

Happiness Grows from Trees



Sumitomo Forestry Group

CSR Report 2014



Activity Highlights

Introduction

The Origins of Sumitomo Forestry

**The Great Reforestation Plan launched in 1894.
The plan to restore the forests around the Besshi Copper Mine serves
as the starting point for our CSR efforts.**

Sumitomo Forestry has valued and honored the Sumitomo Spirit for generations. It is the attitude of seeking benefit for the individual, the nation and society, and of management that shall not pursue easy gains and takes a long-term perspective. The business spirit of Sumitomo that values fairness, integrity, and sound management serves as the source of the firm trust from society.

Sumitomo Forestry can trace its beginnings to the use of timber harvesting operations in neighboring forests to fortify the Besshi Copper Mine opened in Ehime Prefecture in 1691. Timber was crucial for the mining operation, as it was needed in construction, for the mine posts, and for the fuelwood to refine copper. However, by the end of the 19th century, the forests around the Besshi Copper Mine were facing severe degradation due to long periods of excessive harvesting and smoke pollution. The then principal of the mine, Teigo Iba, believed that "allowing this land to be degraded while moving forward with business made possible by its fruits runs counter to the proper course of our relationship with nature. We must return all the mountains of Besshi to their verdant state." With this belief, he launched the Great Reforestation Plan in 1894 to restore the forests that had been lost. Through a process of trial and error, and by implementing large-scale planting efforts of up to more than one million trees per year, the mountains were eventually returned to a state of rich greenery.

It is the sustainable forest management based on this spirit of repaying what has been reaped from the land that serves as the starting point for Sumitomo Forestry's business activities and for its corporate social responsibility (CSR) efforts.



Besshi Copper Mine before reforestation (Courtesy of the Sumitomo Historical Archives)



Present day Besshi Copper Mine (Niihama City, Ehime Pref.)








Corporate Philosophy

**The Sumitomo Forestry Group utilizes timber as a renewable, healthy,
and environmentally friendly natural resource,
and contributes to a prosperous society through all types of housing-related services.**

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The one renewable natural resource which humans are able to manage is wood—our mission is to maximize its added value.



Akira Ichikawa
President / Representative Director

The Sumitomo Forestry Group contributes to the resolution of global challenges through business that capitalizes on wood

The Sumitomo Forestry Group's business dates back over 320 years to the management of the forest around the Besshi Copper Mine, in Ehime prefecture. Today, "the Sumitomo Forestry Group utilizes timber as a renewable, healthy, and environmentally friendly natural resource, and contributes to a prosperous society through all types of housing-related services." Based upon this Corporate Philosophy, we aim to be the world's leading forestry company that delivers the value of forests and timber to their fullest to the people of the world.

Presently, the world is facing a range of environmental, economic and political challenges. These include the frequent natural disasters, from destructive typhoons to large-scale floods; the slowing growth in emerging economies and political instability in some regions. In such times, what is the most required to companies is sustainable business practices that will coexist with the global environment and regional economies.

The Sumitomo Forestry Group is currently reviewing its approach to material CSR issues, while listening to our stakeholders, in order to appropriately respond to the global situation, which is changing at an unprecedented pace.

Proactively responding to global warming prevention

The prevention of global warming has become an urgent issue as we attempt to live in harmony with the environment. In this context, the beneficial role that forests play in absorbing CO₂ during their growth process has been gaining attention. Sumitomo Forestry is now in the second year of cooperation with Japan International Cooperation Agency (JICA) in verification activities in Vietnam for the bilateral credit mechanism REDD+. In another initiative, Project EARTH, the Group conducts reforestation on devastated land in Indonesia and cultivates the trees for 10 years, aiming to offset the CO₂ emitted in processes from harvesting through to construction of the principal structural members used to build all Sumitomo Forestry Home houses. After the initial schedule for five years beginning in fiscal 2009 has ended, we have decided to extend the project for another three years.

Furthermore, the Group's efforts are not limited to forest management and reforestation. In advance of the worldwide adoption of timber standards aimed at eliminating illegal logging, the Group established its Timber Procurement Philosophy and Policy in fiscal 2007 and strives to procure timber from sustainable forests.

There is also an increasing demand for a greater degree of energy efficiency in homes, which form the base for people's lifestyles. The Group has devised a new housing concept coined as "Green Smart." It fuses our Ryouonbou design, which takes advantage of natural blessings, such as the sunlight, the wind and greenery, with expertise in wooden house construction including advanced thermal insulation technology to maintain low power consumption. The Group is focusing its effort on homes that use energy efficiently, and also driving development of life cycle carbon minus (LCCM) housing.

Making effort in initiatives which contribute to national land preservation and regional development

Sumitomo Forestry believes it has a significant role to play in terms of land preservation and regional development. Around 70 percent of Japan is covered with forests, and Sumitomo Forestry owns and manages about 45,808 hectares of forests in Japan, or about 1/900 of the land area. We are promoting efficient and sustainable forest management based on the principle of replanting when we log, with consideration for biodiversity, and through the introduction of advanced technology.

However, most plantation forests in Japan have deteriorated due to lack of attention resulting from the stagnation of logging and usage. Japan's timber self-sufficiency rate is only 30 percent, therefore we must

expand the utilization of domestic timber to revitalize the Japanese forestry industry.

Sumitomo Forestry has, through technological innovation, increased the proportion of Japanese timber for principal structural members used to build homes. This has now reached 60 percent. With the backing of the government, for example, in the Wood-Use Points Program introduced by the Forestry Agency from May, 2013, we feel that interest has grown significantly in timber, timber construction and the use of domestic wood materials.

Together with legislative reform, Mocca business is gaining more attention with its wood construction for medium to large public buildings such as schools, hospitals and facilities for the aged. Wood offers many benefits, including the absorption of eye-damaging UV rays; a gentle warmth to touch, and a degree of sound absorption. We hope to make more people aware of these benefits, to pass on Japan's traditional culture on wood for future generations and to effectively utilize the Earth's resources. To this end we are striving to develop technology and materials to enable people to more proactively use timber wherever possible.

In addition, we have high expectation in unused forest materials being utilized as fuel woodchips for wood biomass power generation in Japan, in order to be able to fully use timber. The Group has commenced work on a wood biomass power plant in Mombetsu city, Hokkaido, in collaboration with local partners, which is scheduled to commence operation in December 2016.

Continuing to operate businesses benefit society by consolidating the strength of diverse human resources

Each employee of the Sumitomo Forestry Group is our valued asset, making a contribution to society through new propositions. We have strived to create a work environment where our diverse human resources can participate according to their abilities and circumstances, regardless of their age, gender, race, nationality, religion or disability, etc. We believe that this diversity can be a significant driving force in the Group's growth, and consequently the Sumitomo Forestry Group established the "Declaration on Empowering Women" in December 2013. By leveraging the unique creativity and perspective of women and our diverse work force, we will ignite innovation and contribute to society through our businesses. We believe this is our responsibility and our mission as a group.

The Sumitomo Forestry Group will continue to pursue the potential of wood in order to assist the realization of a prosperous and sustainable society.



The "Green Smart" Concept

A fusion between wooden housing and advanced technology, delivering zero-energy homes

As interest grows in the environment, natural resources and a low-carbon society, there is an increasing demand for energy-efficiency in homes, which are the base of our lifestyles.

Sumitomo Forestry has devised a new housing concept coined as "Green Smart." It fuses wooden houses that take advantage of natural blessings, such as the sun, the wind and greenery with basic housing functions such as advanced thermal insulation to reduce power consumption and a power generation and management system for smart energy use.

Society seeks zero-energy homes and we will provide them.



Kunihiko Nakano
 Manager
 Product Development Department
 Custom-Built Housing Section
 Housing Division

What House Construction can Contribute for the Realization of a Low-carbon Society

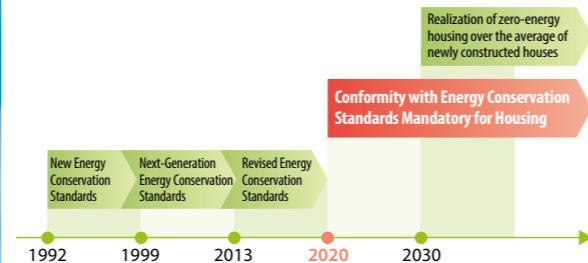
In recent years, energy-efficiency has become an important theme in housing construction with the severe environmental problems such as global warming and heightened awareness on saving electricity following the 2011 Great East Japan Earthquake.

The Japanese government is also promoting energy-efficient housing as one aspect of the creation of a low-carbon society. In October 2013, reforms were made to energy conservation standards for housing and other buildings. Consequently, comprehensive energy efficiency is now evaluated, including improvement of thermal insulation, the use of natural energy and installation of energy-efficient devices. In addition, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment jointly established the "Council for the Promotion of Housing and Living Styles toward a Low-Carbon Society" which proposes to institute mandatory conformity with the new standard for all

newly constructed housing by fiscal 2020.

In order to meet these demands of society, since fiscal 2013, Sumitomo Forestry has initiated a new housing concept coined as "Green Smart."

Roadmap for the Japanese government's drive for a low-carbon society

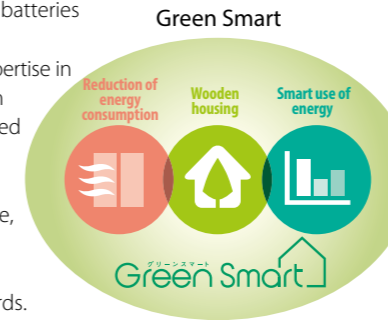


* From "Promotional Measures on Housing and Living Styles toward a Low-Carbon Society (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, and Ministry of the Environment; July 2012)

Creating Housing which is People- and Environment-Friendly by Fusing Wooden Housing with Advanced Technology

Sumitomo Forestry has consistently promoted wooden housing creation whereby housing can co-exist with the natural environment. In addition to being a renewable natural resource, wood also absorbs CO₂, a cause of global warming, during its growth process and fixes it as carbon. In addition, through our Ryouonbou design, which takes advantage of wind flow paths, the direction of sunlight and placement of garden plants, we have achieved housing where residents can live comfortably all year round without relying excessively on heating and cooling equipment. In addition, improving thermal insulation makes it possible to control solar heat in summer and heat loss in winter, thereby reducing the use of heating and cooling devices. Also, we have been proactive in adopting power generation and energy conservation equipment including solar power generation systems and the residential fuel cell Enefarm, storage batteries and HEMS*1.

By fusing our expertise in constructing wooden housing with advanced technology, Green Smart boosts energy efficiency in the home, thereby exceeding the Revised Energy Conservation Standards.



*1 Home Energy Management System—a amount of system whereby residents can visualize the energy they use.

Proposal of More Advanced Energy-Efficient Houses toward the Creation of the Ideal House

Sumitomo Forestry is upgrading its next-generation thermal insulation specifications that pass the Revised Energy

Conservation Standards to enhanced high thermal insulation specifications in order to support the creation of ideal houses that control energy consumption. In addition, we are actively promoting zero energy specifications, aimed at self-sufficient energy during residency; and zero utility cost specifications, which aim to reduce utility costs to zero by utilizing the electric power fixed-price purchase system.

In addition, the Sumitomo Forestry Group is making efforts in research and development of life cycle carbon minus (LCCM) housing to achieve negative CO₂ emissions across the entire life cycle of a home, from construction, during residence and renovation through to dismantling and disposal. In October 2013, a verification facility was completed at our Tsukuba Research Institute to evaluate the research to date with an actual building. In the future, we will apply the results of research to further evolve our Green Smart concept.

Stakeholder Message

It triggered all of my family to think about saving electricity and environmental preservation

—K. Family, Ibaraki prefecture

Generating electricity in the home is important, but what is more important is not to waste electricity. By incorporating electricity saving innovations, our electricity bill has dropped significantly compared to our previous home. Also, by watching a display which allows us to check daily electricity consumption, our family began to think of ways to save electricity. I am so happy that, as a result, our child has also gained an



understanding of the importance of conserving electricity and an awareness of preservation of the global environment.

The family checks electricity usage



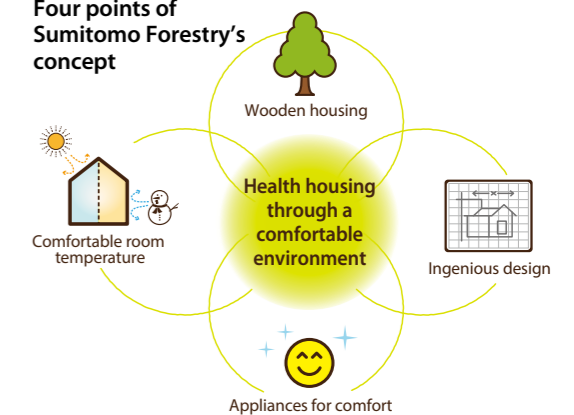
Topics

Efforts for the Creation of Housing which Promotes Health Maintenance

Against the backdrop of the aging of society in Japan, housing is gaining attention as the foundation of healthy living.

In order to realize Housing Promoting Health Maintenance as encouraged by the Japanese government, Sumitomo Forestry offers four propositions—wooden housing, comfortable room temperature, ingenious design and appliances for comfort. Sumitomo Forestry is taking advantage of the soothing effect which wood has upon people and also incorporating various ideas to enhance safety and comfort. For example, a key concept in the promotion of health maintenance is recuperation and sleep. In order to facilitate comfortable sleep, Sumitomo Forestry offers bedrooms that combine wooden interior materials with concealed lighting.

Four points of Sumitomo Forestry's concept



MOCCA, a Future Society Inspired by Wood

Aiming to help create a sustainable society in which people and trees live together in harmony

Centered around a wood culture that has been nurtured amid the harmonious coexistence of people and trees, Sumitomo Forestry promotes the MOCCA business, promoting wooden construction and the use of timber both in the housing and non-housing sectors.

Through the development of prosperous communities and society drawing on the value of trees, Sumitomo Forestry will help realize a sustainable society in which people and trees, and people and forests, live together in harmony.



Kiichi Sugimoto
Group Manager
MOCCA (Timber Solutions)
Department
Housing Division

Manufacturing that Makes the Most of the Appeal of Wood

"MOCCA" is a collective term for the promotion of wooden construction and the use of timber for interiors. It is indicative of all aspects of Sumitomo Forestry's activities based on the concept of "MOCCA, a future society inspired by wood."

The MOCCA (Timber Solutions) Department was established in April 2011 directly under the president, and has since strived for the development of a prosperous society, making the most of the appeal of wood based on Japan's traditional wood culture.

In areas affected by the Great East Japan Earthquake, we have provided Mocca Huts, temporary wooden facilities that take common structural materials and utilize them as interior spaces. These facilities have been used as clinics and cafes, and their popularity has been highly praised.

We have also built up a portfolio of proposals and achievements in the non-housing sector for a range of structures

that make active use of timber, such as nursery schools and facilities for the elderly, including some proposals that were selected among the Leading Projects for Wood Construction Technology, a scheme promoted by the Ministry of Land, Infrastructure, Transport and Tourism.

In April 2013, in an effort to more actively promote the MOCCA initiative, the Company changed the Japanese name of the MOCCA (Timber Solutions) Department in the Housing Division to emphasize the commercial nature and size of the department. (The English name of the department remained unchanged.) With an aim of regenerating forests and rejuvenating forestry in Japan, and given the current social context encouraging the use of timber, we will continue to put forward a wide range of manufacturing proposals that make the best use of wood so that users can experience firsthand the virtues of wood.



Relaxing
with
Wood

One of Kansai's largest nursing homes made of wood
Charm Shijonawate (Shijonawate City, Osaka Prefecture)

Charm Shijonawate is a private retirement home with nursing care, boasting a total of 60 private rooms across two floors. This makes it the largest wooden nursing homes in the Kansai region. It marks the first time for the "exposed wooden post and beam frame," designed for residential use by Sumitomo Forestry's Tsukuba Research Institute using generally available materials, to be used in a semi-fireproof construction. This technique successfully combines the qualities of wood with fire resistance.

Selected among the Fiscal 2012 Leading Projects for Wood Construction Technology by the Ministry of Land, Infrastructure, Transport and Tourism



Wooden Manufacturing Plant to serve as a symbol of reconstruction
Kawauchi Plant, Codomo energy Inc.
(Kawauchimura, Futaba-gun, Fukushima Prefecture)

The Fukushima Industry Revitalization Subsidy on Business Location is a scheme designed to promote reconstruction and regional revitalization in areas affected by the Great East Japan Earthquake. Selected for a subsidy, work on the plant began in October 2013, and a ceremony to celebrate its completion was held in June 2014. This project marked the first large-scale structure in Japan to use structural laminated veneer lumber (LVL) manufactured by Nelson Pine Industries, a Sumitomo Forestry Group company located in New Zealand. It is hoped that, through the manufacture of phosphorescent tiles, the plant will help create new jobs and revitalize regional industry, with an aim of rebuilding the regional economy.



A café abounds in the qualities of wood and in harmony with the surrounding green spaces
Vegetable Club *oto no ha* Café (Bunkyo-ku, Tokyo)

This wooden café is enveloped in a fragrance of wood befitting an eatery serving dishes made from organic vegetables. By using engineered fire-resistant wood made from Japanese cedar, Sumitomo Forestry achieved qualities of wood for interior materials not possible in conventional fireproof wooden buildings, in a fire protection district in the very heart of Tokyo. The *oto no ha* Café is the first building in Japan to be made from pure laminated engineered fire-resistant wood.

Selected among the Fiscal 2012 Leading Projects for Wood Construction Technology by the Ministry of Land, Infrastructure, Transport and Tourism

Voice **Creating Spaces that Communicate the Distinctiveness of Wood Construction**

In designing Charm Shijonawate, our priority was to convey the distinctiveness of wood construction so that elderly residents can feel like being at home where they used to live in. We therefore employed an "exposed design" in which the timber used in posts and beams is left visible on walls, achieving both a distinctive wood interior space plus fire resistance. We were also particular about the selection of wooden flooring because they are often avoided for maintenance reasons in elderly homes. Through ingenuity in design, we enhanced the maintainability, safety and comfort of the flooring. One of the new residents commented that they had been looking for a retirement home where they could feel these intrinsic qualities of wood, and this has renewed our drive to take on the next challenge.



Naoki Nishide
Manager
Design Team
MOCCA (Timber Solutions)
Department
Housing Division

Voice **Using the Latest Technology to Maintain Japan's Traditional Culture for the Future**

The "exposed design," in which posts and beams are left visible on walls and ceilings, has long been popular as a design used in traditional Japanese-style rooms. However, regulations, construction costs and other factors had led to a decline in this technique being seen in ordinary homes of late. Our exposed design using generally available materials was developed in order to meet the needs of customers wanting to build special Japanese-style rooms even in districts with stringent fire safety regulations. The fact that this technology has been applied to a large wooden building helping to create a therapeutic space gives me a sense of great joy and fulfillment.



Mariko Seki
Senior Researcher
Tsukuba Research Institute

Promoting Sustainable Timber Procurement

The present and future of the Action Plan for Timber Procurement

Wood is a renewable, natural resource that can be used sustainably through a cycle of nurture, harvest, use and plant.

However, in recent years, illegal logging, excessive slash-and-burn farming and other practices have resulted in forests vanishing all the world over. Consequently, from a perspective of mitigating global warming and preserving biodiversity, regulatory systems are being beefed up in countries around the world.

The Sumitomo Forestry Group has advanced efforts based on its own unique Timber Procurement Philosophy, not only for the purpose of promoting compliance with these regulations but also for promoting sustainable timber procurement.



Formulating Specific Action Plans Based on the Timber Procurement Philosophy and Policy

Given that the world's forests are rapidly diminishing, timber regulations designed to eliminate illegal logging are being enacted in countries around the world with a view to the procurement of timber from sustainable forests. In 2008, the amended Lacey Act came into effect in the United States, and in 2013, the European Union Timber Regulation (EUTR) was enforced in the European Union. In Australia too, the Illegal Logging Prohibition Act will come into force in November 2014.

Ahead of these regulations, the Sumitomo Forestry Group established its Timber Procurement Philosophy and its Timber Procurement Policy in fiscal 2007. Every three years, the Group has also formulated an Action Plan for Timber Procurement with specific action targets based on these guiding principles. As well as steadily promoting measures based on these plans, the Group has also gradually strengthened the substance of its measures.

Promoting Sustainable Timber Procurement through the Third Action Plan

Under the First Action Plan, which covered fiscal 2007–2009, all suppliers were investigated and the legal compliance of our directly imported timber was confirmed.

Under the Second Action Plan, which covered fiscal 2010–2012, the Sumitomo Forestry Group promoted initiatives from a perspective of sustainability, setting a goal of increasing the volume of certified timber, plantation timber and Japanese timber handled. For the purpose of strengthening efforts that include the supply chain, the Group also began surveying suppliers on CSR aspects such as labor practices and human rights protection.

Under the Third Action Plan, which covers fiscal 2013–2015, in addition to the earlier initiatives, the Group also sets a goal of utilizing timber resources more effectively. Hence, the Group is working on realizing a sustainable society through more diverse approaches, such as increasing the volume of fuel wood chips handled and promoting the use of wood leftover from logging and other unused wood materials.

Strengthening Field Surveys at Suppliers in Light of the More Stringent Confirmation of Legal Compliance

In fiscal 2013, in accordance with the Third Action Plan, the Sumitomo Forestry Group continued to inspect suppliers in order to confirm their legal compliance.

A recent international trend has been the obligation of operators to exercise due diligence, that is, rather than confirming legal compliance by merely examining a logging license or other certificate, they have been required to conduct whatever investigations are practicable, including field surveys. In response, the Group has put more effort than ever into having overseas representatives conduct field surveys of suppliers. In fiscal 2013, the Group carried out field surveys in China. Staff from environmental departments headed to Guangzhou, and representatives and staff from sales departments visited plywood manufacturers that use timber produced from eucalypt plantations. There, they observed the series of processes, from harvesting to transportation, processing and shipment, and they interviewed the managers in charge of business at the suppliers of materials.

Since verification of legal compliance is predicated on actions conforming to the rules of each country, the Sumitomo Forestry Group will continue to keep a constant check on trends in regulatory systems in different parts of the world and on international trends regarding timber procurement, and where necessary, will respond by undertaking investigations, including on-site checks.



Field survey conducted in China by a staff member from the environmental department

Voice

Sustainable Timber Procurement Begins with Communicating with Suppliers

Until now, the Sumitomo Forestry Group has verified legal compliance by getting local representatives to conduct field surveys of suppliers. Starting from my second year at Sumitomo Forestry, I was responsible for the procurement of logs in my capacity as the Malaysia representative, and so I also conducted surveys and checks at suppliers.

At the time, surveys based on the First Action Plan had only just begun, and so it was really difficult to get suppliers to appreciate their significance and necessity. Rather than simply imposing our demands upon the suppliers, first, we sought to gain a correct understanding of the country's processes from production to export, and then based on this, we patiently explained about the growing environmental awareness present in the Japanese market and about how certifying the legality of their timber would lead to an expansion in business in Japan. I think that proceeding this way also brought about a gradual change in the suppliers' awareness and facilitated the verifications.

Now, back in Japan, I verify legal compliance in cooperation with representatives. I am committed to maintaining close communication with suppliers based on the realization that the efforts of each and every one of us supports sustainable timber procurement.



Kousuke Maruyama
Log Group
International Marketing
Department
Timber & Building Materials
Division

Topics

Increasing the Amount of Japanese Timber Used in the Housing Business

In recent years, development of Japan's forests has halted because of an aging forestry workforce and a decline in price competitiveness compared to imported timber. Its forests are in a state of continual degradation.

In order to help resolve this issue, Sumitomo Forestry has actively worked to expand its use of timber produced in Japan, and has set targets in its Action Plans for Timber Procurement for the percentage of Japanese timber to be used in custom-built detached houses.

In fiscal 2013, the Company used Japanese timber for 60% of the structural and non-structural materials of custom-built detached houses, thus achieving its target of 60% by fiscal 2015 earlier than planned.





Commercial Forest Plantation Bringing Precious Forest Resources for the Future

Conducting sustainable plantation forest operations overseas

Demand for wood is continuing to increase worldwide against a backdrop of rapid population growth and economic development in emerging countries, and as a consequence, securing sources of wood supply has become a significant challenge.

However, land suited to afforestation is often in competition with food production, and not enough plantation forests have been developed to satisfy the global demand for wood.

Utilizing its experience and know-how built up through the management of forests in Japan and overseas, the Sumitomo Forestry Group promotes sustainable plantation forest operations, managing some 200,000 hectares of plantation forests mainly in Asia. We are contributing to a stable supply of wood, as well as helping in the preservation of biodiversity and the development of local communities.



Sen Nishimura
Group Manager
Overseas Resources &
Manufacturing Department
Overseas Business Division

Maintaining Forest Resources for the Future Carrying out Plantation Forest Operations

Wood as a resource is renewable through a cycle of planting seedlings, nurturing them, harvesting and using mature trees, and planting seedlings again. A key to meeting the growing global demand for wood is the practice of sustainable forest management.

The Sumitomo Forestry Group, therefore, undertakes plantation forest operations, mainly in Indonesia and Papua New Guinea, by utilizing the Group's rich forest management know-how that we have built up in Japan and overseas. We have advanced initiatives with a long-term view from two perspectives: "commercial forest plantation," which is aimed at the sustained supply of plantation timber; and "environmental reforestation," which is aimed at planting trees for the purpose of environmental conservation.

Particularly with regard to commercial forest plantation, we carefully examine our managed lands and zones land separating high conservation value forests and plantation forests for the production of wood. In our plantation forests, by systematically following the reforestation process of nurturing and harvest,

and by protecting high conservation value forests, we contribute to conserving biodiversity. Furthermore, by conducting these operations in areas with little industry, we create new jobs, thereby contributing to the development of local communities.

Promoting Environmentally Friendly Industrial Reforestation in Indonesia

In Indonesia, where the Sumitomo Forestry Group has been involved in large-scale commercial forest plantation since fiscal 2009, we have established two local JV companies to handle operations: PT. Wana Subur Lestari (WSL) and PT. Mayangkara Tanaman Industri (MTI). They operate with 100-year business licenses granted by the government.

As for the land managed by these two companies, field surveys and extensive environmental surveys are conducted using image data from satellites, before the lands are designated as forest conservation zones, buffer zones, and plantation zones. Forest conservation zones are connected with tracts of vegetation corridors to prevent them from becoming isolated. With respect to plantation zones, the Group aims to develop the zones by planting numerous species of trees that are suited to each location, bearing in mind the topography, soil and water conditions and other environmental factors.

The Group also practices appropriate forest management, such as the prevention of illegal logging and forest fires, by conducting periodic patrols and fire drills within the project sites.

Conducting Surveys Based on the HCVF Approach, Aimed at More Sustainable Forest Management

In 2013, WSL and MTI re-surveyed the project sites in accordance with the "high conservation value forest" (HCVF) approach on which there has been a growing emphasis in recent years. It was based on advice provided by the International Finance Corporation (IFC) with which an advisory agreement had been concluded in fiscal 2012. Areas were designated for protection as HCVFs, not just from the perspectives of preserving biodiversity and maintaining the functions of forests for the public good, but also from many other different aspects, such as their use as a place for indigenous people to live, as well as their cultural value. Reflecting the findings of this survey, the area of protected forests identified in the survey conducted prior to the project development phase was expanded. Furthermore, in addition to public hearings being held on the results of the HCVF survey, the results have also been shared with local residents, government officials and other stakeholders.

Also in fiscal 2013, the project acquired PHPL certification, a qualification established by Indonesia's Ministry of Forestry for sustainable forest management. The Group is also moving ahead with procedures aimed at acquiring FSC® certification, an international standard.



A public hearing

Topics

"Social Forestry": Community-Based Tree Planting

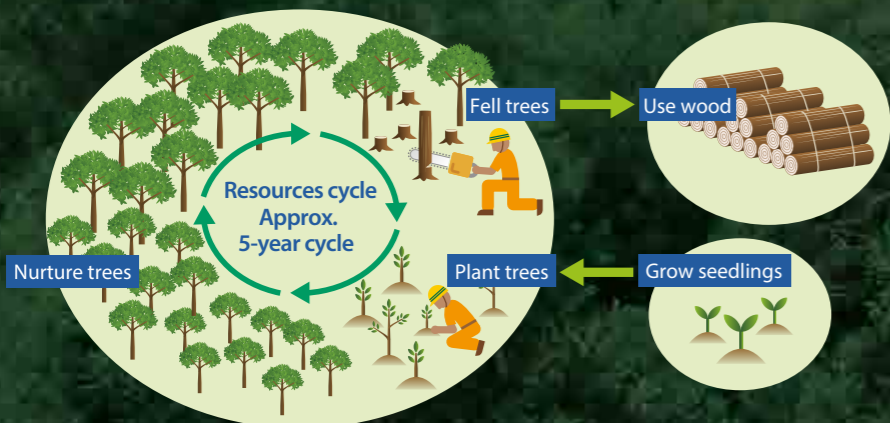
In conducting commercial forest plantation overseas, as well as the method of managing land and planting trees itself, the Sumitomo Forestry Group is also engaged in "social forestry" which is carried out in collaboration with local communities.

In overpopulated areas in emerging countries, land-use practices often give priority to the production of food, and most of the land that can be used for afforestation lies scattered. In such regions, the Group has introduced a system whereby free seedlings are distributed to local residents, the residents plant the seedlings on pockets of their land unsuited to cultivation, and then, when the trees are matured, the Group promises to buy the wood as timber.

The Group has also formed a reforestation cooperative together with local residents, and has acquired FSC®-FM certification. As well as generating economic benefits for local communities through afforestation, the Group has also endeavored to obtain a stable and sustainable supply of wood.



Guidance provided to local residents on planting trees





Providing Renewable Energy through the Effective Use of Wood

Launch of wood biomass power generation business in Mombetsu, Hokkaido

Wood biomass power generation is fueled by the natural resource, wood. Not only does it show promise as a renewable energy, but because it is carbon neutral^{*1}, it also helps to curb global warming.

The Sumitomo Forestry Group will actively promote its wood biomass power generation business and create other new opportunities for wood as an energy resource, in an effort to raise the value of forests through making full use of unused wood materials, and to revitalize local economies through the creation of jobs.

^{*1} CO₂ generated when burning wood had previously been absorbed by the trees during their growth process, and so does not lead to any increase of CO₂ in the atmosphere.

Creating New Value for Japan's Forests through the Effective Utilization of Unused Wood Materials

From early on, the Sumitomo Forestry Group focused on wood biomass power generation, hoping to revitalize the forestry industry by adding value to wood as an energy resource. In fiscal 2006, the Company commenced Indonesia's first wood biomass power generation, and has produced and supplied wood chips to domestic power producers in Japan.

In July 2013, the Group embarked on its Group's first forest sourced wood biomass power generation business in Mombetsu, Hokkaido. In collaboration with Sumitomo Joint Electric Power Co., Ltd., the Company established Mombetsu Biomass Power Co., Ltd. to handle power generation and Okhotsk Bio Energy Co., Ltd. to handle the manufacture of fuel chips. Generating 50MW of power, the power generation plant currently stands to become one of the largest biomass power generation facilities in Japan. Operations scheduled to begin in December 2016.

The significance of a forest-sourced wood biomass power generation business of Japan is the effective use of unused wood resources, such as thinnings and wood leftover from logging, as a fuel for generating power. As a consequence, not only will the value of forest resources rise, but ongoing jobs will be created, such as in the yarding



Unused wood materials

of wood from the mountains and in the manufacture and transportation of wood chips. It is expected that the business will also contribute to the revitalization of local economies.

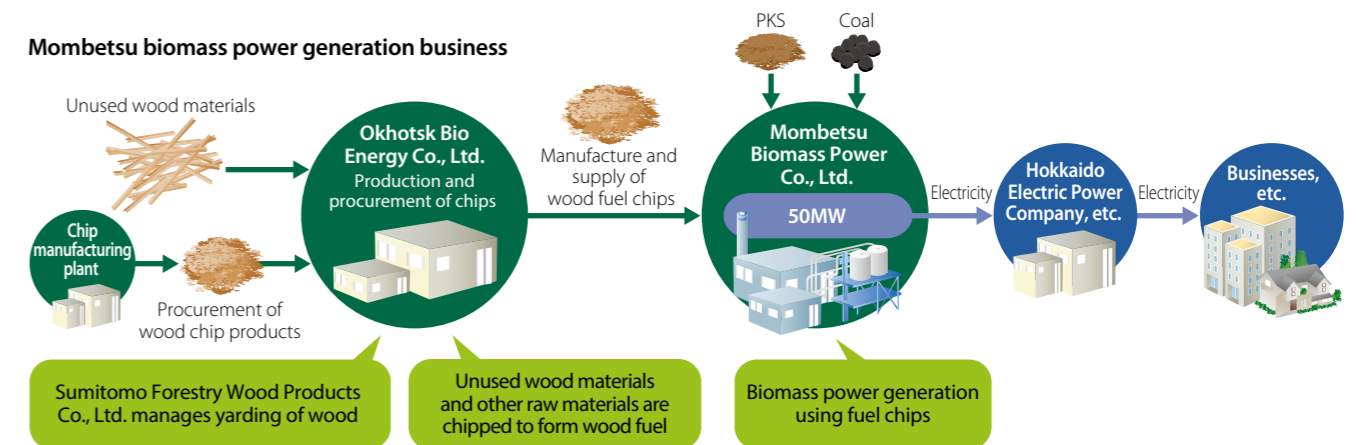
Establishing a Cyclical Power Generation Business in Cooperation with Local Communities

There are a variety of issues facing forest-sourced wood biomass power generation, such as the collection of forest resources, the establishment of transportation routes, the drying of wet wood, and the establishment of efficient combustion technologies. The biggest challenge is the stable procurement of the main fuel, unused wood materials.

Okhotsk Bio Energy Co., Ltd. plans to procure unused wood materials for the Mombetsu Biomass Power Generation Facility from forests within a 75km radius, and essential for securing a more stable supply will be the cooperation of surrounding local communities, including forestry operators. The business scheme has already been praised by the City of Mombetsu as being "a business suited to the city's ideal symbiosis of the environment and industry." Going forward, the Company will continue to deepen its relationships of trust with the City of Mombetsu, forestry operators and surrounding communities, and to strengthen its cooperation with the regional forestry industry.

By utilizing local forest resources in the power generation business and plowing the profits earned back into the forests—that is, realizing a kind of cyclical power generation business—the Company aims for a harmonious relationship with the local communities.

Mombetsu biomass power generation business



Stakeholder Message

Creating a mechanism that utilizes unused wood materials to generate new revenue for forestry businesses

—Masanori Santou, President, Okhotsk Bio Energy Co., Ltd.

A considerable amount of hope and interest has been shown in this project as a "new development," not only by the forestry industry, but also by ordinary Mombetsu citizens. In order to live up to these expectations, first, we will work together with people in the local industry to build a mechanism of utilizing unused wood materials to generate a new source of profits for the forestry businesses. We will promote a business that places harmony among revitalization of the local forestry industry, stable operation of our power generation business, and development of the local economy.



Supporting the business suited to our city's ideal "Symbiosis of the Environment and Industry"

—Yoshikazu Miyakawa, Mayor of Mombetsu City

Utilizing unused wood materials from forests to create value as a fuel for generating power, and returning that value to forestry businesses will result in sustainable forest management and a verdant cycle of "reforestation, nurturing, and harvest." A CO₂-neutral wood biomass power generation plant is good for the natural environment and accords with the "Plan for Symbiosis between People and the Natural Environment" listed under the Fifth Comprehensive Plan for Mombetsu City. We will provide support for the power generation business and strive for the creation of the "Mombetsu Model," under which the power generation plant and the local community can grow together, and community as a whole.



Topics

Biomass Power Generation Using Construction Wood Waste from Urban Areas

Prior to its initiative in Mombetsu City, the Sumitomo Forestry Group had been operating an urban-sourced wood biomass power generation facility since February 2011 in Kawasaki City, in collaboration with Sumitomo Joint Electric Power Co., Ltd. and Fuluhashi EPO Corporation. This power generation plant makes use of the large amount of wood waste that is generated in urban areas on a daily basis in the demolition of houses and other structures. As well as solving the problem of obtaining a steady supply of fuel, it has also resulted in taking a resource that had previously been treated as industrial waste and using it effectively as fuel.

Resource recycling efforts in the region have also

been further expanded. For instance, in addition to recycling scrap wood from demolition, now, Japan Bio Energy Co., Ltd. also accepts waste pallets from local markets, as well as packaging materials and industrial food waste generated in Kawasaki City. The ash produced during biomass combustion is also recycled as ground material.

This urban-sourced wood biomass power generation initiative is the first of its kind in Japan, and so it has drawn a fair amount of attention from the community. Since starting operations, the facility has welcomed about 4,000 visitors, including civic groups and university students who are interested in environmental issues.



Exterior view of the Kawasaki Biomass Power Plant



Assisting the Revitalization of Forestry, Generating New Vigor for Communities

Developing a consulting business supporting sustainable forest management

We have long been engaged in sustainable forest management based on a spirit of Kokudo Ho'on (gratitude for nature's resources). In 1894, at the Besshi Copper Mine in Ehime Prefecture, where Sumitomo Forestry's business first originated, the Company instigated its Large-Scale Reforestation Plan to restore the forests that had been lost.

Amid growing attention in recent years for rejuvenation of Japan's forestry industry from such perspectives as land conservation and promotion of regional development, we now extend our expertise beyond our Company-owned forest. We contribute to revitalization of regional forestry across the country by offering our forest management expertise and technology accumulated in our 320-year-plus history to forests and forestry operators in Japan.



Tatsuya Narazaki
Team Manager
Forestry Department
Forestry & Environment Division

Promoting Forestry Consulting Business in an Effort to Resolve Issues Facing Japan's Forestry Industry

Japan is a country blessed with rich forest resources, but in recent years, its forestry industry has waned due to such factors as an aging and decreasing population in the sector as well as a drop in prices caused by competition with imported timber. As a consequence, precious forest resources have been neglected, and the devastation of forests has become a grave nationwide issue.

In addition to helping to resolve the issues facing Japan's forestry industry, Sumitomo Forestry has sought to create a new core business by providing forest owners across Japan with the forest management know-how and technology that have been cultivated by the Company over time. The Company therefore established the new Forestry Planning Group within the Forestry &

Environment Division in fiscal 2011, which has since been advancing the forestry consulting business. We provide a comprehensive consulting service by leveraging the Group's unique quality of having an extensive range of wood-related businesses; from drafting policies and visions based on the issues facing each region, to conducting forest surveys, formulating plans for forestry roads and harvesting, mechanization and IT development, product development, sale and distribution.



On-site boundary survey of privately-owned forests

Supporting the Move of Regional Forestry to a Sixth-Order Industry: Initiative with Totsukawa Village

Totsukawa is a village located in southwestern Nara Prefecture. While forests account for 64,000 hectares, or 96% of its total area, given the remote mountain location and often steep terrain, the village had been unable to take full advantage of its plentiful forest resources. In response, the village administration and forest owners' cooperatives have partnered together to promote various initiatives, including development of a processing and distribution hub for timber, based on a vision of moving the forestry and timber to a "sixth-order" industry*1.

Sumitomo Forestry received a request from Totsukawa Village in June 2011, and after first gaining a detailed understanding of the situation, we provided assistance in formulating a concrete policy and plan for achieving the above vision.

In fiscal 2012, the project shifted to an "implementation phase," and work commenced on building forestry roads and managing forests with forestry cooperatives and other groups. Sumitomo Forestry put forward proposals which drew on its own unique expertise and technology. This included introducing the "in-vehicle-type tower yarder," developed to improve the efficiency of harvesting wood on sloping terrain.

*1 The shift by businesses operating in the primary industry, such as agricultural producers and forestry operators, to also branch out into the secondary industry (processing, manufacture, etc.) and tertiary industry (distribution, sales, etc.)



An in-vehicle-type tower yarder in use

Implementing a Wide Range of Support Based on Trusting Relationships with the Local Community

In Totsukawa Village, small-scale owners account for approximately 80% of forests, and so any attempt to genuinely promote the improvement and development of these forests requires building relationships of trust with the owners. Therefore, since fiscal 2013, employees from Sumitomo Forestry have been stationed almost full-time at the village office to provide even closer support. As well as operational support for the forest owners, the staff also endeavored to provide support for consensus-building aimed at demarcating the boundaries of owned forests and at developing and improving the forests.



Briefing for forest owners

The consultancy has also been proved financially effectual in applying to the Norinchukin Bank's Forest Rejuvenation Fund (FRONT80) and to the Forestry Agency's Strategic Project to Double the Use of Local Timber, with success in both schemes.

Furthermore, from fiscal 2014, the Company also dispatches staff to forest owners' cooperatives on an almost full-time basis. Besides strengthening assistance from a business aspect, they will also help to reinforce cooperation between the municipal government administration and forestry operators.

In addition to maintaining initiatives at Totsukawa, by taking the business model established here and rolling it out throughout Japan, the Company will contribute to the overall revitalization of Japan's forestry industry.

Stakeholder Message

I look forward to receiving ongoing advice as we head toward realizing a virtuous cycle model centered around forest resources

—Yoshiki Saratani, Mayor of Totsukawa Village



Since fiscal 2011, we have commissioned Sumitomo Forestry for comprehensive advice with respect to policies on the revitalization of Totsukawa's forestry industry, including the formulation of our Forest Management Plan. Sumitomo Forestry has also provided us with diligent effort for our routine

activities, such as the development of harvest and transportation infrastructure based on the demarcation of boundaries. This has included co-hosting briefing sessions for residents. These developments triggered good incentive like nothing before, and forest owners' cooperatives and other organizations have become more positive toward the harvest and transportation of forest resources. I look forward to continuing to receive advice as we pursue realizing a virtuous cycle model in which forest resources are turned to profit which are then returned to forest owners and local residents.

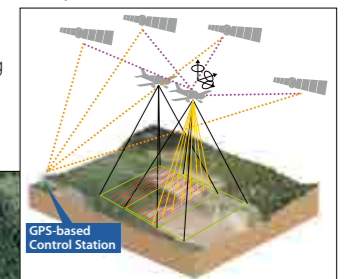
Topics

Supporting the Revitalization of Regional Forestry by Making Full Use of Information Technology

Since July 2013, Sumitomo Forestry has operated a forest resources data analysis system utilizing "aerial laser survey technology" to support the revitalization of regional forestry in the town of Shimokawa in Kamikawa-gun, Hokkaido. The system employs state-of-the-art technology, combining aerial photographs with laser surveying, to conduct high-precision analysis of forest resources data such as tree species, height, population and density. The resultant information is used for designing and implementing harvest plans as well as plans for developing forestry roads, leading to the proper and efficient management of forests.



Three dimensional image combining aerial photographs with laser surveying



Provided by Hokkai Aerosurvey Corporation



Creating a Workplace where Women can Shine

Establishment of "Declaration on Empowering Women"

Based on the falling birth rate and aging population, Japan expects its worker population to decline. Further promotion of the women's role has become a critical issue for business, as is recognized in the third arrow of Abenomics, the "Private Sector Growth Strategy."

The Sumitomo Forestry Group has always respected the diversity of each individual and has strived to enact diversity management that can optimize the Company's competitiveness.

In order to enhance these efforts, we established the Sumitomo Forestry Group "Declaration on Empowering Women," and the Group as a whole is further driving active participation by female employees.



Naoko Ushiki
Workstyle Diversification
Department
Personnel Department

Driving Various Initiatives from the Perspective of Diversity Management

The Action Guideline of the Sumitomo Forestry Group proclaims our "Respect for Humanity—We work to create an open and inclusive corporate culture that values diversity." Based on this guideline, the Group respects the differences of each individual regardless of their values, age, gender, nationality or disability, etc. and aims to harness this diversity for the Company's competitiveness through promotion of Diversity Management.

In April 2013, we established Workstyle Diversification Department within the Personnel Department, which serves as a single window for employees in relation to their workstyles.

Supportive functions cover career support, achieving a work-life balance, including the balance between work and care for children or family, re-employment after retirement, employment of people with disabilities, mental health and so on. By establishing an environment that makes it easier for employees to reach out for support, we are driving creation of a workplace where diverse employees can work happily.



Round-Table Discussion among women raising children

Group-Wide Efforts Based on the "Declaration on Empowering Women"

In order to drive these initiatives, it is essential to have the understanding and support of all employees in the workplace. For this reason, the "Declaration on Empowering Women" was released Group-wide in the president's name, indicating the Group's commitment to support women's initiatives and to deepen the understanding within the organization as a whole. Based upon the three policies contained in the declaration, we have been advancing various initiatives.

Three policies contained in the "Declaration on Empowering Women"

1. Create an encouraging work environment for women
2. Leverage women's unique creative power
3. Create innovation through the participation of women

For example, in order to create an environment that is easy for women to work in, the Housing Division established a Working Group on Coping with Work and Care for Children, to discuss workstyles for those raising children. Furthermore, as an initiative to leverage women's unique creative power, we started the Development through Women's Perspective Project. In addition, we support skills enhancement for female employees through a variety of training to boost their participation, stimulate innovation and create new products and services.

The Company also regularly issues a Diversity Newsletter which reports on the progress of initiatives and is intended to reform employee awareness.

Project Report

Official start of the Development through Women's Perspective Project



Yoshiko Morita
Manager
Product Development Department
Custom-Built Housing Section
Housing Division

Efforts to Leverage Women's Unique Creative Power for Product Development and Service Enhancement

In order to create the ideal home, we believe it is important to leverage the perspective of women, who is enthusiastic about homes and living. For this reason, the Housing Division is driving a product development by female employees, and has already produced "mamato," proposing to reduce the burden of household chores and child-rearing, and the *Nurturing Garden*, which enhances children's five senses.

While further enhancing such product development, we started the Development through Women's Perspective Project in March 2013 to leverage women's perspectives in areas such as marketing, promotional activities, customer service and after-service. The Project is composed of female employees from a wide range of divisions engaged in product development, interiors, installation and human resources. To kick off the initiative, in June we developed a proposal for a living room space called "comama" that enhances flexibility.

In addition, for the full-scale launch of the project, from October we included female employees who engage with our customers on a daily basis at sales branches across Japan.

In order to produce products and services that leverage the opinions of female users, a collaborative project was initiated with

Shueisha's women's magazine "LEE." The magazine enjoys a high readership among women with a high degree of interest in natural homes incorporating wood and greenery. In this project, we actively promote the quality of wooden houses and reflect readers' opinions to our actual product development through reader surveys and round-table discussions.



Round-table discussion with readers in collaboration with Shueisha's women's magazine "LEE"

To Further Empower Female Employees

Through our efforts to date, female employees have created a culture of cooperation across divisions and proactively share information. This culture of cooperation is now taking root and the effects are spreading beyond these team members. In the future, we will continue our initiatives as we aim to be a company that can earn support and brand loyalty of all women.



"Watching Garden," one example of *Nurturing Garden*

An example of the "mamato" concept. A "dining concept" that places the dining room in the center of home life



Sumitomo Forestry and JICA Enter Agreement to Promote Measures against Climate Change in Vietnam

Sumitomo Forestry and Japan International Cooperation Agency (JICA) entered into a partnership agreement in August 2013, regarding the implementation of REDD+ demonstration activities in Vietnam. REDD+ is a platform for alleviating climate change by preventing deforestation and degradation in developing nations and boosting the CO₂ absorption function of forests.



JICA is a Japanese governmental agency that implements official development assistance (ODA). This endeavor is its first effort to collaborate with a private sector company.

Commencement of Operation of Sumitomo Forestry First Solar Power Generation Facility, Kashima Solar Power Plant

Sumitomo Forestry is engaged in wood biomass and solar power generation initiatives with the aim of reducing CO₂ and addressing energy issues. The Company received facility certification under the feed-in tariff (FiT) policy mechanism introduced by the Ministry of Economy, Trade and Industry in 2012 that guarantees a fixed payment for renewable energy. As the Company's first solar power generation facility certified under this program, the Kashima Solar Power Plant commenced operation in November 2013. The solar panels used in the facility were mounted to wooden frames developed by Sumitomo Forestry.



Enrolled as Member of International Partnership for the Satoyama Initiative

Satoyama (border area between mountain foothills and arable flat land) has been rediscovered its value of secondary natural environment. While it is formed through agriculture and forestry and developed through human interaction with the natural environment, their continued existence is threatened in many parts of the world. The International Partnership for the Satoyama Initiative considers practices for sustainable preservation and utilization of these environments for the realization of a society that builds a positive relationship between humans and nature. Sumitomo Forestry endorses the aims of the initiative, which has great affinity with our businesses, and became a member in August 2013.



Strengthening the Renovation Business to Communicate the Value of Homes and to Enhance the Lifestyles of Residents

Sumitomo Forestry creates good quality residential stock and contributes to the construction of a low-carbon, sustainable society. We aim to extend the life span of our buildings as well as to boost and rejuvenate the performance and value of homes by promoting home renovation business. In March 2014, we launched a new brand called "Forestia" which offers the renovation of entire condominiums. The first project was Forestia Ashiya Hamacho, in Ashiya city, Hyogo prefecture.



Clone Blossoms of Taiko Weeping Cherry Blossoms Creates a Bridge between Kyoto and Miyako

Sumitomo Forestry collaborated with World Heritage-listed Daigoji Temple to implement the *Kyo no Mori* Project. In March 2014, students of the neighboring Daigo Elementary School were presented cloned seedlings of the Taiko weeping cherry trees to nurture them for a year to make a gift to Sakiyama was Elementary School in Miyako City, Iwate Prefecture. The region was devastated by the 2011 Great East Japan Earthquake. Four students representing Daigo Elementary School travelled with priests from Daigoji Temple, joining a disaster educational program and a memorial service for quake victims and conducting a planting ceremony for the cherry tree.

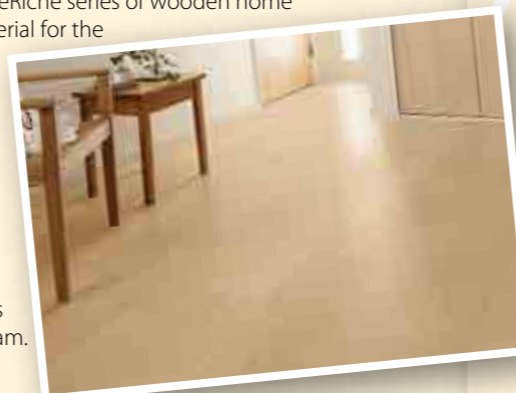


CSR Activities — Topics

The Sumitomo Forestry Group is contributing to the resolution of a variety of social issues in timber and housing. In this section we introduce some CSR initiatives implemented during fiscal 2013.

Contributing to Revival of the Domestic Forestry Industry and to the Conservation of Japan's Forests; Launch of Flooring Using Japanese Timber

The Sumitomo Forestry Group is focusing effort on increasing the use of Japanese timber materials to revive the Japanese forestry industry and to preserve Japan's forests. As one aspect of this, Sumitomo Forestry Crest Co., Ltd. added products made from Japanese timber to its BeRiche series of wooden home materials. The base material for the flooring products utilizes plywood made from Japanese wood resources. This flooring, launched in November 2013, is eco-friendly as well as human-friendly, and has been certified under the government's Wood-Use Points Program.



Establishment of Century-Old Home Club to Pass Homes Down through the Generations

Continuing to reside in homes through multiple generations reduces impact on the environment. It also enables to pass on the hopes of ancestors together with valuable materials and fixtures which are now difficult to obtain. Furthermore, there is great significance in bequeathing traditional construction technologies for future generations. In view of this, Sumitomo Forestry Home Tech Co., Ltd. formed the Century-old Home Club in July 2013 to preserve historical homes for future generations. An information desk was established, and information is provided to customers to offer a range of support, including proposals for home renovation.



Three Year Extension for "Project EARTH" Environmental Initiative Linking Customers in Japan with Indonesians for Their Growth

"Project EARTH" is an environmental initiative whereby Sumitomo Forestry offsets the CO₂ emissions (approximately 60,000 tons) produced during the processes from the logging through to construction for the main materials used for all homes it sells in Japan. It achieves this by establishing plantation forest in degraded areas in Indonesia. In addition to the carbon offset benefits, it also makes a significant contribution to the local community and assists with economic development. The Company decided to extend the five-year planting period, begun in 2009, a further three years. Sumitomo Forestry will continue in its efforts for the creation of sustainable forests in developing countries.



Corporate Profile

Company name:

Sumitomo Forestry Co., Ltd.

Address of Headquarters:

1-3-2 Otemachi, Chiyoda-ku, Tokyo 100-8270, Japan

Paid-in capital:

¥27,672 million

Incorporated:

February 20, 1948

Founded:

1691

Employees:

4,486 (non-consolidated); 17,413 (consolidated) (As of March 31, 2014)

Company-owned forests:

45,808ha (As of March 31, 2014)

External Evaluation

- DJSI (Dow Jones Sustainability Indices)
Since 2005, the Company has been continuously included in the indices



- FTSE4Good Global Index
Since 2004, the Company has been continuously included in the index



- Morningstar Socially Responsible Investment Index (MS-SRI)
Since 2008, the Company has been continuously included in the index



- The Company was selected as Industry Leader and Gold Class in RobecoSAM's The Sustainability Yearbook 2014

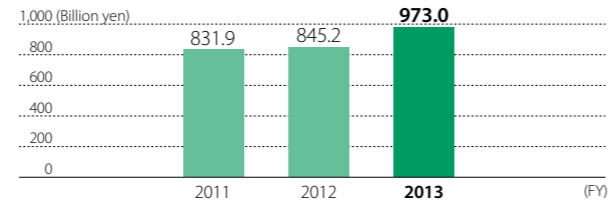


- The Company was awarded the top score for a Japanese business in the Climate Disclosure Leadership Index (CDLI) in the CDP Climate Change 2013

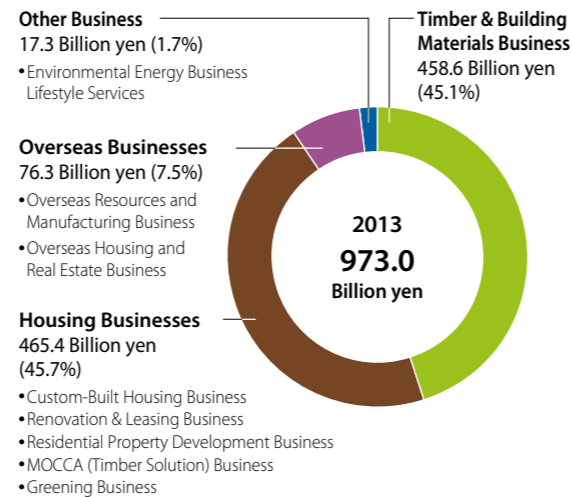


(As of March 31, 2014)

Sales



Sales by Segment



* Sales of each segment shown include inter-segment transactions.

Global Network



Sumitomo Forestry's Business Activities

Forestry & Environment Business



Implementing the planned forest management of broad tracts of Company-owned forests in Japan, based on the principle of "sustainable forestry." In addition to supporting the provision of timber materials, we also provides consulting services.

Environmental Energy Business



Developing new businesses to contribute to the environment through the expanded use of Japanese timber and utilization of renewable energy.

Timber & Building Materials Business



As the leading timber and building materials trading company in Japan, pursuing a broad range of operations, from procurement to manufacturing and logistics. Contributing to the stable supply of high-quality timber with our global network.

Custom-Built Housing Business



Sumitomo Forestry Home houses are the leading brand of custom-built wooden residences in Japan. Offering comfortable houses that utilize the unique allure of wood-based construction to be environmentally friendly and passed on to the next generation.

Renovation & Leasing Business



Pursuing business related to work that creates new value for existing homes, including remodeling and renovations. Providing a variety of services that enable customers to live in their homes longer and with more peace of mind.

Residential Property Development Business



Implementing a method of property development that is unique to Sumitomo Forestry based on the expertise it has developed through business which utilizes the unique characteristics of trees. Providing people with rich lives by building cities that are beautiful and exist in harmony with nature.

MOCCA (Timber Solution) Business



Promoting the expansion of timber use through wood construction in non-residential sectors and in interiors. Reevaluating the history people and wood living in harmony to create a new culture surrounding trees.

Greenery Business



Offering comprehensive support from planning and design to execution and maintenance. Conceptualizing and implementing optimal greening initiatives in a variety of areas, including housing, city planning, office buildings, urban spaces, and satoyama (mountain areas linked to local communities).

Overseas Resources & Manufacturing Business



Developing sustainable business using wood in response to the evolving environmental issues and demand for timber materials worldwide. Engaged in large scale plantation and production of high-quality timber building materials.

Overseas Housing & Real Estate Business



Engaged in the creation of comfortable housing adapted to local residential cultures and lifestyles around the world, leveraging expertise gained through building homes in Japan.

Lifestyle Services



Developing businesses related to the lives of people, including the operation of paid nursing homes and the manufacture and sales of agricultural products. Focusing on the creation of new services that contribute to a higher quality of life.



Access here to read more about
the CSR initiatives of the Sumitomo Forestry Group.

CSR Report 2014



<http://sfc.jp/english/csr/>



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