



October 31, 2025

Summary of Financial Results for the Nine Months of the Fiscal Year Ending December 2025 [Japanese GAAP] (Consolidated)

Name of Company:	Sumitomo Forestry Co., Ltd.	Stock Exchange Listing: Tokyo
Securities Code:	1911	URL: https://sfc.jp/english/
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Scheduled Date to commence Dividend Payments:	-	
Supplementary Documents on Financial Results:	Yes	
Financial Results Briefing:	Yes (for analysts and institutional investors, in Japanese)	

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

1. Consolidated financial results for the nine months of the FY ending December 2025 (January 1, 2025 – September 30, 2025)

(1) Consolidated results of operations (Cumulative total) (%: change from the same period of the previous year)

	Net sales		Operating income		Recurring income		Net income attributable to shareholders of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2025	1,633,880	9.5	122,336	(12.1)	126,721	(9.2)	69,064	(17.0)
Nine months ended September 30, 2024	1,492,337	21.0	139,226	42.6	139,592	40.2	83,222	30.4

(Note) Comprehensive income

Nine months ended September 30, 2025	51,405 Million yen [(54.9) %]
Nine months ended September 30, 2024	114,004 Million yen [(28.9)%]

	Net income per share	Net income per share fully diluted
	Yen	Yen
Nine months ended September 30, 2025	112.68	112.65
Nine months ended September 30, 2024	135.55	135.49

(Notes) 1. Due to the finalization of the provisional accounting treatment for business combination, the figures reflect a significant revision to the initial allocation of acquisition cost.

2. The Company conducted a stock split in a ratio of three shares for every one common share on July 1, 2025. Accordingly, the net income per share and the net income per share fully diluted were calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	2,421,973	1,028,586	37.7
As of December 31, 2024	2,261,128	1,020,127	40.7

(Reference) Shareholders' equity

As of September 30, 2025	913,029 Million yen
As of December 31, 2024	920,347 Million yen

2. Cash Dividends

	Cash dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY ended December 31, 2024	—	65.00	—	80.00	145.00
FY ending December 31, 2025	—	75.00	—		
FY ending December 31, 2025 (Forecast)				25.00	—

(Note) Revisions to the forecast of cash dividends most recently announced: None

- * The Company conducted a stock split in a ratio of three shares for every one common share with a record date of June 30, 2025 and an effective date of July 1, 2025. With regard to the above year-end dividend per share for the FY ending December 31, 2025 (Forecast), the amount after the stock split is stated. Total annual dividend per share for the FY ending December 31, 2025 (Forecast) is not stated as the interim dividend and the year-end dividend cannot be simply totaled due to implementation of the stock split. Without taking the stock split into account, the year-end dividend per share and the total annual dividend per share for the FY ending December 31, 2025 (Forecast) are 75.00 yen and 150.00 yen, respectively.

3. Forecast of the consolidated financial results for the FY ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(%: change from the previous year)

	Net sales		Operating income		Recurring income		Net income attributable to shareholders of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,320,000	13.0	164,000	(15.7)	170,000	(14.1)	96,000	(17.6)	156.63

(Note) Revisions to the forecast of consolidated results most recently announced: None

- * The Company conducted a stock split in a ratio of three shares for every one common share with a record date of June 30, 2025 and an effective date of July 1, 2025. The above net income per share was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ending December 2025. Without taking the stock split into account, the net income per share is 469.88 yen for full year.

* Notice

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included : 6 companies (Company name) : WPM Holdco LLC
WPM Louisiana Holdings, LLC
Project Horntail, LLC
Teal Jones-Plain Dealing, LLC
LeTech Corporation
Edge Land, LLC

Excluded : None (Company name) :

(2) Application of accounting treatment specific to the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements

- (a) Changes in accounting policies due to revision of accounting standards and other regulations : Yes
(b) Changes in accounting policies due to other reasons : None
(c) Changes in accounting estimates : None
(d) Restatements : None

(4) Number of issued shares (common stock)

(a) Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2025	618,555,804	As of December 31, 2024	618,202,104
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(b) Number of treasury stock at the end of the period

As of September 30, 2025	7,012,231	As of December 31, 2024	4,250,865
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(c) Average number of shares outstanding during the period (nine months from the beginning of the fiscal year)

As of September 30, 2025	612,922,426	As of September 30, 2024	613,943,684
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(Notes) 1. The Company conducted a stock split in a ratio of three shares for every one common share on July 1, 2025. Accordingly, the total number of issued shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period and the average number of shares outstanding during the period (nine months from the beginning of the fiscal year) were calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. The Company has introduced the Employee Stock Compensation Plan. The number of treasury stock at the end of the period includes the Company's shares held by the Employee Stock Delivery Trust (as of September 30, 2025: 2,757,900 shares, as of December 31, 2024: 0 shares). The Company's shares held by the said trust are included in treasury stock to be deducted in the calculation of the average number of shares outstanding during the period.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements)

Earnings forecasts and other forward-looking statements in this release are based on data currently available to the Company and certain assumptions that the Company believes are reasonable and are not intended as a promise by the Company to achieve those forecasts. Actual results may differ substantially due to various factors.

(Obtain Supplemental Explanatory Material)

The Financial Factbook which is supplementary documents on Financial Results is published on the website as below.

<https://sfc.jp/english/ir/>

Additionally, the Company will hold a financial results briefing for securities analysts and institutional investors on Friday, October 31, 2025. The explanatory material on the financial results will be published on the website.

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1. Overview of the Results of Operations, etc.

(1) Overview of the Results of Operations for the Period under Review

During the nine months ended September 30, 2025, the Group's results of operations were as follows: net sales of ¥1,633.880 billion (up 9.5% year on year), operating income of ¥122.336 billion (down 12.1% year on year), recurring income of ¥126.721 billion (down 9.2% year on year), and net income attributable to shareholders of parent of ¥69.064 billion (down 17.0% year on year).

The following summarized the results of operations by business segment. Net sales for each business segment include intersegment sales or transfer.

<Timber and Building Materials>

Sales volume declined and costs rose in the Indonesian plywood manufacturing business, while selling prices fell in the Vietnamese particle board manufacturing business. Furthermore, in the domestic distribution business, earnings remained stagnant due to the impact of sluggish new housing starts.

In the Timber and Building Materials, net sales were ¥184.692 billion (down 1.1% year on year) and recurring income was ¥5.813 billion (down 8.1% year on year).

<Housing>

The number of houses under construction increased due to strong orders received in the previous fiscal year in the custom-built detached housing business, and profit margin improved mainly due to an increase in unit selling prices. As a result, both net sales and recurring income increased year on year.

In the Housing, net sales were ¥416.054 billion (up 9.1% year on year) and recurring income was ¥27.141 billion (up 20.7% year on year).

<Global Construction and Real Estate>

In the single-family homes business in U.S., while mortgage rates stopped increasing and have been in a downward trend, the number of units sold decreased with a tendency of wait-and-see attitude in homebuyers due mainly to uncertain economic outlook.

In the single-family homes business in Australia, the number of units sold increased with the consolidation of Metricon Group which became a subsidiary of the Company at the end of the previous consolidated fiscal year, as well as steady sales in Western Australia. In addition, profit margin improved due partly to an increase in unit selling prices.

In the Global Construction and Real Estate, net sales were ¥1,019.254 billion (up 12.0% year on year) and recurring income was ¥94.985 billion yen (down 16.6% year on year).

<Environment and Resources>

Due partly to a decrease in sales volume and a fall in selling prices in the overseas forestry business in Papua New Guinea, profitability was sluggish.

In the Environment and Resources, net sales were ¥19.326 billion (down 2.7% year on year) and recurring loss was ¥468 million (recurring loss of ¥210 million in the same period of the previous consolidated fiscal year).

<Other>

Mainly due to an increase in share of profit of entities accounted for using equity method, recurring income increased year on year.

In the Other, net sales were ¥20.737 billion (up 3.6% year on year) and recurring income was ¥3.211 billion (up 375.7% year on year).

(2) Overview of Financial Position for the Period under Review

Total assets came to ¥2,421.973 billion at the end of period under review, an increase of ¥160.845 billion from the end of the previous consolidated fiscal year. This increase was attributable mainly to an increase in inventories in the single-family homes business in U.S., and an increase in investment securities arising from the acquisition of stock of real estate development business company in Indonesia and a rise in the market value of listed shares held by the Company, despite a decline in yen-translated amounts in foreign currency-denominated assets of overseas subsidiaries caused by the appreciation of the yen. Liabilities increased ¥152.386 billion from the end of the previous consolidated fiscal year to ¥1,393.388 billion. This increase was mainly attributable to an increase in borrowings, despite a decline in yen-translated amounts in foreign currency-denominated liabilities of overseas subsidiaries caused by the appreciation of the yen. Net assets came to ¥1,028.586 billion and equity ratio was 37.7%.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(million yen)

	Previous consolidated fiscal year (as of December 31, 2024)	Third quarter cumulative period (as of September 30, 2025)
Assets		
Current assets		
Cash and deposits	181,043	141,843
Notes and accounts receivable-trade	104,734	94,247
Electronically recorded monetary claims	44,652	39,620
Accounts receivable from completed construction contracts and contract assets	93,219	100,891
Marketable securities	5,062	3,000
Merchandise and finished goods	22,970	23,769
Work in process	2,524	2,688
Raw materials and supplies	13,838	14,193
Costs on construction contracts in progress	20,435	25,379
Real estate for sale	178,921	217,299
Real estate for sale in process	681,755	730,269
Short-term loans receivable	30,381	36,652
Accounts receivable-other	101,301	92,289
Other	66,022	76,506
Allowance for doubtful account	(767)	(847)
Total current assets	1,546,090	1,597,798
Non-current assets		
Property, plant and equipment		
Buildings and structures	131,943	149,107
Accumulated depreciation	(66,327)	(69,146)
Buildings and structures, net	65,616	79,961
Machinery, equipment and vehicles	102,615	114,149
Accumulated depreciation	(77,715)	(78,073)
Machinery, equipment and vehicles, net	24,900	36,076
Land	71,641	72,268
Timber	44,356	43,250
Leased assets	43,169	44,431
Accumulated depreciation	(20,486)	(22,795)
Leased assets, net	22,683	21,636
Construction in process	47,958	56,811
Other	28,135	28,362
Accumulated depreciation	(19,185)	(19,556)
Other, net	8,950	8,806
Total property, plant and equipment	286,103	318,807
Intangible assets		
Goodwill	42,246	37,758
Other	32,760	29,310
Total intangible assets	75,006	67,068
Investments and other assets		
Investment securities	268,895	338,843
Long-term loans receivable	30,941	38,114
Retirement benefit assets	14,189	15,244
Deferred tax assets	9,460	10,534
Other	31,288	36,279
Allowance for doubtful account	(843)	(713)
Total investments and other assets	353,929	438,301
Total non-current assets	715,038	824,176
Total assets	2,261,128	2,421,973

(million yen)

	Previous consolidated fiscal year (as of December 31, 2024)	Third quarter cumulative period (as of September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	96,983	80,825
Electronically recorded obligations	33,864	35,371
Accounts payable for construction contracts	156,300	160,116
Short-term borrowings	93,702	182,226
Current portion of bonds payable	10,044	20,063
Lease obligations	5,778	5,621
Income taxes payable	8,910	8,850
Contract liabilities	97,588	102,880
Provision for bonuses	23,742	29,629
Provision for bonuses for directors (and other officers)	168	-
Provision for warranties for completed construction	17,699	14,529
Asset retirement obligations	1,033	449
Other	116,340	119,652
Total current liabilities	662,152	760,213
Long-term liabilities		
Bonds payable	70,116	50,290
Long-term borrowings	413,856	485,689
Lease obligations	19,915	19,093
Deferred tax liabilities	38,340	42,986
Provision for share awards for employees	-	108
Provision for retirement benefits for directors (and other officers)	171	136
Retirement benefits liability	9,724	9,860
Asset retirement obligations	2,568	2,540
Other	24,161	22,473
Total long-term liabilities	578,850	633,175
Total liabilities	1,241,002	1,393,388
Net assets		
Shareholders' equity		
Common stock	55,101	55,332
Capital surplus	34,667	31,613
Retained earnings	613,765	650,925
Treasury shares	(2,521)	(6,523)
Total shareholders' equity	701,012	731,347
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,902	47,093
Deferred gains (losses) on hedges	8,533	8,147
Foreign currency translation adjustment	172,840	126,381
Remeasurements of defined benefit plans	62	61
Total accumulated other comprehensive income	219,335	181,681
Share acquisition rights	69	51
Non-controlling interests	99,711	115,506
Total net assets	1,020,127	1,028,586
Total liabilities and net assets	2,261,128	2,421,973

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

(million yen)

	Previous third quarter cumulative period (January 1, 2024 – September 30, 2024)	Current third quarter cumulative period (January 1, 2025 – September 30, 2025)
Net sales	1,492,337	1,633,880
Cost of sales	1,124,516	1,250,851
Gross profit	367,820	383,028
Selling, general and administrative expenses	228,594	260,692
Operating income	139,226	122,336
Non-operating income		
Interest income	2,295	3,769
Purchase discount	235	347
Dividend income	1,433	1,455
Share of profit of entities accounted for using equity method	-	5,063
Gain on sale of investment securities	699	560
Other	6,878	6,545
Total non-operating income	11,539	17,738
Non-operating expenses		
Interest expense	5,467	8,978
Share of loss of entities accounted for using equity method	647	-
Foreign exchange losses	252	668
Other	4,807	3,708
Total non-operating expenses	11,173	13,353
Recurring income	139,592	126,721
Profit before income taxes	139,592	126,721
Income taxes-current	32,021	32,395
Income taxes-deferred	(22)	298
Total income taxes	31,999	32,693
Net income	107,593	94,028
Net income attributable to non-controlling interests	24,371	24,964
Net income attributable to shareholders of parent	83,222	69,064

Consolidated Statements of Comprehensive Income
For the third quarter cumulative period (consolidated)

	(million yen)	
	Previous third quarter cumulative period (January 1, 2024 – September 30, 2024)	Current third quarter cumulative period (January 1, 2025 – September 30, 2025)
Net income	107,593	94,028
Other comprehensive income		
Valuation difference on available-for-sale securities	2,811	8,966
Deferred gains (losses) on hedges	338	(459)
Foreign currency translation adjustment	2,780	(45,112)
Share of other comprehensive income of entities accounted for using equity method	483	(6,018)
Total other comprehensive income	6,411	(42,623)
Comprehensive income	114,004	51,405
(Breakdown)		
Comprehensive income attributable to shareholders of parent	90,129	31,410
Comprehensive income attributable to non-controlling interests	23,875	19,995

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes related to the Assumption of a Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Current Income Taxes Standard (revised 2022)") and other standards from the beginning of the first quarter ended March 31, 2025.

With regard to the revision related to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Current Income Taxes Standard (revised 2022), and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter "Tax Effect Accounting Guidance (revised 2022).") The changes in accounting policies have no impact on the Quarterly Consolidated Financial Statements for the period under review.

With regard to the revision associated with the review of treatment in Consolidated Financial Statements in case that gain or loss on sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Tax Effect Accounting Guidance (revised 2022) has been applied from the beginning of the first quarter ended March 31, 2025. The changes in accounting policies have been retrospectively applied, and the Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the previous consolidated fiscal year reflect the changes in accounting policies. The changes in accounting policies have no impact on the Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the previous consolidated fiscal year.

(Notes on Segment Information, etc.)

Previous Third Quarter Cumulative Period (Consolidated) (January 1, 2024 to September 30, 2024)

1. Information regarding sales and income (loss) for each reporting segment

(million yen)

	Reporting segment					Other (Note 1)	Total	Adjustment (Note 2)	Total shown in the quarterly consolidated fiscal statement (Note 3)
	Timber and Building Materials	Housing	Global Construction and Real Estate	Environment and Resources	Total				
Net sales									
(1) Unaffiliated customers	171,155	381,153	909,221	18,982	1,480,511	11,390	1,491,900	436	1,492,337
(2) Intersegment sales/transfer	15,577	365	717	883	17,541	8,621	26,163	(26,163)	—
Total	186,732	381,518	909,938	19,865	1,498,052	20,011	1,518,063	(25,726)	1,492,337
Segment income (loss)	6,323	22,492	113,877	(210)	142,482	675	143,157	(3,565)	139,592

Notes 1. "Other" is business segments not included in the reporting segments. Such segments include private nursing home/private elderly care facilities with nursing care business, insurance agency business, and civil engineering/construction work.

2. The adjusted segment loss of ¥3,565 million includes ¥118 million in eliminated intersegment transactions and ¥3,683 million in corporate losses which are not allocated to any of the reporting segments.

Corporate income (loss) is primarily selling, general and administrative expenses, non-operating income or non-operating expenses not belonging to any reporting segments.

3. Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

4. Due to the finalization of the provisional accounting treatment for business combination, the figures in Segment income (loss) reflect a significant revision to the initial allocation of acquisition cost.

2. Information on Impairment Losses on Noncurrent Assets, Goodwill, etc. for Each Reporting Segment

This information has little significance and has therefore been omitted.

Current Third Quarter Cumulative Period (Consolidated) (January 1, 2025 to September 30, 2025)

1. Information regarding sales and income (loss) for each reporting segment

(million yen)

	Reporting segment					Other (Note 1)	Total	Adjustment (Note 2)	Total shown in the quarterly consolidated fiscal statement (Note 3)
	Timber and Building Materials	Housing	Global Construction and Real Estate	Environment and Resources	Total				
Net sales									
(1) Unaffiliated customers	169,355	415,815	1,018,311	17,886	1,621,367	12,076	1,633,444	436	1,633,880
(2) Intersegment sales/transfer	15,336	239	944	1,439	17,958	8,660	26,619	(26,619)	—
Total	184,692	416,054	1,019,254	19,326	1,639,326	20,737	1,660,062	(26,183)	1,633,880
Segment income (loss)	5,813	27,141	94,985	(468)	127,471	3,211	130,683	(3,961)	126,721

Notes 1. "Other" is business segments not included in the reporting segments. Such segments include private nursing home/private elderly care facilities with nursing care business, insurance agency business, and civil engineering/construction work.

2. The adjusted segment loss of ¥3,961 million includes ¥(440) million in eliminated intersegment transactions and ¥3,521 million in corporate losses which are not allocated to any of the reporting segments.
Corporate income (loss) is primarily selling, general and administrative expenses, non-operating income or non-operating expenses not belonging to any reporting segments.

3. Total segment income (loss) is adjusted against recurring income in the quarterly consolidated statements of income.

2. Information on Impairment Losses on Noncurrent Assets, Goodwill, etc. for Each Reporting Segment

This information has little significance and has therefore been omitted.

(Notes related to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the period under review were not prepared.

Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the current third quarter cumulative period were as follows.

	Previous third quarter cumulative period (January 1, 2024 – September 30, 2024)	Current third quarter cumulative period (January 1, 2025 – September 30, 2025)
Depreciation and amortization	21,163 Million yen	22,231 Million yen
Amortization of goodwill	6,254	4,945

(Note) Due to the finalization of the provisional accounting treatment for business combination, the figures reflect a significant revision to the initial allocation of acquisition cost.