for the development concept so that we can develop properties that will be appreciated by the local community.



Housing and Real Estate Development Business in Australia

Housing and Real Estate business in Australia: Business Environment

- Australia is our second largest overseas wooden housing market after the United States. The Group placed 3rd in a ranking of Australian housing companies.
- We pursue expansion of our business, the market, and our scale by entering peripheral businesses.
- Custom-built homes are majority in this market, so we can utilize our know-how in Japan and reduce risks of holding asset.

Overview of Australian housing market

Population

Consistently increasing as a result of government immigration policy

Construction starts

Number of housing starts trends at around 200,000 per year

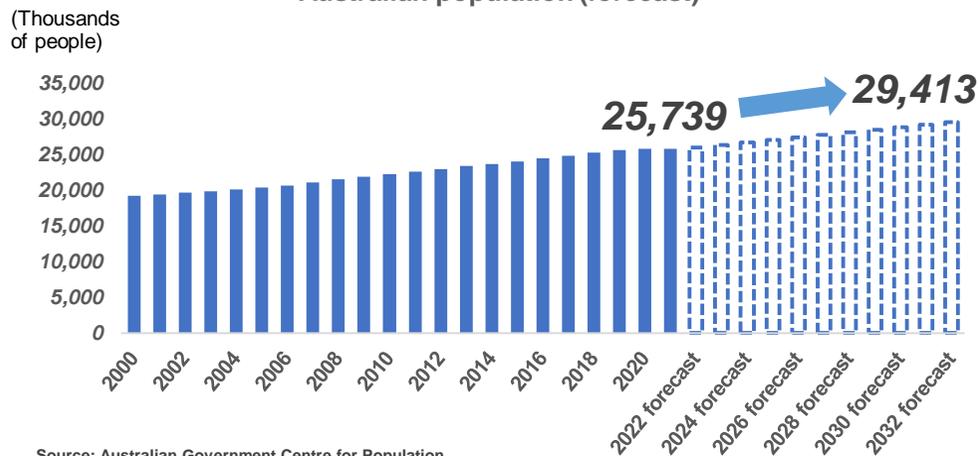
Price

Rising but not as fast as income

State in Australian housing market

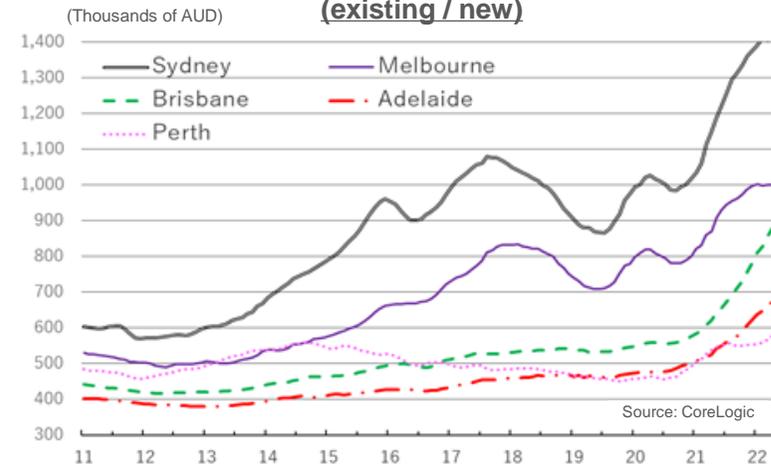
| | | |
|---------------------------------------|--|---|
| Home ownership ratio 66% | New construction ratio 17% | Percentage of first-time buyers 38% |
| 35 years of age or less 61% | Average number of household 2.6 people | Ownership of 2 or more houses 21% |

Australian population (forecast)

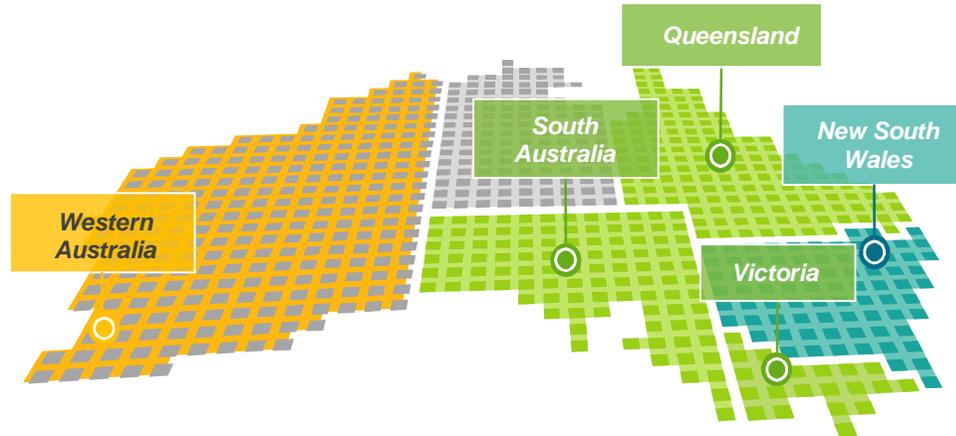


Source: Australian Government Centre for Population

Selling price of detached house in each state (existing / new)



Business Areas of each subsidiary company in Australia



Total number of units sold in FY2021



3,169 units

2020-2021 Australian builder rankings



3rd place

Number of employees in FY2021



1,056 people

Total of 3 companies*

* Henley, Wisdom, and Scott Park

Land Development



Residential land development business
Annadale (VIC)

Landscape Development



Greening exterior construction
Regal

Office Development



Wooden office development business
36 Wellington(VIC)

Order & Spec home



Henley Properties Group(VIC/QLD/NSW/SA)



Wisdom Properties Group(NSW)



Scott Park Group(WA)

Our Strengths in Australia

1 Henley recognized twice among companies nationwide by Australian Housing Industry Association (HIA)

Recognized twice in last 10 years as the best Australian housing company by Australian Housing Industry Association (HIA)(By state, award received 3 times in VIC and 8 times in QLD)



3 Address wide range of customers, from first-time buyers to high-end rebuilds

Wide range of needs addressed, including custom-built houses, spec homes, small houses such as townhouses for first-time buyers, and high-end homes.



2 All housing supplied by Henley are environmentally friendly products

- Henley has supplied homes meeting the standards for government's *5-star energy rating* before it became mandatory.
- Currently all housing products supplied by Henley obtain *6-star energy rating*.
- New housing display center with *7-star energy rating* was opened. It adopted Induction Heating system for the first time for housing display center. Henley will continue to promote sales of all-electric houses, including with solar panels.

Housing and Real Estate Development in Asia

Housing and Real Estate Development in Asia

- Focusing on creating business opportunities to continuously take on new projects in the aim of making the business one of the next pillars of earnings.
- Working to increase the value of existing businesses and acquire new projects to grow into the third pillar of earnings after North America and Australia.
- Asia is an area where growth is expected in the medium to long term, and we have built a profit structure that keeps short-term market fluctuations from impacting business results and taps into medium- to long-term growth.

Strategy

Area Cultivating real estate development business primarily in Thailand, Indonesia, Vietnam, and China

New business Achieve high profitability and stable earnings in each period, centered on low-to-mid-rise condominiums/detached houses/master plans, etc.

System development Establish a system that enables project formation through majority investment by the Company based on collaboration with leading local partners

Environmental Accelerate efforts for a decarbonized society through EDGE certification and renewable energy such as solar power

Utilization of Japanese technology Utilize know-how related to advanced design capabilities, construction management, and improvement of environmental performance cultivated in Japan

Example developments



LAKE Forestry (Thailand)



MORIZEN (Indonesia)



Thong Lo Project (Thailand)



Midtown (Vietnam)

Housing and Real Estate Development in Asia: Main Projects Underway

| Project name | Location | Total units* | Total project cost* | Deliveries started (to start) |
|------------------|-------------------------|---------------------|-------------------------|-------------------------------|
| Midtown Project | Ho Chi Minh (Vietnam) | 2,439 units | Approx. USD 225 million | June 2019 |
| Thong Lo Project | Bangkok (Thailand) | 311 units | Approx. USD 140 million | July 2022 |
| LAKE Forestry | Pathum Thani (Thailand) | Approx. 1,400 units | Approx. USD 190 million | December 2020 |
| MORIZEN | Bekasi (Indonesia) | 158 units | Approx. USD 30 million | October 2021 |
| Makassar Project | Makassar (Indonesia) | Approx. 500 units | Approx. USD 84 million | Planned for 1Q 2025 |

* Total units and total project costs are as of time of press release

Over the next five years, we aim to form about **15 projects** (investment basis) centered on Thailand, Vietnam, Indonesia, and China.

New Initiatives

Build to Rent Business in the United States

- Advanced business that supplies large-scale new communities in single family rentals market, where demand is growing

Growing single family rentals market

- Single family rentals grew from 11.3 million units in 2006 to 16.4 million units in 2020*
- There is demand for a business to develop new single family rentals at the community level.

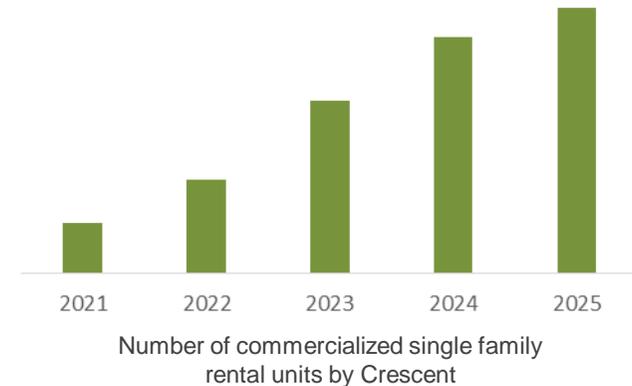
Our advantageous position

- We already have most of the functions required for BTR and are in an advantageous position to work on maximizing profits while utilizing the functions of each group company.



Developing 3,000 new single family rental units

- Going forward, we will develop 20-25 communities of 50-200 units, totaling 1 billion dollars and 3,000 units.



*Single family rentals account for 34% of apartments in the US as of 2020.

Asset Management Business

- In February 2022, we formed and started managing a private ESG friendly real estate opportunities fund with total assets of approximately 70 billion yen.
- Full-scale entry into asset management business

Strengths of our asset management business and synergy

Prime asset procurement capabilities

Crescent has a track record of developing excellent properties and has a strong relationship with top-class multifamily developers in the United States.



Extensive track record of supply

Top 10 number of single family homes supplied in the US, top class scale of the US housing and real estate business among Japanese companies, and track record helped secure credibility when soliciting Japanese investors.



Creation of stable, long-term revenue base

Also contributes to overall expansion of the Group's business

Developing an asset management scheme contributes to expansion and stability of profits through diversification of businesses in each country, including environmentally conscious offices and single family rentals, expansion into distribution facilities, establishment of funds focused on projects outside of Japan and the United States, medium- to large-scale wooden construction business, and creation of assets contributing to a decarbonized society such as forestry-funds.



Asset Management Business: Private ESG Friendly Real Estate Opportunities Fund in the US

- A fund that contributes to ESG, including by acquiring environmental certification for all properties and implementing development through dialogue with local communities

■ Fund overview

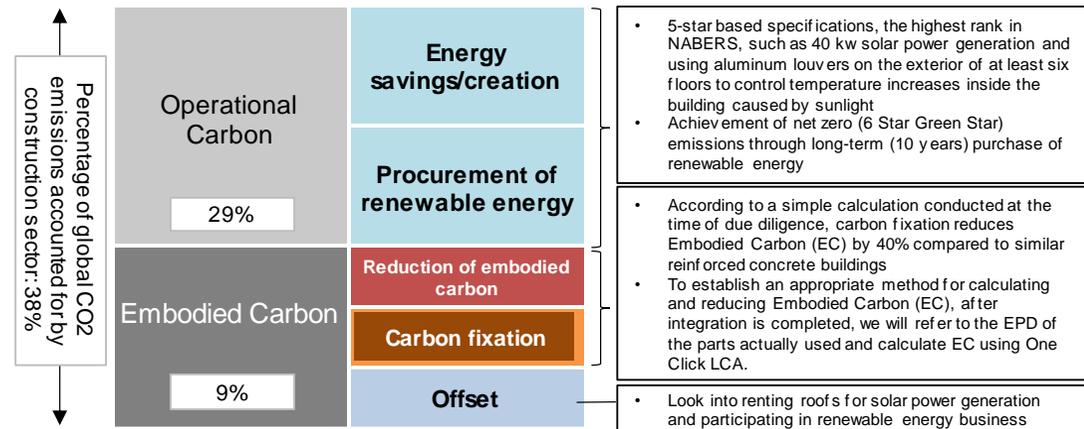
| | | | | |
|-----------------------------|--|----------------------------------|----------------------------------|---------------------------------|
| Overview | Private ESG friendly real estate opportunities fund in the US | | | |
| Size | Approx. 70 billion yen in assets under management | | | |
| Assets | New development of four rental multi-family housing properties | | | |
| Property name | 1. NOVEL Beach Park | 2. NOVEL 14 th Street | 3. NOVEL River District | 4. NOVEL North Buckhead |
| Location | Tampa, Florida | Washington, D.C. | Charlotte, North Carolina | Atlanta, Georgia |
| Structure | 10 stories, reinforced concrete | 8 stories, reinforced concrete | 3-4 stories, wooden construction | 25 stories, reinforced concrete |
| Number of units | 289 units | 200 units | 292 units | 250 units |
| Period of operations | Sell after 5 years of operations | | | |
| Manager | Sumitomo Forestry Group: Crescent (the US) / SFCAM (Japan) | | | |
| Formed | February 2022 | | | |
| ESG | In principle, will acquire the US environmental certification for buildings (LEED, NGBS, Fitwel, etc.) Community-oriented development through Canvas sessions | | | |



Medium- to Large-Scale Wooden Construction Business: Tallest Wooden Office in Melbourne, Australia

- Developing net zero carbon buildings that combine energy savings and energy creation with the carbon absorbing and fixing functions of forests and timber to create new revenue streams and realize a sustainable society
- Promoting medium- to large-scale wooden construction with low environmental impact overseas as well, thereby contributing to a decarbonized society, and tying that into medium- to long-term business expansion

Next-generation development for realizing a decarbonized society, reducing CO₂ emissions occurring from material procurement to construction by 40%



EPD: Environmental Product Declaration

| | |
|------------------------------------|--|
| Use | Office |
| Structure | 2 below-ground floors, 15 above-ground floors 1F-5F: Reinforced concrete 6F-15F: Mass timber |
| Location | Melbourne, Victoria |
| Total floor area of development | 29,296 m ² |
| Commencement of construction | December 2021 |
| Planned completion of construction | August 2023 |
| Environmental certification | 6 Star Green Star certification to be acquired |

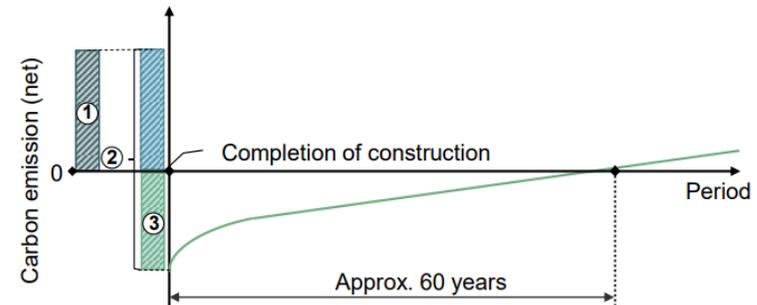
Medium- to Large-Scale Wooden Construction: 6-Story Environmentally Friendly Office in UK

Achieving net zero carbon for about 60 years via carbon fixation effect of timber



| | |
|--------------------------------------|---|
| Use | Office |
| Structure | 6-story wooden construction |
| Location | Lambeth area of London |
| Total floor area | 7,445 m ² |
| Planned commencement of construction | September 2022 |
| Planned completion of construction | April 2024 |
| Environmental certification | Highest level in BREEAM environmental certification, WELL health-conscious office certification, and WIRED SCORE smart building certification (planned) |

- Advanced initiative with estimated carbon-negative level at completion of construction by offsetting carbon fixation of timber on top of roughly 80% reduction of carbon emissions during construction compared to general reinforced concrete construction in UK
- Achieve net zero carbon for about 60 years even when adding the carbon emissions from use of the building by making the building to energy-saving and energy-creating specifications and combining that with the use of renewable energy
(Based on BS EN15978 UK building environmental performance evaluation standard)



- I. Carbon negative at the completion by offsets from carbon stock (②)
 - ① Carbon emission during construction (embodied carbon) [+]
 - ② Carbon stock by timber [-]
 - ③ Net embodied carbon [①-②]
- II. Although carbon emissions increase gradually by using the building (operational carbon), the net zero carbon status will be maintained for about 60 years.

* Assumption: Timber will be reused after future demolition.

Establishment of environmentally conscious fund

- Promoting ESG initiatives through development of environment conscious assets preconditioned on acquisition of environmental certifications such as LEED and NGBS.
- Tapping into investment demand by utilizing One Click LCA to increase value of seed assets in Japan and overseas.



Introduction of tool for evaluating environmental impact

- We will establish a group-wide project promotion system for introducing and spreading One Click LCA in the Japanese market. We will create business opportunities based on decarbonization.
- We will accelerate decarbonization-related businesses, such as supplying environment-friendly EDGE-certified housing in Indonesian real estate development projects.



Landscaping Business

- The landscaping business incidental to housing and urban infrastructure development projects is a potential new pillar of our overseas business as we expect stable demand from public investment plans and private development projects.
- It is highly related to the housing business, and integrating it with the development business will increase competitiveness.
- Our abundant track record in environmentally conscious response can contribute to the promotion of environmentally conscious development.
- In May 2022, we made Regal, which is engaged in the landscaping business in Australia, a subsidiary.

Company Overview

| | |
|-------------------------|--|
| Name | Regal Innovations Pty Ltd |
| Representative | Robert Stanton (Managing Director) |
| Location of head office | Mulgrave, New South Wales, Australia |
| Established | 1971 |
| Business description | Landscaping business, primarily in New South Wales |
| Number of employees | 69 (as of June 30, 2021) |

Main scope of work

- **Landscaping**
Planting, earthworks, stairs, fountains, decks, and lighting
- **Civil engineering**
Road construction, sidewalk laying, and reservoirs
- **Construction**
Small buildings (shops, restrooms, outdoor stages, playground equipment, etc.)

Medium-sized buildings (construction of 2-story buildings taken on in collaboration with builders)



FITP Business Providing Services Integrating Materials and Labor

Promoting FITP business providing services integrating materials and labor

- We are promoting a Fully Integrated Turn-key Provider (FITP) business in which we provide integrated services that include everything from structural panel manufacturing to framing work in the aim of improving the stability and efficiency of the supply system, reducing costs, standardizing construction safety management, shortening construction periods, and reducing waste from construction sites.



Various benefits of FITP business

1

Addressing impending labor shortage

We have secured the labor necessary for our business development for the time being, but as we aim to expand further, we will address the future shortage of on-site labor, including framers.

2

Streamlining of construction and shortening of construction period

We will further strengthen our business foundation through further streamlining effects.

3

Creation of new business opportunities

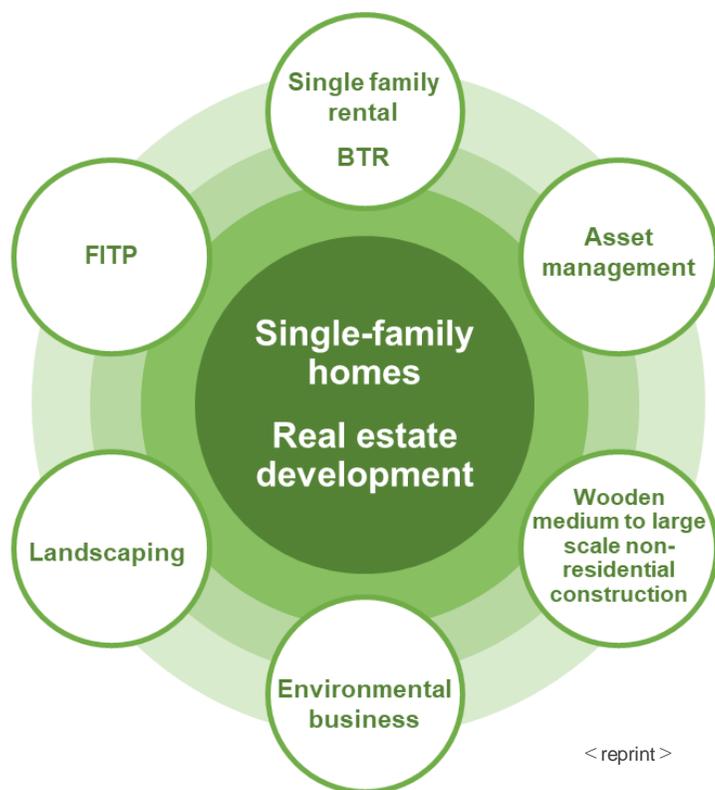
We also anticipate an expansion of the business in the medium to long term through external sales.

Medium-Term Management Plan

Long-Term Vision

Medium-Term Management Plan and Long-Term Vision

- In February 2022, we announced our Long-Term Vision for 2030 and our Medium-Term Management Plan, which goes through 2024.
- With the evolution of our global expansion as one of our business policies, we will promote expansion of the area and scale of the Group's business overseas centered on the business platform in the United States, Australia, and Asia.



Overseas Housing and Real Estate: Planned Number of Units Supplied

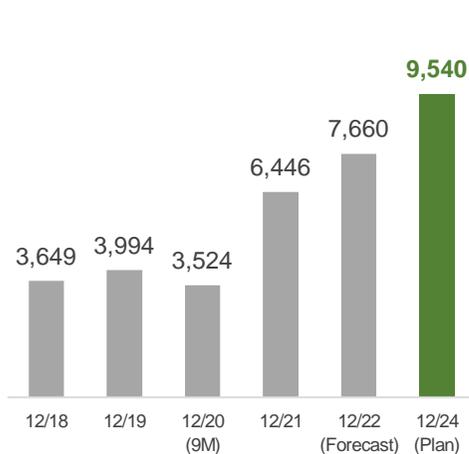
| | | Medium-Term Management Plan | Long-Term Vision |
|---------------------------------|---------------------|--------------------------------|---------------------|
| | FY12/2021 | FY12/2024 | FY12/2030 |
| Single family home in the US | 11,230 units | 16,000 units | 23,000 units |
| Single family home in Australia | 3,169 units | 4,000 units | 5,500 units |
| Other*1 | 2,534 units | 5,250 units | 11,500 units |
| Total | 16,933 units | 25,250 units | 40,000 units |

*1. Total of housing complexes and single family rentals in US real estate development, Australia, Europe, and Asia, including joint ventures.

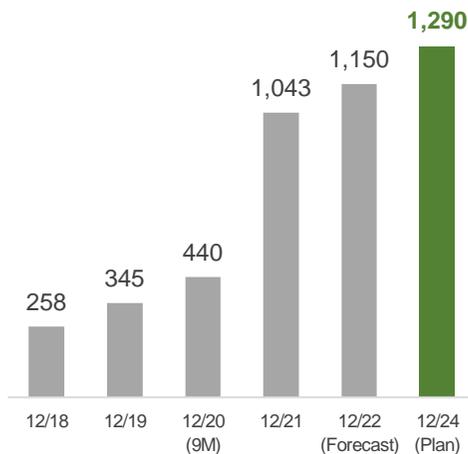
Overseas Housing and Real Estate: Business Plan

(Units: Billions of yen / %)

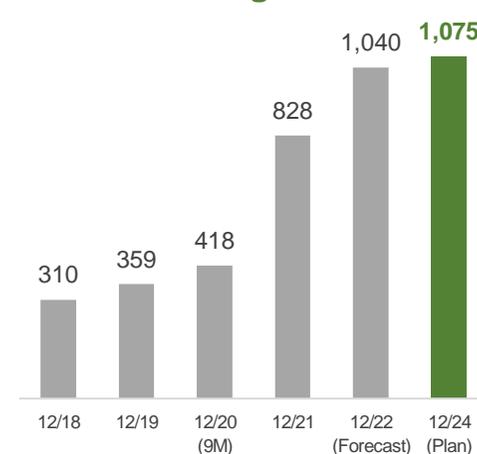
Segment net sales



Segment recurring income



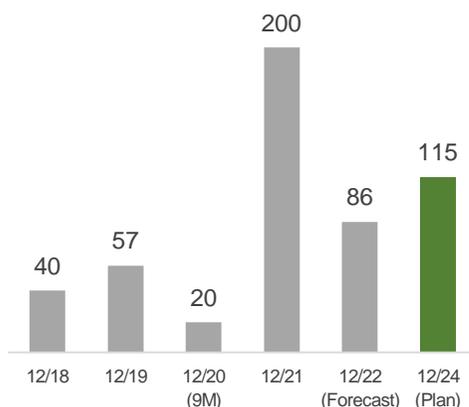
Housing Business in the US*1 Recurring income



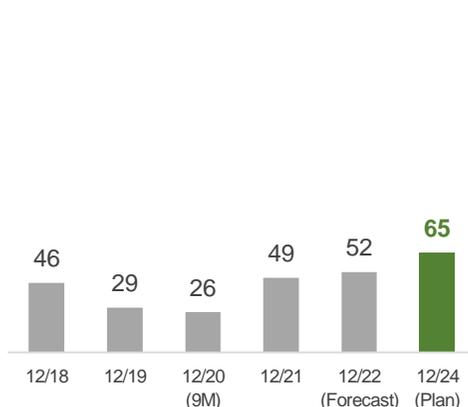
| | Exchange rates (*9M) | | |
|-----|----------------------|--------|--------|
| | 19/3 | 20/3 | 20/12 |
| USD | 110.44 | 109.01 | 106.02 |
| AUD | 82.53 | 75.80 | 74.32 |

| | 21/12 | 22/12 | 24/12 |
|-----|--------|--------|--------|
| USD | 109.85 | 115.00 | 115.00 |
| AUD | 82.48 | 83.00 | 83.00 |

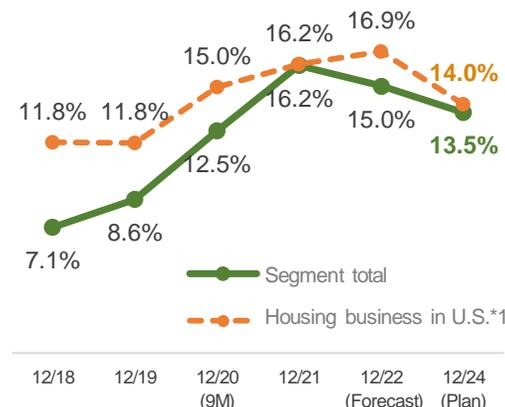
Real Estate Business in the US*2 Recurring income



Housing Business in Australia*3 Recurring income



Recurring income ratio



*1 Housing Business in U.S.

- Gehan Homes Group
- DRB Group
- Bloomfield Homes Group
- MainVue Homes Group
- Edge Homes Group

*2 Real Estate Business in U.S.

- Crescent Communities Group
- Mark III Properties, LLC
- SFAMF Holdings, LLC

*3 Housing Business in Australia

- Henley Group
- Wisdom Group
- Scott Park Group

Appendix

Management Structure

- Managing companies have been established in each area. Directors are dispatched to each operating company, and multiple expatriates from Sumitomo Forestry are assigned to build a management structure. We are promoting overall expansion of the Group's business by closely sharing information among operating companies, managing companies, and business divisions while ensuring proper governance.



Builder Rankings



Home Builders with the Greatest Gain in Closings in 2021

| RANK | COMPANY | # INCREASE | VS 2020 % CHANGE | TOTAL CLOSINGS |
|------|-------------------------|------------|---------------------|----------------|
| 1 | D.R. Horton | 10,454 | 15% | 81,622 |
| 2 | Lennar* | 6,900 | 13% | 59,825 |
| 3 | PulteGroup | 4,270 | 17% | 28,894 |
| 4 | Dream Finders Homes * | 2,971 | 94% | 6,125 |
| 5 | KB Home | 2,800 | 26% | 13,472 |
| 6 | Sumitomo Forestry U.S.* | 2,185 | 24% | 11,230 |
| 7 | Richmond American | 1,824 | 22% | 9,982 |
| 8 | NVR | 1,774 | 9% | 21,540 |
| 9 | Clayton Properties* | 1,547 | 16% | 10,967 |
| 10 | Ashton Woods | 1,518 | 27% | 7,223 |
| 11 | Toll Brothers* | 1,490 | 18% | 9,986 |
| 12 | Century Communities | 1,352 | 14% | 10,805 |
| 13 | The Villages | 1,300 | 55% | 3,646 |
| 14 | Taylor Morrison | 1,175 | 9% | 13,699 |
| 15 | LGI Homes* | 1,103 | 12% | 10,442 |
| 16 | Daiwa House U.S.* | 1,076 | 32% | 4,476 |
| 17 | TRI Pointe Homes | 1,065 | 21% | 6,188 |

* Includes acquisition in 2021: Lennar – Realstar Homes; Dream Finders – MHI; Sumitomo – Wonderland Homes, CDL Homes, Knight Homes; Clayton – Berkeley Building, CraftMaster, Legacy Homes of AL; Toll – StoryBook Homes; LGI – Buffington Homes, KenRoe; Daiwa House – CastleRock, Avex Homes.

Source: Home Builder Executive

| HOME BUILDER LEADERS | | TOP 100 | | | |
|----------------------|---------------|---------------|--------------------------------|-----------|-----------|
| RANK | 2021 CLOSINGS | 2020 CLOSINGS | BUILDER | % vs 2020 | # vs 2020 |
| 1 | 81,622 | 71,168 | D.R. Horton | 15% | 10,454 |
| 2 | 59,825 | 52,925 | Lennar * ° | 13% | 6,900 |
| 3 | 28,894 | 24,624 | PulteGroup | 17% | 4,270 |
| 4 | 21,540 | 19,766 | NVR | 9% | 1,774 |
| 5 | 13,699 | 12,524 | Taylor Morrison | 9% | 1,175 |
| 6 | 13,472 | 10,672 | KB Home | 26% | 2,800 |
| 7 | 12,801 | 11,834 | Meritage Homes | 8% | 967 |
| 8 | 11,230 | 9,045 | Sumitomo Forestry U.S. * | 24% | 2,185 |
| 9 | 10,967 | 9,420 | Clayton Homes * | 16% | 1,547 |
| 10 | 10,805 | 9,453 | Century Communities | 14% | 1,352 |
| 11 | 10,442 | 9,339 | LGI Homes * | 12% | 1,103 |
| 12 | 9,986 | 8,496 | Toll Brothers * | 18% | 1,490 |
| 13 | 9,982 | 8,158 | Richmond American | 22% | 1,824 |
| 14 | 8,638 | 7,709 | M/I Homes | 12% | 929 |
| 15 | 7,223 | 5,705 | Ashton Woods Homes * | 27% | 1,518 |
| 16 | 6,793 | 6,414 | Hovnanian Enterprises | 6% | 379 |
| 17 | 6,188 | 5,123 | TRI Pointe Homes | 21% | 1,065 |
| 18 | 6,125 | 3,154 | Dream Finders Homes * | 94% | 2,971 |
| 19 | 5,619 | 5,560 | David Weekley Homes | 1% | 59 |
| 20 | 5,192 | 5,492 | Beazer Homes | -5% | -300 |
| 21 | 4,476 | 3,400 | Daiwa House U.S. * | 32% | 1,076 |
| 22 | 4,272 | 4,228 | Mattamy Homes | 1% | 44 |
| 23 | 4,125 | 3,652 | Rausch Coleman Homes | 13% | 473 |
| 24 | 3,692 | 3,572 | DSL D Homes | 3% | 120 |
| 25 | 3,646 | 2,346 | The Villages | 55% | 1,300 |
| 26 | 3,494 | 3,361 | Highland Homes of TX | 4% | 133 |
| 27 | 3,433 | 3,261 | Perry Homes | 5% | 172 |
| 28 | 3,274 | 3,466 | Habitat for Humanity | -6% | -192 |
| 29 | 3,121 | 2,873 | Brookfield Residential * | 9% | 248 |
| 30 | 3,017 | 2,336 | Fischer Homes * | 29% | 681 |
| 31 | 3,007 | 2,979 | Shea Homes | 1% | 28 |
| 32 | 2,834 | 2,208 | Green Brick Partners | 28% | 626 |
| 33 | 2,735 | 2,400 | Sekisui House | 14% | 335 |
| 34 | 2,355 | 2,322 | Drees Homes | 1% | 33 |
| 35 | 2,113 | 1,831 | Legend/Princeton Classic Homes | 15% | 282 |
| 36 | 2,082 | 1,692 | Chesmar Homes | 23% | 390 |
| 37 | 2,054 | 1,916 | True Homes | 7% | 138 |
| 38 | 1,848 | 1,876 | Smith Douglas Homes | -1% | -28 |
| 39 | 1,769 | 1,912 | GL Homes | -7% | -143 |
| 40 | 1,706 | 1,471 | Great Southern Homes | 16% | 235 |

Product Development and Sales Price Distribution of Our Housing Companies in the US

Diverse products

■ Detached houses



■ Townhouses



■ Condominiums



Percentages by sales price range

* 2021 sales results

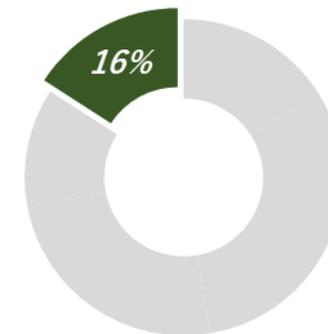
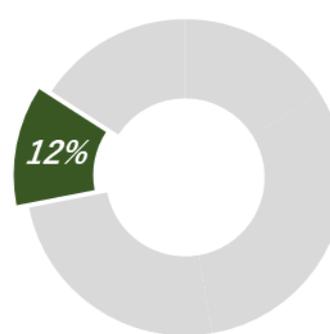
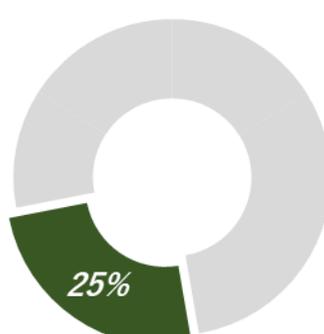
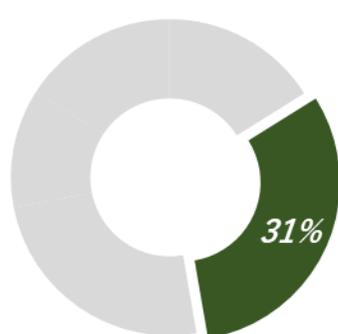
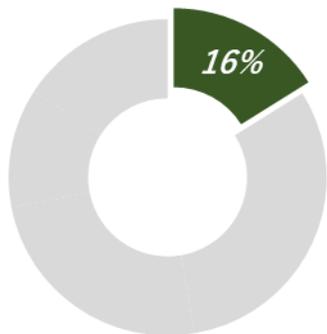
Less than USD 300,000

USD 300,000-USD 400,000

USD 400,000-USD 500,000

USD 500,000-USD 600,000

Over USD 600,000



Contract Price Distribution of Our Housing Companies in Australia

Products of each company

■ Henley



Australia **8th** (6th in Victoria)

■ Wisdom



New South Wales **13th**

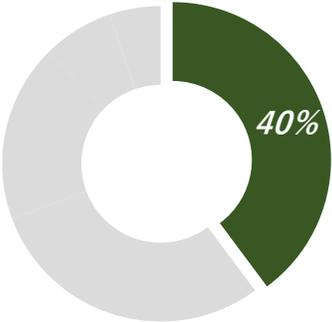
■ Scott Park



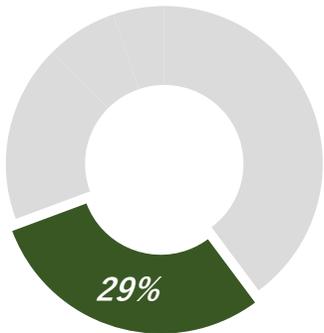
Australia **11th** (4th in Western Australia)
*Australian Housing Start Rankings (2020/2021)

Distribution by contract price range / Building only

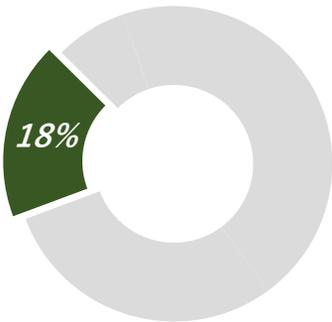
Less than AUD 300,000



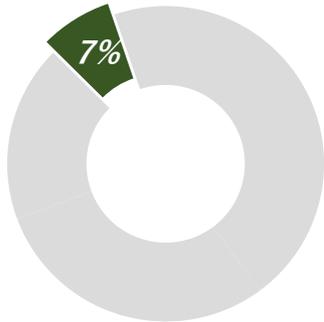
AUD 300,000-AUD 400,000



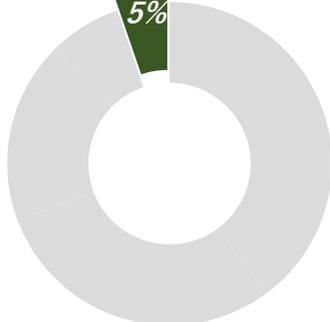
AUD 400,000-AUD 500,000



AUD 500,000-AUD 600,000



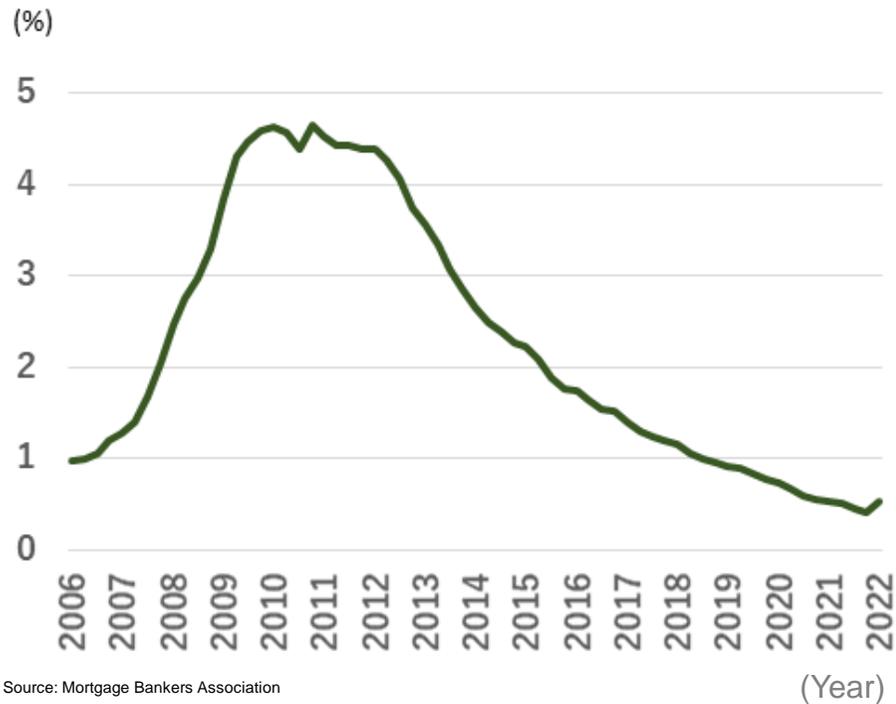
Over AUD 600,000



(Reference) Housing Market Data in the US

Foreclosures

- Remains at low level even after payment deferment measures ended around summer of 2021



Source: Mortgage Bankers Association

Mortgage delinquency rate

- Mortgage delinquency rate remarkably low at 4.11% overall

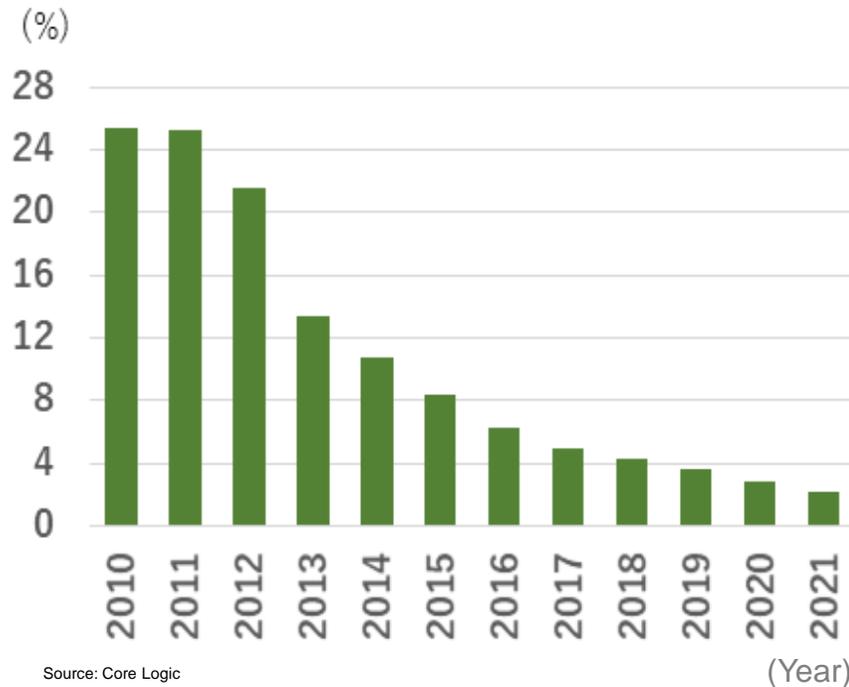


Source: Mortgage Bankers Association

(Reference) Housing Market Data in the US

Negative equity ratio

- Currently trending very low for healthy situation

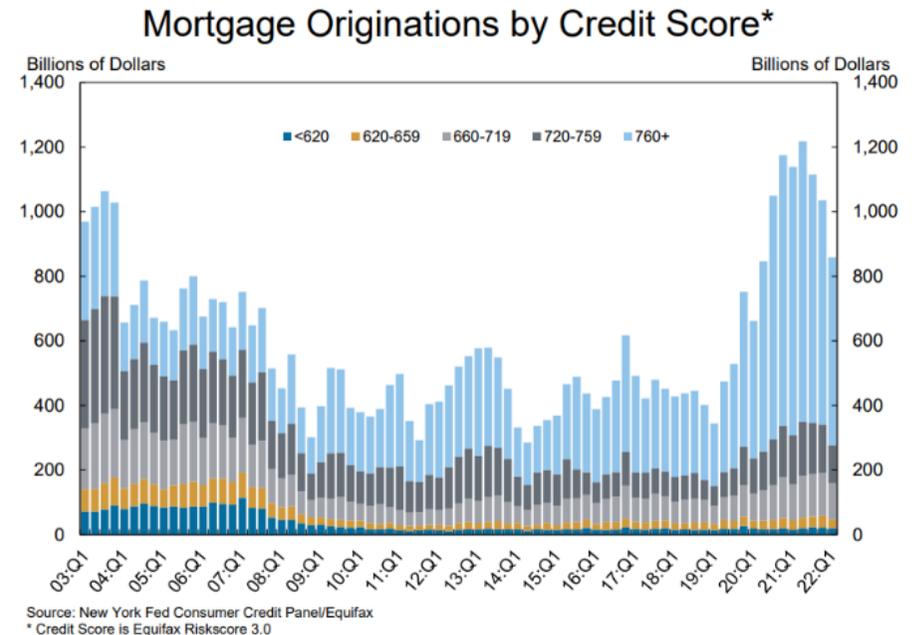


Negative equity: Value of collateral asset is lower than mortgage balance

Negative equity ratio: Percentage of executed mortgages with negative equity

Mortgage originations by credit score

- Subprime (credit score of less than 670) percentage is low, so situation is healthy overall



- The performance forecasts, outlooks, business plans, etc. in this document are based on the assumptions and judgment of the Group made based on information available as of the time of preparation. No promise or guarantee is made with respect to the accuracy or completeness thereof.
- Performance forecasts, outlooks, business plans, etc. are subject to change.
- This material is not intended to solicit investment or acquisition of any other financial instrument.

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Happiness Grows from Trees



SUMITOMO FORESTRY