

Happiness Grows from Trees



FY12/2022 Financial Results — First Quarter Financial Results and Full Year Forecast —



April 27, 2022

FY12/2022 First Quarter Results



FY12/2022 First Quarter Results

1. Statements of Income

(billion yen)

(Consolidated)	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Net Sales	289.1	353.9	+64.8	+22.4%
Gross Profit	65.9	81.5	+15.6	+23.6%
SG&A Expenses	47.1	53.7	+6.6	+14.0%
Operating Income	18.8	27.8	+9.0	+47.7%
Recurring Income	20.7	35.9	+15.2	+73.5%
Net Income	12.9	22.6	+9.7	+74.9%

* "Net income attributable to shareholders of parent" is expressed as "net income."

- The Overseas Housing and Real Estate Business performed favorably, particularly in the United States, resulting in record-high first quarter income.

FY12/2022 First Quarter Results

2. Segment Sales and Recurring Income

(billion yen)

(Consolidated)	Net Sales				Recurring Income			
	FY12/21 1Q	FY12/22 1Q	Change	Pct.	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Timber and Building Materials	47.2	66.0	+18.8	+39.9%	1.0	3.5	+2.5	+252.3%
Housing and Construction	116.1	121.1	+5.0	+4.3%	3.4	1.3	-2.1	-62.8%
Overseas Housing and Real Estate	121.0	163.0	+42.1	+34.8%	14.7	31.4	+16.6	+112.7%
Environment and Resources	6.3	5.6	-0.7	-11.6%	1.5	0.9	-0.6	-40.2%
Other	5.9	5.7	-0.2	-3.0%	1.0	1.1	+0.1	+12.3%
Adjustment	-7.5	-7.6	-0.2	-	-1.0	-2.2	-1.3	-
Total	289.1	353.9	+64.8	+22.4%	20.7	35.9	+15.2	+73.5%

- Timber and Building Materials: Sales and recurring income up due in part to improved income in Overseas Manufacturing Business on top of increased sales and profit ratio owing to soaring prices of imported and domestic timber.
- Housing and Construction: Sales up but recurring income down due to higher costs arising from soaring prices of timber and other materials despite increase in sales of custom-built detached houses.
- Overseas Housing: Sales and recurring income up owing in part to sale of real estate development properties on top of increase unit selling prices and profit ratio in the U.S. Detached Housing Business against backdrop of robust housing demand.
- Environment and Resources: Sales and recurring income down due to the end of the measures to address dramatic changes in the Wood Biomass Power Generation Business in March of previous year.

FY12/2022 First Quarter Results

3. Domestic Housing Business Orders Received and Sales

(billion yen)

		Orders received				Sales			
		FY12/21 1Q	FY12/22 1Q	Change	Pct.	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Contract business	Custom-built detached houses*1	85.2	82.9	-2.3	-2.7%	74.5	81.6	+7.0	+9.4%
	(Units)	(2,144)	(1,947)	(-197)	(-9.2%)	(2,026)	(1,961)	(-65)	(-3.2%)
	Unit price (mil. yen)*2	(36.1)	(38.7)	(+2.6)	(+7.1%)	(37.9)	(40.1)	(+2.3)	(+6.0%)
	Apartments	3.5	3.3	-0.2	-5.8%	5.2	3.7	-1.4	-27.9%
	Other contracts	0.1	0	-0	-71.4%	0.7	1.1	+0.4	+53.1%
Spec homes and development business	Detached spec home					5.3	4.8	-0.5	-9.8%
	Other*3					0.9	0.8	-0	-4.2%

Net Sales Total	86.6	92.0	+5.4	+6.3%
Profit Ratio	21.7%	18.3%	-3.5p	
Gross Profit	18.8	16.8	-2.0	-10.8%

*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.

*4 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.

FY12/2022 First Quarter Results

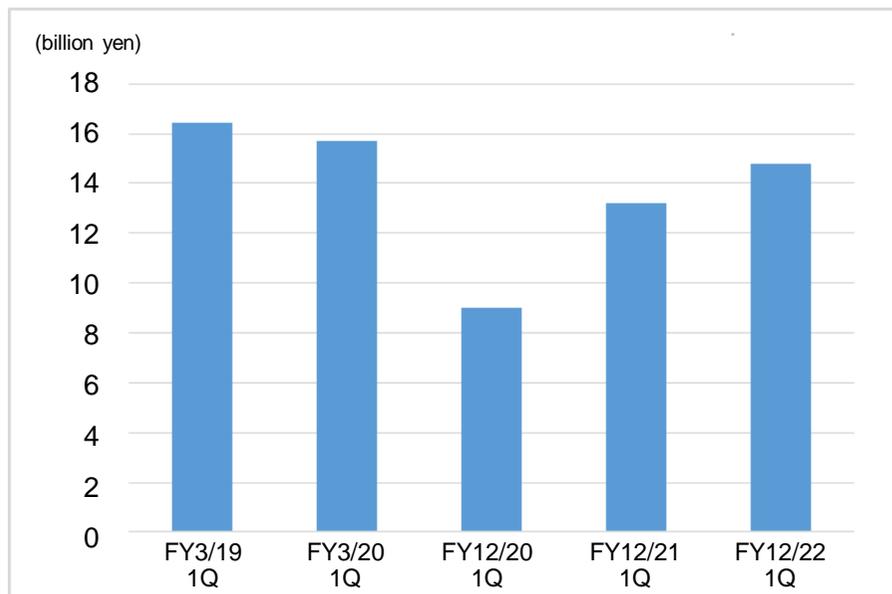
4. Renovation Business Orders Received and Sales

<Sumitomo Forestry Home Tech>

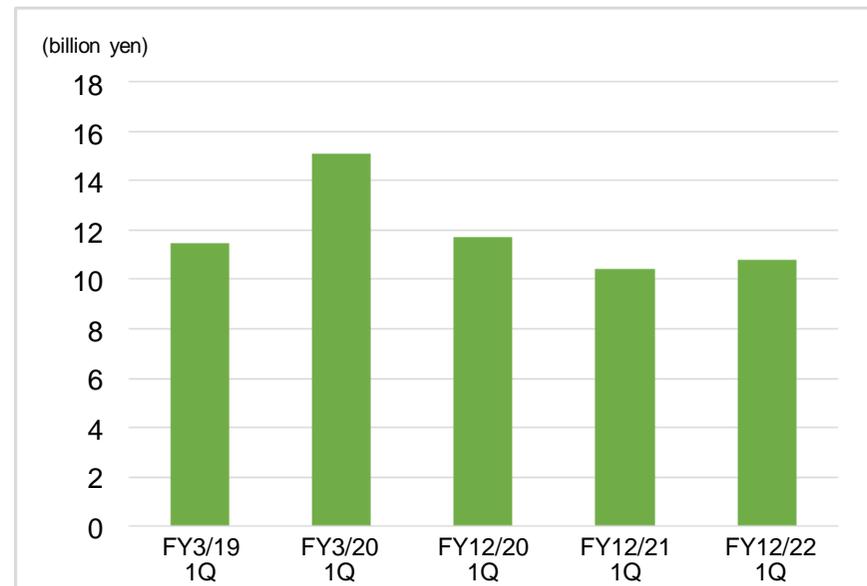
(billion yen)

	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Orders received	13.2	14.8	+1.6	+12.3%
Construction Completed	10.4	10.8	+0.4	+3.4%
Backlog of Orders Received at Term End	24.3	24.8	+0.6	+2.3%

◆ Trends in Orders Received



◆ Trends in Construction Completed



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

(billion yen)

Overseas Housing and Real Estate Segment	Net Sales				Recurring Income			
	FY12/21 1Q	FY12/22 1Q	Change	Pct.	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Affiliate Total	121.7	164.3	+42.6	+35.0%	15.9	32.7	+16.7	+105.2%
USA	102.8	146.1	+43.3	+42.2%	15.6	32.2	+16.6	+105.9%
US Affiliate Total	96.4	130.1	+33.7	+35.0%	15.4	25.5	+10.1	+65.8%
Real Estate Business in U.S.	5.3	12.7	+7.4	+139.5%	-0.2	6.6	+6.8	-
Australia	18.8	18.0	-0.7	-4.0%	0.5	-0.2	-0.7	-
Australia Affiliate Total	18.3	17.7	-0.6	-3.2%	0.4	-0.2	-0.6	-
Other, Housing and Real Estate	0.2	0.2	+0	+6.1%	-0.2	0.7	+0.9	-
Other, Consolidated Adjustments, etc.	-0.8	-1.3	-0.5	-	-1.2	-1.3	-0.1	-
Total	121.0	163.0	+42.1	+34.8%	14.7	31.4	+16.6	+112.7%

● Conversion rate (average during term)

	FY12/21 1Q	FY12/22 1Q
US	106.03	116.34
Australia	81.93	84.31

FY12/2022 First Quarter Results

6. Overseas Detached Housing Business

<USA>

(Unit: units and billions of yen)

	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Orders (units)	3,813	2,893	-920	-24.1%
Sales (units)	2,443	2,287	-156	-6.4%
Net sales	96.4	130.1	+33.7	+35.0%
Sales unit price (millions of yen)	39.5	56.9	+17.4	+44.2%

<Australia>

(Unit: units and billions of yen)

	FY12/21 1Q	FY12/22 1Q	Change	Pct.
Orders (units)	1,035	683	-352	-34.0%
Sales (units)	685	585	-100	-14.6%
Net sales	18.3	17.7	-0.6	-3.2%
Sales unit price (millions of yen)	26.7	30.3	+3.6	+13.4%

(Unit: units and lots)

Backlog of orders	8,756	7,707	-1,049	-12.0%
Purchased lots	32,053	41,238	+9,185	+28.7%
(Completed inventory)	255	257	+2	+0.8%
Lots under purchase contract	29,935	34,584	+4,649	+15.5%

FY12/2022 First Quarter Results

7. Balance Sheet

(billion yen)

	End of December 2021	End of March 2022	Change		End of December 2021	End of March 2022	Change
Cash, deposits, securities	143.3	117.5	-25.8	Payables	232.2	217.6	-14.7
Receivables	189.6	194.2	+4.6	Short-term debt (Bank loans)	25.0	34.3	+9.3
Finished goods	35.6	36.9	+1.3	Contract liabilities	0	84.1	+84.1
Real estate for sale	49.2	55.3	+6.1	Advances received on construction contracts in progress	40.1	0	-40.1
Real estate for sale in process	332.9	388.5	+55.6	Other current liabilities	123.6	96.8	-26.9
Costs on construction contracts in progress	15.0	14.4	-0.5	Long-term debt/bonds issued	268.5	289.2	+20.8
Accounts receivable -other	54.7	52.1	-2.6	Liability for retirement benefits	17.1	17.7	+0.6
Other current assets	71.7	69.1	-2.7	Other long-term liabilities	67.5	55.0	-12.5
Total current assets	891.9	927.9	+36.0	Liabilities	774.1	794.7	+20.6
Tangible fixed assets	184.2	195.9	+11.7	Shareholders' equity	441.2	452.4	+11.1
Intangible assets	20.7	21.6	+0.9	Accumulated other comprehensive income	54.4	78.7	+24.4
Investments and other assets	217.5	227.8	+10.4	Non-controlling interests	44.5	47.3	+2.8
Total non-current assets	422.3	445.2	+22.9	Net assets	540.1	578.4	+38.3
Total assets	1,314.2	1,373.1	+58.9	Total liabilities/net assets	1,314.2	1,373.1	+58.9

FY12/2022 Forecast



FY12/2022 Forecast

1. Statements of Income

➤ Remains unchanged since the start of the fiscal year.

(billion yen)

(Consolidated)	FY12/21	FY12/22	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

(billion yen)

(Consolidated)	Net Sales					Recurring Income				
	FY12/21	FY12/22	Change	Pct.	Change from previous forecast	FY12/21	FY12/22	Change	Pct.	Change from previous forecast
Timber and Building Materials	216.9	236.0	+19.1	+8.8%	+0.0	10.0	10.0	+0.0	+0.2%	+0.0
Housing and Construction	510.9	516.0	+5.1	+1.0%	+0.0	19.6	12.0	-7.6	-38.9%	-9.5
Overseas Housing and Real Estate	644.6	766.0	+121.4	+18.8%	+0.0	104.3	115.0	+10.7	+10.2%	+9.5
Environment and Resources	22.3	23.5	+1.2	+5.4%	+0.0	3.9	3.0	-0.9	-23.7%	+0.0
Other	23.9	26.5	+2.6	+10.7%	+0.0	3.0	3.5	+0.5	+16.2%	+0.0
Adjustment	-32.7	-44.0	-11.3	-	+0.0	-3.1	-8.5	-5.4	-	+0.0
Total	1,385.9	1,524.0	+138.1	+10.0%	+0.0	137.8	135.0	-2.8	-2.0%	+0.0

- **Housing and Construction: Recurring income revised downward in anticipation that material prices will continue to soar for some time.**
- **Overseas Housing and Real Estate: Recurring income revised upward based on improved profit ratio in first quarter.**

*Previous forecast refers to forecast announced on February 14.

3. Domestic Housing Business Orders Received and Sales

➤ Gross profit revised downward to reflect increased cost of materials

(billion yen)

		Orders received				Sales				
		FY12/21	FY12/22	Change	Pct.	FY12/21	FY12/22	Change	Pct.	Change from previous forecast
Contract business	Custom-built detached houses*1	358.3	347.0	-11.3	-3.2%	335.6	339.0	+3.4	+1.0%	+0.0
	(Units)	(8,663)	(8,300)	(-363)	(-4.2%)	(8,347)	(8,340)	(-7)	(-0.1%)	(+0)
	(Unit price (mil. yen))*2	(37.4)	(38.0)	-	-	(38.8)	(40.5)	-	-	(+0.0)
	Apartments	14.0	14.3	+0.3	+2.3%	18.2	14.9	-3.3	-18.2%	+0.0
	Other contracts	4.4	4.5	+0.1	+1.8%	2.0	3.9	+1.9	+92.8%	+0.0
Spec. home and development business	Detached spec home					19.5	18.6	-0.9	-4.7%	+0.0
	Other*3					3.4	3.7	+0.3	+7.3%	+0.0
Net Sales Total						378.8	380.0	+1.2	+0.3%	+0.0
Profit Ratio						20.9%	19.3%	-1.6p		-2.5p
Gross Profit						79.1	73.5	-5.6	-7.1%	-9.5

*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

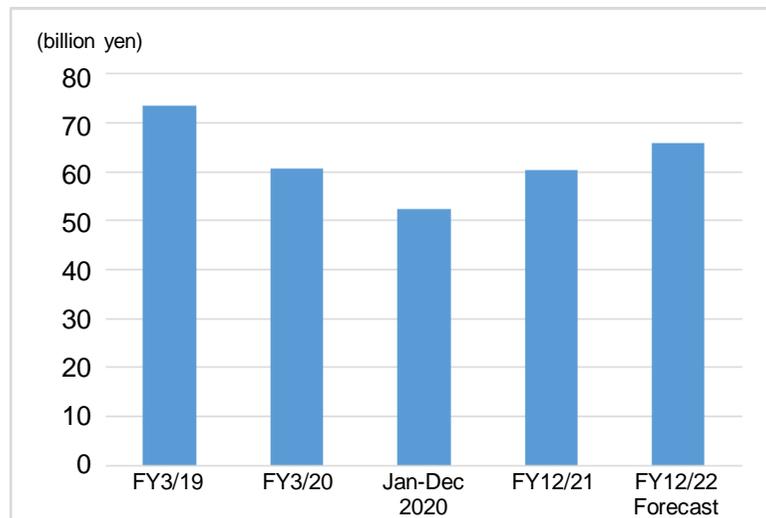
➤ Remains unchanged since the start of the fiscal year.

<Sumitomo Forestry Home Tech>

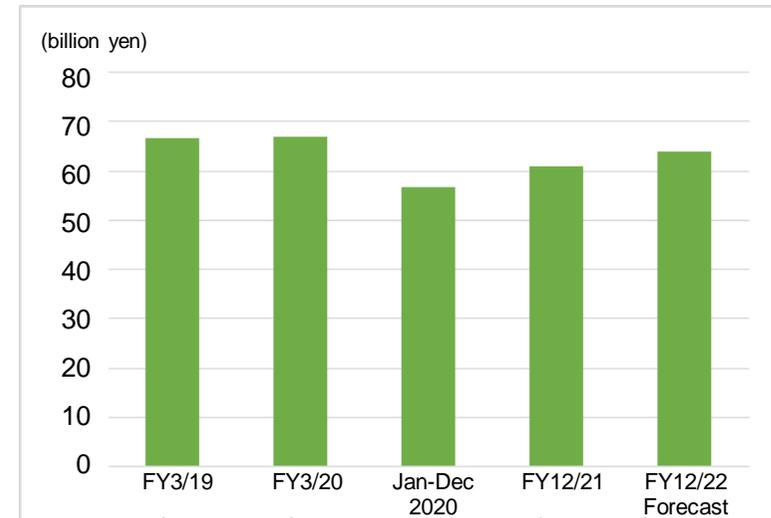
(billion yen)

	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



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

(billion yen)

Overseas Housing and Real Estate Segment	Net Sales					Recurring Income				
	FY12/21	FY12/22	Change	Pct.	Change from previous forecast	FY12/21	FY12/22	Change	Pct.	Change from previous forecast
Affiliate Total	647.7	767.5	+119.8	+18.5%	+0.0	108.9	119.4	+10.4	+9.6%	+9.5
USA	555.9	640.0	+84.1	+15.1%	+0.0	103.3	113.2	+9.9	+9.6%	+9.5
US Affiliate Total	509.9	614.0	+104.1	+20.4%	+0.0	82.8	104.0	+21.3	+25.7%	+9.5
Real Estate Business in U.S.	43.1	23.8	-19.3	-44.7%	+0.0	20.0	8.6	-11.4	-57.2%	+0.0
Australia	90.9	126.7	+35.8	+39.3%	+0.0	4.9	5.0	+0.0	+0.7%	+0.0
Australia Affiliate Total	89.9	124.7	+34.8	+38.7%	+0.0	4.9	5.2	+0.4	+7.6%	+0.0
Other, Housing and Real Estate	0.9	0.8	-0.1	-9.2%	+0.0	0.6	1.2	+0.5	+79.7%	+0.0
Other, Consolidated Adjustments, etc.	-3.1	-1.5	+1.6	-	+0.0	-4.6	-4.4	+0.2	-	+0.0
Total	644.6	766.0	+121.4	+18.8%	+0.0	104.3	115.0	+10.7	+10.2%	+9.5

● Conversion rate (average during term)

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

- **Recurring income revised upward based on favorable trend in profit ratio at US affiliate on par with previous year.**
- **No change to previous forecast for exchange rates.**

FY12/2022 Forecast

6. Overseas Detached Housing Business

➤ Remains unchanged since the start of the fiscal year.

<USA>

(Unit: units and billions of yen)

	FY12/21	FY12/22	Change	Pct.
Number of units sold	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	Pct.
Number of units sold	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%

The forecasts in this document are based on current forecasts.

Actual results may vary from these forecasts.

