

Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March, 2012 [Japan GAAP] (Consolidated)

Name of Company:	Sumitomo Forestry Co., Ltd.
Stock Exchange Listing:	Tokyo, Osaka
Stock Code	1911
URL:	http://sfc.jp/
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Date of filing of financial report:	November 11, 2011
Date of commencement of dividend payment (tentative):	December 6, 2011
Preparation of supplementary materials:	Yes
Convening of a first quarter results meeting:	Yes (for financial analysts and institutional investors)

(Note: Amounts are rounded to nearest million Yen.)

1. Financial results for the first quarter cumulative period under review (April 1, 2011 – September 30, 2011)**(1) Results of operations (Consolidated)**

(Percentage figures represent year on year changes)

	Net sales		Operating income		Recurring income		Net income	
	Million	%	Million	%	Million	%	Million	%
	Yen		Yen		yen		yen	
2Q FY Ending March 2012	395,091	5.7	9,414	93.2	9,760	91.6	5,645	269.7
2Q FY Ended March 2011	373,921	11.0	4,873	-	5,094	-	1,527	-

Note: Comprehensive income

As of September 30, 2011 4,984 million yen (–%)

As of September 30, 2010 -3,113 million yen (–%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
2Q FY Ending March 2012	31.87	-
2Q FY Ended March 2011	8.62	-

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2011	503,456	166,765	33.1
As of March 31, 2011	489,417	163,110	33.3

(Note) Shareholders' equity

As of September 30, 2011 166,546 million yen

As of March 31, 2011 162,886 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
FY Ended March 2011	-	7.50	-	7.50	15.00
FY Ending March 2012	-	7.50	-	7.50	15.00
FY Ending March 2012(Est.)	-	7.50	-	7.50	15.00

(Note) Revised dividend forecast for the quarter under review: No

3. Forecast for the fiscal year ending March, 2012(Consolidated, April 1, 2011- March 31, 2012)

(Percentage figures represent period on period changes (cumulative, full year) or year on year changes (2Q))

	Net sales		Operating income		Recurring income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal Year Ending March 2012	830,000	4.1	23,000	61.5	23,000	61.9	13,000	151.2	73.93

Note: Revised forecast for the quarter under review: No

4. Other

- (1) Changes in main subsidiaries (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Application of accounting treatment specific to the preparation of the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatements
 - (a) Changes in accounting policies due to the revision of accounting standards, etc.: None
 - (b) Changes in accounting policies other than (a): None
 - (c) Changes in accounting estimates: None
 - (d) Restatements: None

- (4) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury stock)
 - (b) Treasury stock
 - (c) Average number of shares during the term (cumulative for the quarter)

As of September 30, 2011	177,410,239	As of March 31, 2011	177,410,239
As of September 30, 2011	271,576	As of March 31, 2011	270,845
As of September 30, 2011	177,138,790	As of September 30, 2010	177,145,230

* Indication regarding the performance of quarterly review procedures

This summary of quarterly financial results is not subject to quarterly review procedures based on the Financial Instruments and Exchange Law. At the time when this report was issued, review procedures for the quarterly financial statements had not been completed pursuant to the Financial Instruments and Exchange Law.

* Cautionary statement regarding the appropriate use of business results forecasts

The forward-looking statements in these materials regarding business results are based on available information and certain assumptions that were deemed logical at the time when they were prepared. Actual results may differ materially due to a wide range of factors.

For information regarding using the assumptions that form the basis for the business results forecasts and cautionary notes about using business results forecasts, please refer to "Qualitative Information related to Consolidated Business Results Forecasts" [Accompanying Materials] (Page 3).

○ Contents of Accompanying Materials

1. Qualitative Information related to the Consolidated Business Results	2
(1) Qualitative Information related to the Consolidated Operating Results	2
(2) Qualitative Information related to the Consolidated Financial Position.....	3
(3) Qualitative Information related to Consolidated Business Results Forecasts.....	3
2. Quarterly Consolidated Financial Statements	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	
Consolidated Statements of Income	
For the second quarter cumulative period (consolidated).....	6
Consolidated Statement of Comprehensive Income	
For the second quarter cumulative period (consolidated).....	7
(3) Consolidated Cash Flow Statement.....	8
(4) Notes related to the Assumption of a Going Concern	10
(5) Segment Information.....	10
(6) Notes on Significant Changes in Shareholders' Equity.....	10
3. Supplementary Information.....	11
(1) Consolidated Statements of Income	11
(2) Breakdown of Sales and Orders Received for the Housing Business and Real Estate Business (Non-consolidated)	12
(3) Status of Individual Businesses	13
(4) Status of Main Affiliates	13

1. Qualitative Information related to the Consolidated Business Results

(1) Qualitative Information related to the Consolidated Financial Results

During the second quarter cumulative period under review (consolidated, April-September, 2011), the Japanese economy faced the inevitable temporary slowdown following the Great East Japan Earthquake, but subsequently, owing to the rapid recovery of the supply chain and other factors, signs of a gradual recovery have appeared, especially in manufacturing activities. However, the high yen, weak stock prices and Europe's fiscal problems have prompted concerns about economic slowing, and for this and other reasons the future remains hard to predict.

On the other hand, while the housing industry was concerned that the disaster would dampen consumers' willingness to purchase homes, government measures to stimulate home purchasing provided a boost and there were signs of recovery in the number of new housing starts, so demand was stable overall.

Our operating results in that business environment show that net sales increased by 5.7% year-on-year to ¥395,091 million, while on the profits side, our operating income rose 93.2% year-on-year to ¥9,414 million, recurring income rose 91.6% year-on-year to ¥9,760 million and net income rose 269.7% year-on-year to ¥5,645 million.

Additionally, the Sumitomo Forestry Group rallied together to assist Great East Japan Earthquake victims through our core business. This included building emergency housing in affected areas and selling detached homes and remodeling products at lower prices to help those areas recover.

<Business Segments>

1) *Timber and Building Materials*

In the domestic timber and building materials distribution business, the number of new housing starts outpaced the level of the previous term. Moreover, the Great East Japan Earthquake caused temporary materials shortages, causing handling volumes and sales prices especially of imported products to rise. Demand boomed particularly for imported plywood. In the building materials manufacturing business, there were some business sites that shut down temporarily immediately after the earthquake, but they were able to resume operations quickly and have performed stably since then.

As a result, the timber and building materials business posted sales of ¥191,858 million (an increase of 5.7% year on-year) and recurring income of ¥2,631 million (an increase of 17.2% year-on-year).

2) *Overseas*

The building materials manufacturing business performed solidly in Indonesia, but in Australia performance was below par because of the nation's recessionary economy and the high value of its dollar. Our China business, moreover, which began operating the year before last, has also not yet contributed to profitability, and thus the overall building materials manufacturing business struggled. In the housing business, the US housing market has been slow to recover and business results there have stayed low. Business was also sluggish in Australia, where the housing market has been weak.

Consequently, our overseas business posted sales of ¥12,976 million (an increase of 2.9% year-on-year) and recurring loss of ¥808 million (compared to a ¥402 million recurring loss for the same period last year).

3) *Housing*

The custom-built detached housing business saw a rising number of properties under construction carried over from the previous year, and for this and other reasons the number of houses completed and delivered surpassed that of the year-ago period. Meanwhile, the completion price per house also rose. As a result sales increased, and together with cost control measures and other factors, this led to a significant boost to recurring income.

The renovation business integrated its products under the "Reforest" brand to enhance their appeal. This business area focused on expanding sales of fixed-price remodeling products for detached housing and condominiums and in addition bolstered its personnel and business sites, especially in the Tokyo metropolitan region.

Therefore, the housing business posted sales of ¥168,186 million (an increase of 10.9% year-on-year) and recurring income of ¥8,562 million (an increase of 77.2% year-on-year).

Orders received for custom-built detached housing are a leading performance indicator. Although the number of orders received was somewhat sluggish, consumers grew increasingly mindful of a desire for confidence, safety and energy conservation in housing. As a result, more homes came equipped with ENE-FARM household fuel cells and there was an increase in orders received for products that employ our proprietary Big-Frame construction method. Additionally, we took

more orders that included exterior construction. Thus, prices per home increased.

Moreover, as consumer lifestyles become more diverse, our product sales focus on actively recommending specific products to fit those lifestyles. In June we launched the “mamato” product, which allows free design so that houses can be arranged to facilitate child rearing and housework for those raising children. Orders have been strong since the product’s launch. In October, moreover, we launched sales of ikiki, a two-household product with industry-leading soundproofing to let occupants share one building comfortably and stress-free.

As a result, orders received amounted to ¥150,520 million, an increase of 4.7% year-on-year.

4) *Real Estate*

In the real estate business, the real estate distribution business was fighting an uphill battle in a market rendered stagnant by the earthquake, and in the detached spec home business, sales declined in terms of both the value and the number of homes sold, as the timing for launching new products was revised.

As a result, the real estate business posted sales of ¥19,672 million (a decrease of 24.1% year-on-year) and recurring income of ¥92 million (a decrease of 82.2% year-on-year).

5) *Other Businesses*

As well as the businesses mentioned above, the Sumitomo Forestry Group develops IT systems for its Group companies, operates a leasing business and a wide range of service businesses for residential customers (products include housing insurance agency services) and manufactures and sells farming and gardening materials.

These other businesses recorded sales of ¥2,035 million (an increase of 6.9% year-on-year) and recurring income of ¥327 million (an increase of 35.8% year-on-year).

(2) Qualitative Information related to the Consolidated Financial Position

At the end of the second quarter accounting period (consolidated), total assets were up by ¥14,039 million year-on-year, standing at ¥503,456 million. Costs on uncompleted construction contracts increased in line with the increase in construction in progress, but strong sales in the timber and building materials business boosted trade receivables. Liabilities increased by ¥10,384 million year-on-year to ¥336,691 million, primarily because of a rise in advances received on uncompleted construction contracts with the increase in construction in progress. Net assets totaled ¥166,765 million and the equity ratio was 33.1%.

Under consolidated cash flows, cash flows from operating activities provided ¥7,467 million. While trade receivables and inventory assets increased and corporate tax and other payments were factors that negatively impacted our funds, our income before income taxes and minority interests came to ¥9,797 million, and other factors such as the rising advances received on uncompleted construction contracts also added to funds. Under cash flows from investing activities, net funds of ¥13,265 million were used, the result of capital investment in our manufacturing subsidiary in Vietnam, funds management with time deposits, and so on. Cash flows from financing activities showed a financial outflow of ¥3,591 million from paying back long-term debt and paying dividends. As a result of the above, the balance of cash and cash equivalents during the second quarter cumulative period under review (consolidated) declined ¥9,166 million compared to the end of the previous consolidated accounting period to ¥66,415 million.

(3) Qualitative Information related to Consolidated Business Results Forecasts

While there are uncertainties concerning the business environment hereafter, including the unpredictability of economic trends, extensions of some of the government’s measures for stimulating home purchases are expected and the slowly recovering domestic housing market is likely to continue.

We therefore forecast that business results for the fiscal year ending March, 2012, both consolidated and non-consolidated, will surpass our initial forecast in terms of net sales, operating income, recurring income and net income.

Moreover, our business results forecast for the full fiscal year is as indicated in “Notice Concerning Revision of Business Results Forecast for the First Half and Full Year of the Fiscal Year Ending March 31, 2012,” announced October 31, 2011.

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

(million yen)

	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and time deposits	55,618	56,427
Notes and accounts receivable-trade	112,427	117,536
Accounts receivable from completed construction contracts	6,024	4,748
Marketable securities	20,000	3,000
Finished goods, logs and lumber	13,843	16,073
Work in process	1,123	1,375
Raw materials and supplies	4,049	4,670
Developed land and housing for sale	31,492	30,843
Costs on uncompleted construction contracts	31,242	36,595
Deferred tax assets	7,915	8,556
Short-term loans receivable	1,204	14,420
Accounts receivable -other	45,513	46,779
Other	4,260	5,141
Allowance for doubtful accounts	(1,272)	(1,383)
Total current assets	333,439	344,779
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	51,244	51,643
Accumulated depreciation	(22,414)	(22,629)
Buildings and structures, net	28,830	29,014
Machinery, equipment and vehicles	54,532	53,760
Accumulated depreciation	(40,667)	(39,524)
Machinery, equipment and vehicles, net	13,865	14,236
Land	26,048	25,867
Leased assets	6,615	7,456
Accumulated depreciation	(3,001)	(3,756)
Leased assets, net	3,615	3,701
Construction in progress	3,062	6,771
Other	17,800	18,213
Accumulated depreciation	(5,618)	(5,877)
Other, net	12,181	12,336
Total property, plant and equipment	87,602	91,925
Intangible assets		
Goodwill	201	998
Other	6,867	7,356
Total intangible assets	7,068	8,354
Investments and other assets		
Investment securities	48,458	45,823
Long-term loans receivable	2,512	2,433
Deferred tax assets	1,354	1,293
Other	12,130	12,036
Allowance for doubtful accounts	(3,146)	(3,187)
Total investments and other assets	61,309	58,399
Total noncurrent assets	155,978	158,677
Total assets	489,417	503,456

(million yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	93,018	97,548
Accounts payable for construction contracts	57,143	56,353
Short-term debt	18,588	18,467
Lease obligations	1,095	1,244
Income taxes payable	6,909	3,895
Advances received on uncompleted construction contracts	37,524	47,771
Deferred tax liabilities	10	62
Provision for employees' bonuses	8,256	8,183
Provision for directors' bonuses	60	—
Provision for warranties for completed construction	2,007	1,939
Provision for disaster losses	545	335
Asset retirement obligation	455	506
Other	18,165	19,003
Total current liabilities	243,774	255,306
Long-term liabilities		
Bonds issued	15,000	15,000
Long-term debt	32,101	31,682
Lease obligations	2,445	2,557
Deferred tax liabilities	8,782	8,294
Provision for employees' retirement benefits	6,152	5,661
Provision for directors' retirement benefits	61	68
Provision for loss on business liquidation	1,435	1,435
Asset retirement obligation	940	913
Other	15,616	15,774
Total long-term liabilities	82,532	81,385
Total liabilities	326,307	336,691
Net assets		
Shareholders' equity		
Common stock	27,672	27,672
Capital surplus	26,872	26,872
Retained earnings	107,584	111,901
Treasury stock	(267)	(267)
Total shareholders' equity	161,861	166,177
Accumulated Other Comprehensive income		
Valuation difference on available-for-sale securities	4,876	3,477
Deferred gains or losses on hedges	154	(143)
Foreign currency translation adjustment	(4,005)	(2,964)
Total accumulated Other Comprehensive income	1,025	369
Minority interests	224	220
Total net assets	163,110	166,765
Total liabilities and net assets	489,417	503,456

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 (Consolidated Statements of Income)
 (For the second quarter cumulative period (consolidated))

(million yen)

	Previous 2Q Cumulative Period (Consolidated) (April 1, 2010 - September 30, 2010)	2Q Cumulative Period under Review (Consolidated) (April 1, 2011 - September 30, 2011)
Net sales	373,921	395,091
Cost of sales	312,628	331,510
Gross profit	61,292	63,580
Selling, general and administrative expenses	56,419	54,166
Operating income	4,873	9,414
Non-operating income		
Interest income	93	135
Purchase discounts	176	186
Dividends income	420	488
Equity in earnings of affiliates	209	—
Foreign exchange gains	—	580
Other	706	583
Total non-operating income	1,604	1,973
Non-operating expenses		
Interest expenses	650	738
Sales discounts	264	299
Equity in losses of affiliates	—	368
Foreign exchange losses	343	—
Other	127	223
Total non-operating expenses	1,384	1,627
Recurring income	5,094	9,760
Extraordinary gains		
Gain on sales of noncurrent assets	25	113
Gain on sales of investment securities	—	5
Gain on transfer to defined contribution plans	—	156
Gain on sales of stock of subsidiaries	273	—
Total extraordinary gains	298	273
Extraordinary loss		
Loss on retirement of noncurrent assets	110	123
Impairment loss	695	—
Loss on sales of investment securities	5	—
Loss on devaluation of investment securities	159	72
Disaster losses	—	41
Monetary effect of applying Accounting Standard for Asset Retirement Obligation	706	—
Total extraordinary loss	1,675	236
Income before income taxes and minority interests	3,718	9,797
Income taxes - current	3,442	4,041
Income taxes - deferred	(1,211)	113
Total income taxes	2,231	4,155
Net income before minority interests	1,487	5,642
Minority interests	(40)	(3)
Net income	1,527	5,645

(Consolidated Statement of Comprehensive Income)

(For the second quarter cumulative period (consolidated))

(million yen)

	Previous 2Q Cumulative Period (Consolidated) (April 1, 2010 - September 30, 2010)	2Q Cumulative Period under Review (Consolidated) (April 1, 2011 - September 30, 2011)
Net income before minority interests	1,487	5,642
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,869)	(1,400)
Deferred gains or losses on hedges	(24)	(297)
Foreign currency translation adjustments	(1,325)	851
Share in equity method affiliates	(381)	188
Total other comprehensive income	(4,600)	(658)
Comprehensive income	(3,113)	4,984
Comprehensive income attributable to owners of the parent	(3,064)	4,989
Comprehensive income attributable to minority interests	(49)	(4)

(3) Consolidated Cash Flow Statement

(million yen)

	Previous 2Q Cumulative Period (Consolidated) (April 1, 2010 - September 30, 2010)	2Q Cumulative Period under Review (Consolidated) (April 1, 2011 - September 30, 2011)
Cash flows from operating activities		
Income before income taxes and minority interests	3,718	9,797
Depreciation and amortization	4,131	4,067
Impairment loss	695	—
Amortization of goodwill	54	54
Provision for (reversal of) doubtful accounts	813	120
Provision for (reversal of) employees' bonuses	(17)	(73)
Provision for (reversal of) directors' bonuses	(33)	(60)
Provision for (reversal of) warranties for completed construction	(21)	(68)
Provision for (reversal of) disaster losses	—	(210)
Provision for (reversal of) retirement benefits, less payments	(162)	(498)
Provision for (reversal of) directors' retirement benefits	(55)	7
Interest and dividends income	(513)	(623)
Interest expenses	650	738
Equity in losses (gains) of affiliates	(209)	368
Losses (gains) on sales of marketable securities and investment securities	159	72
Losses (gains) on devaluation of marketable securities and investment securities	(268)	(5)
Losses (gains) on sales/disposal of fixed assets	85	11
Monetary effect of applying Accounting Standard for Asset Retirement Obligation	706	—
Decrease (increase) in notes and accounts receivable-trade	(11,677)	(3,543)
Decrease (increase) in inventory assets	(6,324)	(7,477)
Decrease (increase) in other current assets	(2,434)	(2,035)
Increase (decrease) in notes and accounts payable-trade	944	3,529
Increase (decrease) in advances received	1,262	949
Increase (decrease) in advances received on uncompleted construction contracts	11,364	10,247
Increase (decrease) in accrued consumption taxes	(460)	(571)
Increase (decrease) in other current liabilities	(254)	(197)
Other	110	(218)
Subtotal	2,263	14,380
Interest and dividends income received	941	929
Interest paid	(585)	(764)
Income taxes paid	(1,808)	(7,080)
Net cash provided by (used in) operating activities	811	7,467

(million yen)

	Previous 2Q Cumulative Period (Consolidated) (April 1, 2010 - September 30, 2010)	2Q Cumulative Period under Review (Consolidated) (April 1, 2011 - September 30, 2011)
Cash flows from investment activities		
Payments into time deposits	(10,018)	(15,000)
Proceeds from withdrawal of time deposits	18	9,028
Decrease (increase) in short-term loans receivable	(52)	(273)
Payments for purchases of fixed assets	(6,427)	(5,832)
Proceeds from sales of fixed assets	440	1,480
Payments for purchases of intangible assets	(1,620)	(694)
Payments for purchase of investment securities	(1,065)	(129)
Proceeds from sales of investment securities	19	19
Payments for additional acquisition of stock of consolidated subsidiaries	—	(1,984)
Proceeds from sales of stock of subsidiaries accompanied by a change in the scope of consolidation	(27)	—
Payments of long-term loans receivable	(27)	(249)
Repayments of long-term loans receivable	73	310
Other payments	(435)	(311)
Other proceeds	575	369
Net cash used in investment activities	(18,544)	(13,265)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	1,247	1,020
Repayments of finance lease obligations	(605)	(829)
Proceeds from long-term debt	200	2,179
Repayment of long-term debt	(39)	(4,632)
Proceeds from issuance of bonds	(1,329)	(1,329)
Proceeds from stock issuance to minority shareholders	(0)	(0)
Other proceeds	0	0
Other payments	(2)	(1)
Net cash provided by (used in) financing activities	(527)	(3,591)
Effect of exchange rate change on cash and cash equivalents	(713)	222
Net increase (decrease) in cash and cash equivalents	(18,974)	(9,166)
Cash and cash equivalents at the beginning of period	71,662	75,582
Cash and cash equivalents at the end of period	52,689	66,415

- (4) Notes related to the Assumption of a Going Concern
Not applicable.

(5) Segment Information

I. Previous Second Quarter Cumulative Period (Consolidated, April 1, 2010 - September 30, 2010)

(a) Information regarding Sales and Income (Loss) for each Reporting Segment

(million yen)

	Reporting segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the quarterly, consolidated statements of income (Note 3)
	Timber and Building Materials	Overseas	Housing	Real Estate	Total				
Sales									
(1) Unaffiliated customers	181,459	12,610	151,630	25,922	371,622	1,904	373,526	394	373,921
(2) Inter-segment sales/ transfers	8,741	3,277	1,423	622	14,063	4,849	18,911	(18,911)	-
Total	190,200	15,887	153,053	26,544	385,685	6,753	392,437	(18,517)	373,921
Operating income (loss)	2,244	(402)	4,831	518	7,192	241	7,432	(2,338)	5,094

- (Notes)
- “Other” are business segments that are not included in the reporting segments. Such segments include the Leasing Business and Insurance Agency Business.
 - The adjusted business loss of ¥2,338 million includes ¥56 million in eliminated intersegment transactions and ¥2,282 million in corporate expenses, etc. Corporate expenses, etc., are mainly selling, general and administrative expenses, which are not allocated to any reporting segments.
 - Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

(b) Information on Impairment Loss on Noncurrent Assets, Goodwill, etc., for each Reporting Segment

(Material Impairment Loss on Noncurrent Assets)

The “Timber and Building Materials” segment recorded an impairment loss as an extraordinary loss following a decision to transfer a portion of a subsidiary’s business.

The amount of impairment loss recorded was ¥695 million in the second quarter cumulative period under review (consolidated).

II. Second Quarter Cumulative Period under Review (Consolidated, April 1, 2011 - September 30, 2011)

(a) Information on Sales and Income/Loss in each Reporting Segment

(million yen)

	Reporting segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the quarterly, consolidated statements of income (Note 3)
	Timber and Building Materials	Overseas	Housing	Real Estate	Total				
Net sales									
(1) Unaffiliated customers	191,858	12,976	168,186	19,672	392,691	2,035	394,726	365	395,091
(2) Inter-segment sales/ transfers	8,738	4,393	814	94	14,039	3,888	17,927	(17,927)	-
Total	200,596	17,369	168,999	19,766	406,730	5,922	412,653	(17,562)	395,091
Operating income (loss)	2,631	(808)	8,562	92	10,477	327	10,804	(1,043)	9,760

- (Notes)
- “Other” are business segments that are not included in the reporting segments. Such segments include the Leasing Business and Insurance Agency Business.
 - The adjusted business loss of ¥1,043 million includes ¥31 million in eliminated intersegment transactions and ¥1,013 million in corporate expenses, etc. Corporate expenses, etc., are mainly selling, general and administrative expenses, which are not allocated to any reporting segments.
 - Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

(b) Information on Impairment Loss on Noncurrent Assets, Goodwill, etc., for each Reporting Segment

No such events occurred

(6) Notes on Significant Changes to Shareholders’ Equity

No such events occurred.

3. Supplementary Information

(1) Consolidated Statements of Income

(million yen)

	2Q FY Ended March 2011		2Q FY Ending March 2012		YoY Change	% Change YoY	FY Ended March 2011	FY Ending March 2012 (Forecast)	YoY Change	% Change YoY		
Timber and Building Materials Business	190,200		200,596		+10,395	+ 5.5%	390,231	402,000	+11,769	+3.0%		
Overseas Business	15,887		17,369		+1,482	+ 9.3%	33,234	39,000	+5,766	+17.4%		
Housing Business	153,053		168,999		+15,947	+10.4%	346,279	373,000	+26,721	+7.7%		
Real Estate Business	26,544		19,766		-6,778	-25.5%	50,881	45,000	-5,881	-11.6%		
Other Businesses	6,753		5,922		-830	-12.3%	13,529	11,000	-2,529	-18.7%		
Adjustment	(18,517)		(17,562)		+955	-	(36,662)	(40,000)	-3,338	-		
Sales	373,921		395,091		+21,170	+5.7%	797,493	830,000	+32,507	+4.1%		
Gross profit	16.4%	61,292	16.1%	63,580	+2,288	+3.7%	16.6%	132,568	16.7%	138,500	+5,932	+4.5%
Selling, general and administrative expenses		56,419		54,166	-2,252	-4.0%		118,330		115,500	-2,830	-2.4%
Operating income	1.3%	4,873	2.4%	9,414	+4,541	+93.2%	1.8%	14,238	2.8%	23,000	+8,762	+61.5%
Non-operating income		1,604		1,973	+369	+23.0%		3,425		3,000	-425	-12.4%
Non-operating expenses		1,384		1,627	+243	+17.6%		3,458		3,000	-458	-13.2%
Non-operating income (loss)		221		346	+125	+56.8%		(32)		-	+32	-
Timber and Building Materials Business	1.2%	2,244	1.3%	2,631	+387	+17.2%	1.2%	4,848	1.3%	5,100	+252	+5.2%
Overseas Business	-2.5%	(402)	-4.7%	(808)	-406	-	-5.5%	(1,829)	-5.9%	(2,300)	-471	-
Housing Business	3.2%	4,831	5.1%	8,562	+3,731	+77.2%	5.5%	18,988	6.3%	23,400	+4,412	+23.2%
Real Estate Business	2.0%	518	0.5%	92	-426	-82.2%	1.8%	903	1.3%	600	-303	-33.6%
Other	3.6%	241	5.5%	327	+ 86	+35.8%	3.7%	502	4.5%	500	-2	-0.3%
Adjustment		(2,338)		(1,043)	+1,295	-		(9,206)		(4,300)	+4,906	-
Recurring Income	1.4%	5,094	2.5%	9,760	+4,666	+91.6%	1.8%	14,206	2.8%	23,000	+8,794	+61.9%
Extraordinary gains		298		273	-25	-8.4%		767		300	-467	-60.9%
Extraordinary losses		1,675		236	-1,438	-85.9%		3,964		300	-3,664	-92.4%
Extraordinary gains (loss)		(1,376)		37	+1,413	-		(3,196)		-	+3,196	-
Net income	0.4%	1,527	1.4%	5,645	+4,118	+269.7%	0.6%	5,175	1.6%	13,000	+7,825	+151.2%

(2) Breakdown of Sales and Orders Received for the Housing Business and Real Estate Business (Non-consolidated)

1) Second Quarter (cumulative)

(million yen)

			2Q FY Ended March 2011 (Actual)			2Q FY Ending March 2012 (Actual)			Change	
			Volume	Amount	Unit price	Volume	Amount	Unit price	Volume	Amount
Orders Received	Contract Work	Custom-built detached housing	4,621	143,731	31.1	4,606	150,520	32.7	-0.3%	+4.7%
		Wooden apartments	397	3,730	9.4	485	5,532	11.4	+22.2%	+48.3%
		Other contracts		118	-		528	-		+347.9%
Sales	Contract Work	Custom-built detached housing *1	3,862	118,775	30.8	4,076	131,155	32.2	+5.5%	+10.4%
		Wooden apartments *1	199	1,825	9.2	263	2,569	9.8	+32.2%	+40.8%
		Other contracts		2,791	-		339	-		-87.9%
	Detached spec homes business *2	114	4,896	42.9	97	4,070	42.0	-14.9%	-16.9%	
	Land for custom-built housing		2,768	-		2,262	-		-18.3%	
	Real estate development *2		6,994	-		2,337	-		-66.6%	
	Other *3		3,177	-		6,591	-		+107.5%	
	Total		141,225	-		149,323	-		+5.7%	
Profit Ratio		Gross profit	25.2%	35,593		25.3%	37,790			
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	8,953	273,110	30.5	8,929	281,035	31.5	-0.3%	+2.9%
		Wooden apartments	1,030	9,405	9.1	1,105	11,125	10.1	+7.3%	+18.3%
		Other contracts		725	-		189	-		-73.9%

2) Full Year

(million yen)

			FY Ended March 2011 (Actual)			FY Ending March 2012 (Forecast)			Change	
			Volume	Amount	Unit price	Volume	Amount	Unit price	Volume	Amount
Orders Received	Contract Work	Custom-built detached housing	8,926	284,420	31.9	9,000	292,000	32.4	+0.8%	+2.7%
		Wooden apartments	775	7,343	9.5	900	10,000	11.1	+16.1%	+36.2%
		Other contracts		160	-		1,000	-		+526.6%
Sales	Contract Work	Custom-built detached housing *1	8,721	270,903	31.1	9,000	293,000	32.6	+3.2%	+8.2%
		Wooden apartments *1	724	6,681	9.2	780	7,800	10.0	+7.7%	+16.8%
		Other contracts		3,558	-		500	-		-85.9%
	Detached spec homes business *2	226	9,567	42.3	230	9,800	42.6	+1.8%	+2.4%	
	Land for custom-built housing		5,784	-		4,300	-		-25.7%	
	Real estate development *2		9,704	-		8,000	-		+17.6%	
	Other *3		6,919	-		9,600	-		+38.8%	
	Total		313,116	-		333,000	-		+6.4%	
Profit Ratio		Gross profit	25.4%	79,476		25.2%	83,800			
Backlog of Orders Received at Term End	Contract Work	Custom-built housing	8,399	261,670	31.2	8,399	260,670	31.0	+0.0%	-0.4%
		Wooden apartments	883	8,162	9.2	1,003	10,362	10.3	+13.6%	+27.0%
		Other contracts		-	-		500	-		-

* 1: Sales volumes for custom-built housing and wooden apartments are delivered houses (number of houses is shown).

* 2: Spec Homes Business and Real Estate Development figures are for the total of land and building.

* 3: Sales of interior products and rental proceeds from leasing properties in our portfolio, etc.

(3) Status of Individual Businesses

(million yen)

Company name (Head office location)	Date established	Capital	FY	Statement of income				Balance Sheet	
				Net sales	Operating income	Recurring income	Net income	Total assets	Net assets
Sumitomo Forestry Co., Ltd. (Chiyoda-ku, Tokyo)	Feb. 1948	27,672	9/10	304,933	2,211	4,774	254	423,503	141,106
			9/11	323,085	6,779	9,292	6,465	447,279	147,545
			3/11	647,515	8,299	11,304	2,329	440,578	144,168
			3/12 (Forecast)	680,000	16,500	19,500	12,500	-	-

(4) Status of Main Affiliates

(million yen)

Company name (Head office location) (Segment)	Date established	Capital	Ownership *1	FY	Statement of income				Balance sheet	
					Net sales	Operating income	Recurring income	Net income	Total assets	Net assets
Sumitomo Forestry Crest Co., Ltd. (Nagoya, Aichi) (Timber and Building Materials)	Aug. 1959	800	100.0%	9/10	19,755	269	201	(250)	22,352	1,254
				9/11	17,420	274	214	114	19,948	1,000
				3/11	39,932	619	462	(634)	20,121	898
				3/12 (Forecast)	35,100	680	550	450	-	-
Sumitomo Forestry Residential Co., Ltd. (Shinjuku-ku, Tokyo) (Real Estate)	Mar. 1985	150	100.0%	9/10	8,196	130	125	72	9,511	2,143
				9/11	8,829	228	209	89	9,459	2,350
				3/11	16,806	336	321	190	9,796	2,262
				3/12 (Forecast)	17,400	430	390	230	-	-
Sumitomo Forestry Home Engineering Co., Ltd. (Shinjuku-ku, Tokyo) (Housing)	Dec. 1999	75	100.0%	9/10	38,038	530	582	301	30,790	2,873
				9/11	39,145	519	541	285	30,484	2,856
				3/11	82,492	1,132	1,240	712	31,154	3,284
				3/12 (Forecast)	84,900	970	1,050	580	-	-
Sumitomo Forestry Home Service Co., Ltd. (Shinjuku-ku, Tokyo) (Real Estate)	Sept. 1964	400	100.0%	9/10	2,717	68	60	39	2,246	(507)
				9/11	2,537	(36)	(46)	(52)	2,213	(500)
				3/11	5,473	164	134	98	2,271	(448)
				3/12 (Forecast)	5,300	100	60	50	-	-
Sumitomo Forestry Landscaping Co., Ltd. (Nakano-ku, Tokyo) (Housing)	Apr. 1977	200	100.0%	9/10	9,293	(233)	(222)	(143)	7,463	2,660
				9/11	9,987	(33)	(19)	(22)	7,370	2,686
				3/11	20,889	(136)	(127)	(94)	7,975	2,706
				3/12 (Forecast)	22,400	170	200	120	-	-
Sumitomo Forestry Home Tech Co., Ltd. (Chiyoda-ku, Tokyo) (Housing)	Oct. 1988	100	100.0%	9/10	19,136	709	784	395	15,600	2,751
				9/11	22,498	1,003	1,094	735	18,589	3,090
				3/11	41,802	1,899	2,060	1,051	15,981	3,407
				3/12 (Forecast)	47,300	2,430	2,600	1,660	-	-
PT.Kutai Timber Indonesia (Jakarta, Indonesia) (Overseas)	Sept. 1970	27,000 (US\$ 1,000)	99.8%	6/10	4,274	85	73	73	6,860	1,935
				6/11	4,749	174	166	166	6,557	1,950
				12/10	8,763	98	90	93	6,128	1,803
				12/11 (Forecast)	9,700	340	330	330	-	-
Alpine MDF Industries Pty Ltd. (Wangaratta, Victoria, Australia) (Overseas)	May 1994	62,474 (AU\$ 1,000)	(100.0%)	6/10	2,462	(29)	(59)	(67)	5,096	2,311
				6/11	2,480	(248)	(254)	(233)	5,619	2,371
				12/10	5,121	(39)	(100)	(115)	5,375	2,508
				12/11 (Forecast)	5,100	(340)	(470)	(470)	-	-
Nelson Pine Industries Ltd. (Richmond, Nelson, New Zealand) (Overseas)	Oct. 1984	45,500 (NZ\$ 1,000)	(100.0%)	6/10	5,104	611	611	428	13,043	11,484
				6/11	5,287	433	440	317	14,653	12,862
				12/10	10,427	1,369	1,378	988	13,851	12,340
				12/11 (Forecast)	10,400	950	960	690	-	-

*1 Figures in parentheses represent indirect investment ratio.

*2, *3, *4 Statements of income from overseas affiliates are converted to yen at the following rates.

	*2 US\$	*3 AU\$	*4 NZ\$
6/10	91.46	81.76	64.47
6/11	81.93	84.69	63.74
12/10	87.76	80.64	63.26
12/11 (Forecast)	79.40	83.90	63.50