

Happiness Grows from Trees



# FY12/2021 Results and FY12/2022 Forecast



February 14, 2022

# Notes

- Since FY12/20, in order to change the fiscal term end from March 31 to December 31, FY12/20 is the nine-month period from April to December.

Accounting periods after FY12/2021 represent the one-year period from January to December.

- The year-on-year comparison for the full year results for FY12/21 is against the results of FY3/20.



- “Net income attributable to shareholders of parent” is expressed as “net income.”
- From FY12/2021, changes have been made to the presentation method of sales amount for custom-built detached houses along with sales volume and sales amount for detached spec homes

# FY12/2021 Results



# FY12/2021 Results

## 1. Statements of Income

(billion yen)

(Consolidated)	FY3/20	FY12/21	Change	Pct.
Net Sales	1,104.1	1,385.9	+281.8	+25.5%
Gross Profit	242.7	322.0	+79.3	+32.7%
SG&A Expenses	191.3	208.3	+17.0	+8.9%
Operating Income	51.4	113.7	+62.3	+121.2%
Recurring Income	58.8	137.8	+78.9	+134.2%
Net Income	27.9	87.2	+59.3	+213.0%

\*Without actuarial differences

SG&A Expenses	188.7	211.6	+22.9	+12.1%
Recurring Income	61.4	134.5	+73.1	+119.1%

- Net sales and recurring income were up significantly, resulting in record high profits, driven by the strong performance of the Overseas Housing and Real Estate business centered on the detached housing business in the US.

# FY12/2021 Results

## 2. Segment Sales and Recurring Income

(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY3/20	FY12/21	Change	Pct.	FY3/20	FY12/21	Change	Pct.
Timber and Building Materials	223.6	216.9	-6.8	-3.0%	6.1	10.0	+3.9	+63.8%
Housing and Construction	474.0	510.9	+36.9	+7.8%	22.6	19.6	-2.9	-13.0%
Overseas Housing and Real Estate	399.4	644.6	+245.2	+61.4%	34.5	104.3	+69.8	+202.1%
Environment and Resources	19.3	22.3	+3.0	+15.8%	3.6	3.9	+0.4	+10.7%
Other	23.4	23.9	+0.5	+2.2%	1.5	3.0	+1.5	+102.9%
Adjustment	-35.6	-32.7	+2.9	-	-9.4	-3.1	+6.3	-
Total	1,104.1	1,385.9	+281.8	+25.5%	58.8	137.8	+78.9	+134.2%

- Timber and Building Materials:** Income increased on rising sales prices of imported lumber, laminated lumber, and domestic timber in the distribution business driven by soaring prices for timber and building materials
- Housing and Construction:** Sales increased, but income decreased due to rising costs of construction materials centered on timber and building materials, despite progress made with work on custom-built detached houses and contribution of earnings of Cohnan Kensetsu
- Overseas Housing:** Sales and income were up substantially owing to rising sales volume and sales prices underpinned by the strong housing market and the rising number of properties sold and higher profit per property sold in the US real estate development business
- Environment and Resources:** Sales and income were up owing to the strong performance of forestry business and contribution of Kanda biomass power generation

### 3. Domestic Housing Business Orders Received and Sales

(billion yen)

		Orders received				Sales			
		FY3/20	FY12/21	Change	Pct.	FY3/20	FY12/21	Change	Pct.
Contract business	Custom-built detached houses	289.3	358.3	+69.0	+23.8%	320.2	335.6	+15.4	+4.8%
	(Units)	(7,726)	(8,663)	(+937)	(+12.1%)	(7,427)	(8,347)	(+920)	(+12.4%)
	(Unit price (mil. yen))	(34.6)	(37.4)	(+2.8)	-	(39.0)	(38.8)	(-0.1)	-
	Apartments	18.3	14.0	-4.3	-23.6%	18.0	18.2	+0.3	+1.5%
	Other contracts	1.6	4.4	+2.8	+170.7%	3.9	2.0	-1.9	-48.6%
Spec home and development business	Detached spec home					13.8	19.5	+5.7	+41.5%
	Other					6.1	3.4	-2.6	-43.3%
Net Sales Total						361.9	378.8	+16.9	+4.7%
Profit Ratio						23.5%	20.9%	-2.6p	
Gross Profit						84.9	79.1	-5.8	-6.8%

\*1 Custom-built detached houses sales amount includes land for custom-built housing and interior products, etc.

\*2 Unit price for order received was calculated from orders received at time of contract signing for units ordered this period. Orders received for additional construction were not included.

\*3 Other sales amount includes existing home renovation business, and commission sales from insurance agency business.

# FY12/2021 Results

## (Reference) Year-on-year comparison

(billion yen)

		Orders received				Sales			
		FY12/20 (Jan-Dec)	FY12/21	Change	Pct.	FY12/20 (Jan-Dec)	FY12/21	Change	Pct.
Contract business	Custom-built detached houses	313.7	358.3	+44.6	+14.2%	314.2	335.6	+21.5	+6.8%
	(Units)	(8,143)	(8,663)	(+520)	(+6.4%)	(7,630)	(8,347)	(+717)	(+9.4%)
	Apartments	16.6	14.0	-2.6	-15.6%	18.3	18.2	-0.0	-0.2%
	Other contracts	1.6	4.4	+2.8	+178.7%	2.8	2.0	-0.8	-28.5%
Spec home and development business	Detached spec home					18.8	19.5	+0.6	+3.4%
	Other					4.2	3.4	-0.7	-17.6%
Net Sales Total						358.3	378.8	+20.5	+5.7%
Profit Ratio						22.7%	20.9%	- 1.8p	
Gross Profit						81.3	79.1	- 2.1	-2.6%

\*1 Custom-built detached houses sales amount includes land for custom-built housing and interior products, etc.

\*2 Other sales amount includes existing home renovation business, and commission sales from insurance agency business.

# FY12/2021 Results

## 4. Renovation Business Orders Received and Sales

### <Sumitomo Forestry Home Tech>

(billion yen)

	FY3/20	FY12/21	Change	Pct.
Orders received	60.7	60.2	-0.4	-0.7%
Construction Completed	67.0	60.9	-6.0	-9.0%
Backlog of Orders Received at Term End	24.8	20.8	-4.0	-16.0%

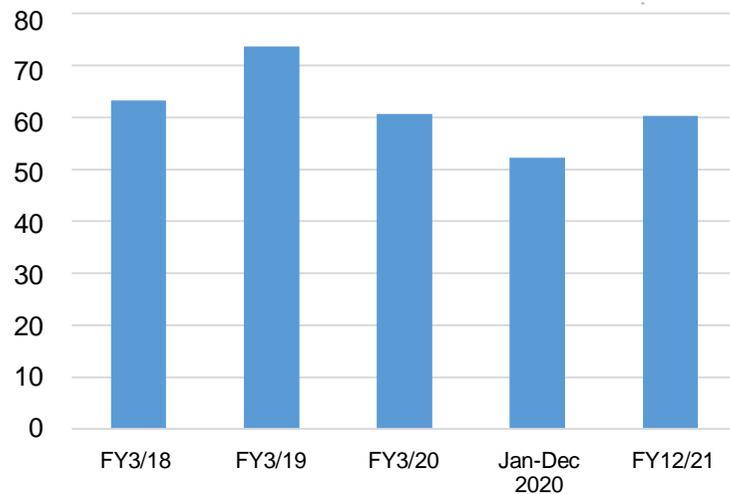
(Reference) Year-on-year comparison

(billion yen)

	FY12/20 (Jan-Dec)	FY12/21	Change	Pct.
Orders received	52.3	60.2	+8.0	+15.2%
Construction Completed	56.7	60.9	+4.2	+7.5%
Backlog of Orders Received at Term End	21.5	20.8	-0.7	-3.3%

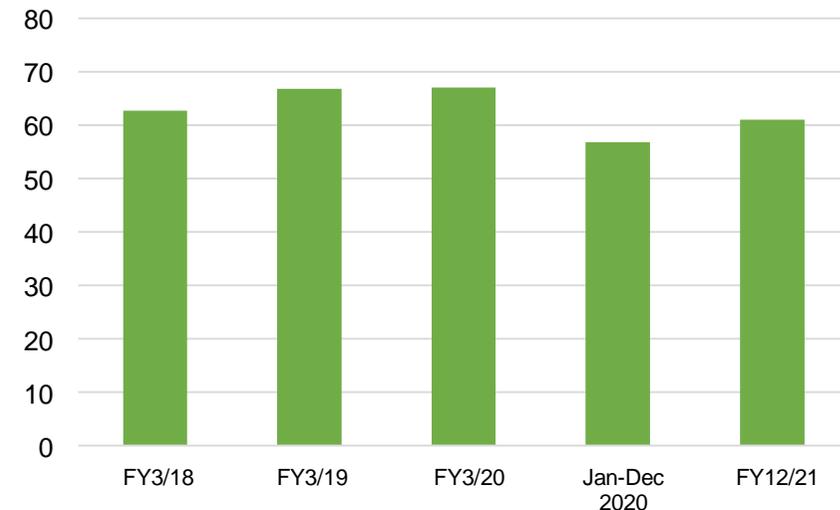
#### ◆ Trends in Orders Received

(billion yen)



#### ◆ Trends in Construction Completed

(billion yen)



# FY12/2021 Results

## 5. Overseas Housing and Real Estate Segment Sales and Recurring Income

(billion yen)

	Net Sales				Recurring Income			
	FY3/20	FY12/21	Change	Pct.	FY3/20	FY12/21	Change	Pct.
Affiliate Total	401.5	647.7	+246.1	+61.3%	42.8	109.1	+66.4	+155.2%
USA	327.4	555.9	+228.5	+69.8%	38.4	103.6	+65.1	+169.4%
Australia	73.5	90.9	+17.4	+23.8%	4.3	4.9	+0.7	+15.4%
others	0.7	0.9	+0.2	+22.8%	0.1	0.6	+0.6	+878.2%
Other, Consolidated Adjustments, etc.	-2.2	-3.1	-0.9	-	-8.2	-4.8	+3.4	-
Total	399.4	644.6	+245.2	+61.4%	34.5	104.3	+69.8	+202.1%

● Conversion rate (average during term)

	FY3/20	FY12/20
US	109.01	109.85
Australia	75.80	82.48

# FY12/2021 Results

## 6. Overseas Detached Housing Business

### <US>

(Unit: units and billions of yen)

	FY3/2020	Jan.-Dec. 2020	FY12/2021	Change	Pct.
Orders	8,482	12,800	10,962	-1,838	-14.4%
Sales	7,973	9,045	11,230	+2,185	+24.2%
Net sales	304.0	346.9	509.9	+163.0	+47.0%
Sales unit price (millions of yen)	38.1	38.4	45.4	+7.0	+18.4%

Land Volume and Building Inventory (Unit: units)

Backlog of orders	3,158	7,377	7,087	-290	-3.9%
Purchased lots	24,200	31,568	39,006	+7,438	+23.6%
(Completed inventory)	666	299	171	-128	-42.8%
Lots under purchase contract	16,797	30,363	33,349	+2,986	+9.8%

### <Australia>

(Unit: units and billions of yen)

	FY3/2020	Jan.-Dec. 2020	FY12/2021	Change	Pct.
Orders	2,176	4,535	3,208	-1,327	-29.3%
Sales	2,417	2,760	3,169	+409	+14.8%
Net sales	72.3	72.7	89.9	+17.3	+23.7%
Sales unit price (millions of yen)	29.9	26.3	28.4	+2.0	+7.8%

# FY12/2021 Results

## 7. US Real Estate Development Business

### ■ Sales

(Unit: projects)

	FY3/2020		Jan.-Dec. 2020		FY12/2021	
	Projects	Total units	Projects	Total units	Projects	Total units
Multi-Family Homes	6	1,952	3	937	6	1,892
Single family rentals	0	0	0	0	0	0
Commercial Mixed Use	2	0	0	0	4	0
Total	8	1,952	3	937	10	1,892

### ■ Construction Works Commenced

(Unit: projects)

	FY3/2020		Jan.-Dec. 2020		FY12/2021	
	Projects	Total units	Projects	Total units	Projects	Total units
Multi-Family Homes	21	6,426	21	6,396	27	8,631
Single family rentals	0	0	0	0	4	398
Commercial Mixed Use	6	0	8	0	11	0
Total	27	6,426	29	6,396	42	9,029

# FY12/2021 Results

## 8. Investments

### ◆ Capital Expenditures

< \*acquired basis >

(billion yen)

(Consolidated)	FY3/20	FY12/21	Change	Pct.
Tangible Fixed Assets	32.4	21.8	-10.6	-32.6%
Intangible Fixed Assets	3.5	3.9	+0.4	+12.1%
Other	2.3	2.5	+0.2	+9.8%
Total	38.2	28.2	-9.9	-26.0%

### ◆ Main investments

Domestic and overseas housing display centers ··· 6.5 billion yen

IT investment ··· 3.9 billion yen

US real estate development ··· 7.8 billion yen

Capital investment in manufacturing business ··· 2.5 billion yen

# FY12/2021 Results

## 9. Balance Sheet

				(billion yen)						(billion yen)		
				End of December 2020	End of December 2021	Change					FY3/20	FY12/21
Assets	Cash, deposits, securities	89.1	143.3	+54.2	Liabilities	Payables	191.8	232.2	+40.4	Operating CF	45.7	91.6
	Receivables	164.8	189.6	+24.8		Short-term debt(Bank loans)	50.1	25.0	-25.1	Investing CF	-38.9	-40.3
	Finished goods	23.2	35.6	+12.5		Commercial paper	10.0	0.0	-10.0	Free CF	6.8	51.3
	Real estate for sale	54.0	49.2	-4.8		Advances received from customers	33.0	40.1	+7.1	Financial CF	1.1	-70.0
	Real estate for sale in process	225.3	332.9	+107.6		Other current liabilities	95.4	123.6	+28.2			
	Construction projects in progress	15.0	15.0	-0.0		Long-term debt/bonds issued	233.3	268.5	+35.2			
	Other receivables	46.5	54.7	+8.2		Liability for retirement benefits	18.7	17.1	-1.6			
	Other current assets	60.2	71.7	+11.5		Other long-term liabilities	59.4	67.5	+8.1			
	<b>Total current assets</b>	<b>678.0</b>	<b>891.9</b>	<b>+214.0</b>		<b>Liabilities</b>	<b>691.7</b>	<b>774.1</b>	<b>+82.4</b>			
	Tangible fixed assets	185.9	184.2	-1.8		Shareholders' equity	332.4	441.2	+108.9			
Intangible fixed assets	21.6	20.7	-1.0	Accumulated other comprehensive income	35.1	54.4	+19.3					
Investments and other assets	205.6	217.5	+11.8	Non-controlling interests	32.0	44.5	+12.5					
<b>Total non-current assets</b>	<b>413.2</b>	<b>422.3</b>	<b>+9.1</b>	<b>Net assets</b>	<b>399.5</b>	<b>540.1</b>	<b>+140.6</b>					
<b>Total assets</b>	<b>1,091.2</b>	<b>1,314.2</b>	<b>+223.1</b>	<b>Total liabilities/net assets</b>	<b>1,091.2</b>	<b>1,314.2</b>	<b>+223.1</b>					

# FY12/2022 Forecast



# FY12/2022 Forecast

## 1. Statements of Income

- **Recurring income after deduction of actuarial differences was up slightly over the previous year on the recovery in the domestic Housing and Construction business and continued favorable performance of the US housing business**

(billion yen)

(Consolidated)	FY12/21	FY12/22 Forecast	Change	Pct.
Net Sales	1,385.9	1,524.0	+138.1	+10.0%
Gross Profit	322.0	350.5	+28.5	+8.9%
SG&A Expenses	208.3	232.0	+23.7	+11.4%
Operating Income	113.7	118.5	+4.8	+4.3%
Recurring Income	137.8	135.0	-2.8	-2.0%
Net Income	87.2	86.0	-1.2	-1.3%

\*Without actuarial differences

SG&A Expenses	211.6	232.0	+20.4	+9.6%
Recurring Income	134.5	135.0	+0.5	+0.4%

# FY12/2022 Forecast

## 2. Segment Sales and Recurring Income

- Sales and income were up on improving margin from rising sales prices and progress with work on the order book at the beginning of the year in the Housing and Construction business, while sales and income continue to rise in the Overseas Housing and Real Estate business

(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY12/21	FY12/22	Change	Pct.	FY12/21	FY12/22	Change	Pct.
Timber and Building Materials	216.9	236.0	+19.1	+8.8%	10.0	10.0	+0.0	+0.2%
Housing and Construction	510.9	516.0	+5.1	+1.0%	19.6	21.5	+1.9	+9.5%
Overseas Housing and Real Estate	644.6	766.0	+121.4	+18.8%	104.3	105.5	+1.2	+1.1%
Environment and Resources	22.3	23.5	+1.2	+5.4%	3.9	3.0	-0.9	-23.7%
Other	23.9	26.5	+2.6	+10.7%	3.0	3.5	+0.5	+16.2%
Adjustment	-32.7	-44.0	-11.3	-	-3.1	-8.5	-5.4	-
Total	1,385.9	1,524.0	+138.1	+10.0%	137.8	135.0	-2.8	-2.0%

### 3. Domestic Housing Business Orders Received and Sales

(billion yen)

		Orders received				Sales			
		FY12/21	FY12/22	Change	Pct.	FY12/21	FY12/22	Change	Pct.
Contract business	Custom-built detached houses	358.3	347.0	-11.3	-3.2%	335.6	339.0	+3.4	+1.0%
	(Units)	(8,663)	(8,300)	(-363)	(-4.2%)	(8,347)	(8,340)	(-7)	(-0.1%)
	(Unit price (mil. yen))	(37.4)	(38.0)	-	-	(38.8)	(40.5)	-	-
	Apartments	14.0	14.3	+0.3	+2.3%	18.2	14.9	-3.3	-18.2%
	Other contracts	4.4	4.5	+0.1	+1.8%	2.0	3.9	+1.9	+92.8%
Spec home and development business	Detached spec home					19.5	18.6	-0.9	-4.7%
	Other					3.4	3.7	+0.3	+7.3%
Net Sales Total						378.8	380.0	+1.2	+0.3%
Profit Ratio						20.9%	21.8%	+0.9p	
Gross Profit						79.1	83.0	+3.9	+4.9%

\*1 Custom-built detached houses sales amount includes land for custom-built housing and interior products, etc.

\*2 Unit price for order received was calculated from orders received at time of contract signing for units ordered this period. Orders received for additional construction were not included.

\*3 Other sales amount includes existing home renovation business, and commission sales from insurance agency business.

# FY12/2022 Forecast

## 4. Renovation Business Orders Received and Sales

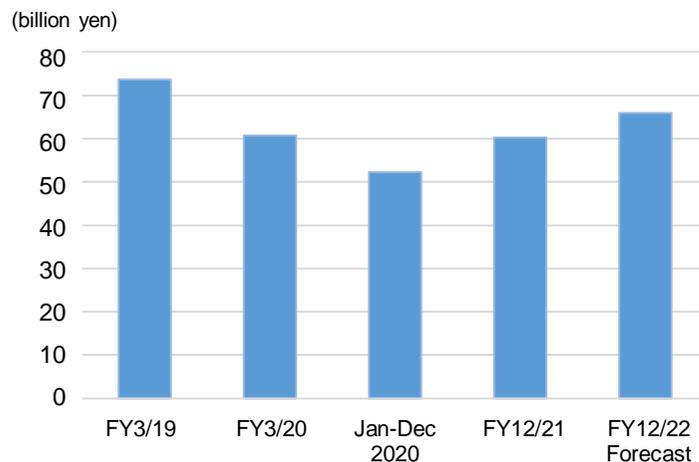
- Orders received and sales both increased on enhanced sales targeting Sumitomo Forestry owners and differentiation strategy with earthquake resistance renovations using our technological strengths

### <Sumitomo Forestry Home Tech>

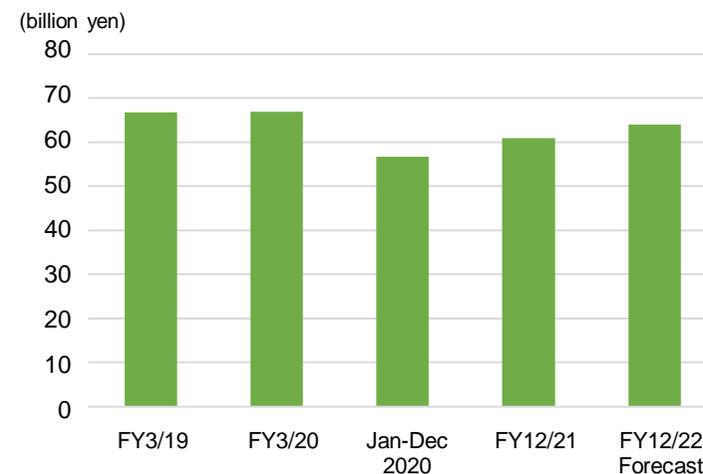
(billion yen)

	FY12/21	FY12/22	Change	Pct.
Orders received	60.2	66.0	+5.8	+9.6%
Construction Completed	60.9	64.0	+3.1	+5.0%
Backlog of Orders Received at Term End	20.8	22.8	+2.0	+9.6%

#### ◆ Trends in Orders Received



#### ◆ Trends in Construction Completed



# FY12/2022 Forecast

## 5. Overseas Housing and Real Estate Segment Sales and Recurring Income

- The US housing business saw an sales in income from higher sales volume, but only a slight increase in income on rising materials prices

(billion yen)

	Net Sales				Recurring Income			
	FY12/21	FY12/22	Change	Pct.	FY12/21	FY12/22	Change	Pct.
Affiliate Total	647.7	767.5	+119.8	+18.5%	109.1	109.9	+0.7	+0.7%
USA	555.9	640.0	+84.1	+15.1%	103.6	103.7	+0.2	+0.2%
Australia	90.9	126.7	+35.8	+39.3%	4.9	5.0	+0.0	+0.7%
others	0.9	0.8	-0.1	-9.2%	0.6	1.2	+0.5	+79.7%
Other, Consolidated Adjustments, etc.	-3.1	-1.5	+1.6	-	-4.8	-4.4	+0.5	-
Total	644.6	766.0	+121.4	+18.8%	104.3	105.5	+1.2	+1.1%

● Conversion rate (average during term)

	FY12/21	FY12/22
US	109.85	115.00
Australia	82.48	83.00

# FY12/2022 Forecast

## 6. Overseas Detached Housing Business

### <US>

(Unit: units and billions of yen)

	FY12/21	FY12/22	Change	YoY change
Sales	11,230	11,790	+560	+5.0%
Net sales	509.9	614.0	+104.1	+20.4%
Sales unit price (millions of yen)	45.4	52.1	+6.7	+14.7%

### <Australia>

(Unit: units and billions of yen)

	FY12/21	FY12/22	Change	YoY change
Sales	3,169	3,920	+751	+23.7%
Net sales	89.9	124.7	+34.8	+38.7%
Sales unit price (millions of yen)	28.4	31.8	+3.4	+12.1%

# FY12/2022 Forecast

## (Reference) Performance of Overseas Housing and Real Estate Business (Trend for 4 years)

(billion yen)

	Net Sales						Recurring Income					
	FY3/20 Jan-Dec 2019	Jan-Dec 2020	FY12/21 (Jan-Dec 2021)	FY12/22 Forecast (Jan-Dec 2022)	Change	Pct.	FY3/20 Jan-Dec 2019	(20/1-12)	FY12/21 (Jan-Dec 2021)	FY12/22 Forecast (Jan-Dec 2022)	Change	Pct.
Housing Business in U.S.	304.4	346.9	509.9	614.0	+104.1	+20.4%	35.9	50.8	82.8	94.5	+11.8	+14.2%
Number of Units Sales	7,973	9,045	11,230	11,790	+560	+5.0%						
Real Estate Business in U.S.	21.7	15.6	43.1	23.8	-19.3	-44.7%	5.7	1.2	20.0	8.6	-11.4	-57.2%
Housing Business in Australia	72.3	72.7	89.9	124.7	+34.8	+38.7%	2.9	2.4	4.9	5.2	+0.4	+7.6%
Number of Units Sales	2,417	2,760	3,169	3,920	+751	+23.7%						

● Conversion rate (average during term)

	FY3/20 (Jan-Dec 2019)	Jan-Dec 2020	FY12/21 (Jan-Dec 2021)	FY12/22 Forecast (Jan-Dec 2022)
US	109.01	106.73	109.85	115.00
Australia	75.80	73.68	82.48	83.00

# FY12/2022 Forecast

## 7. Investments

### ◆ Capital Expenditures

< \*acquired basis >

(billion yen)

(Consolidated)	FY12/21	FY12/22	Change	Pct.
Tangible Fixed Assets	21.8	43.9	+22.1	+101.0%
Intangible Fixed Assets	3.9	7.5	+3.6	+91.9%
Other	2.5	2.5	+0.0	+1.2%
Total	28.2	53.9	+25.7	+91.0%

### ◆ Main investments

Domestic and overseas housing display centers ... 7.7 billion yen

US real estate development ... 12.3 billion yen

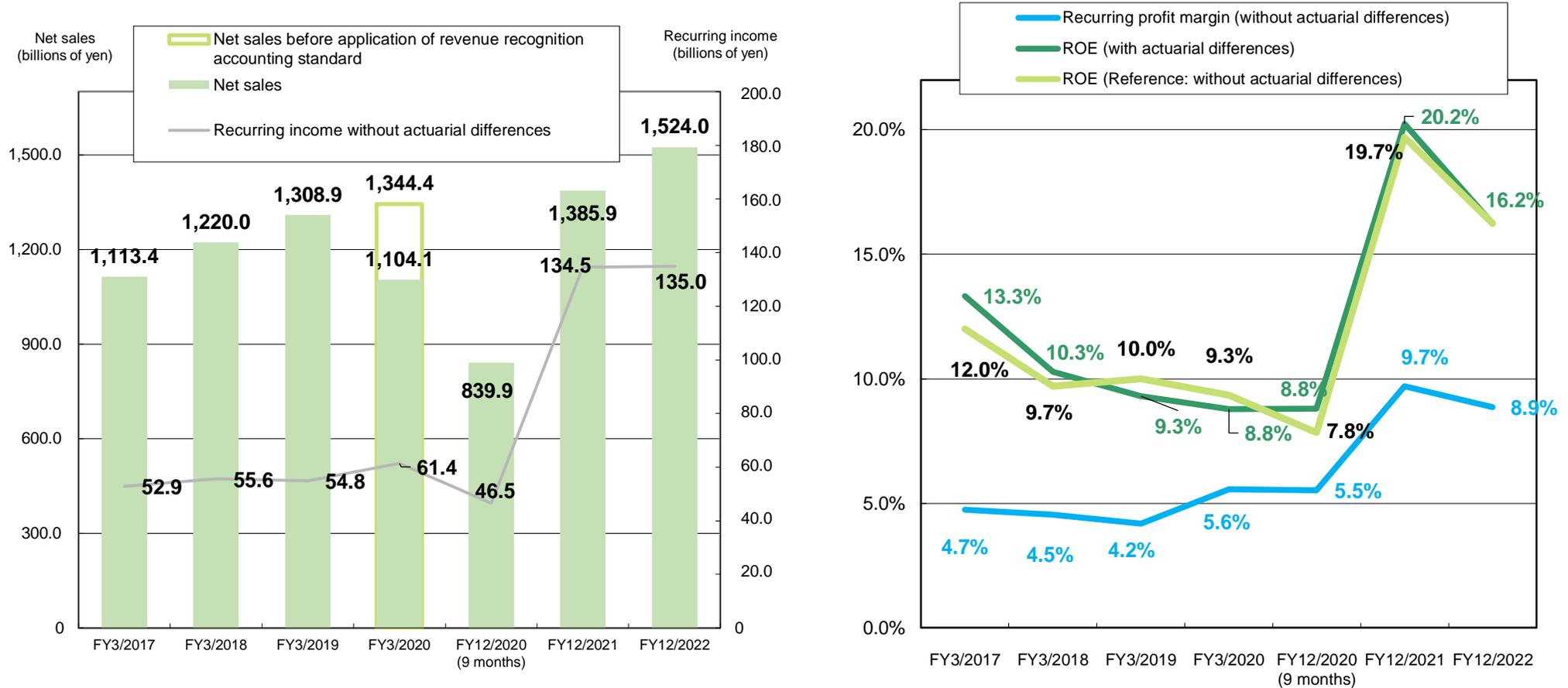
New investment (domestic timber business related) ... 10.0 billion yen

IT investment ... 7.5 billion yen

Production equipment in manufacturing business ... 5.0 billion yen

# FY12/2022 Forecast

## 8. Change in Profit and loss, recurring income to net sales ratio and ROE



\* Recurring income excludes actuarial difference.

\* ROE (Reference) excluding actuarial difference is calculated using the effective statutory tax rate, and net assets for each period are not adjusted.

\* The sales for FY3/20 are both before and after the adoption of the Revenue Recognition Standard.

**The forecasts in this document are based on  
forecasts as of February 14, 2022.  
Actual results may vary from these forecasts.**

