Company Name: Sumitomo Forestry Co., Ltd.

Address of Headquarters: Keidanren Kaikan, 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8270, Japan

Paid-in Capital: 32,752 million of yen (as of March 31, 2019)

Incorporated: February 20, 1948

Founded: 1691

Number of Employees: Non-consolidated: 4,824; Consolidated: 19,159 (as of March 31, 2019)

Business scope:

- **Environment and Resources Business**
  Management of domestic forests, biomass power generation business, plantation forest operations overseas, plantation forest tree sales, forest-related consulting in Japan and overseas, etc.

- **Timber & Building Materials Businesses**
  Purchase, manufacture, secondary processing and sales, in Japan and overseas, of timber (logs, wood chips, processed timber, laminated engineered wood, etc.) and building materials (plywood, fiberboard, processed wood materials, concrete and ceramic building materials, metal building materials, housing systems and fixtures, etc.)

- **Overseas Housing and Real Estate Business**
  Overseas leasing of detached houses, contract construction and sales of housing and real estate development.

- **Housing & Construction Business**
  Contract mid-range and large-scale construction, after-sales maintenance and renovation of detached houses and multi-unit residences; sales of spec homes; sales of interior products; rental, management, sales, and brokerage of property; contract work for housing exteriors, garden landscaping and urban greening; CAD work and site surveys, etc.

- **Lifestyle Service Business**
  Operation and leasing of private-pay elderly care facilities, insurance agency; information systems development, temporary staffing, etc.

Company-managed or owned forest area: Approximately 48,000 ha in Japan, Approximately 230,000 ha in Overseas (As of March 31, 2019)
## Key Financial Data

### Consolidated Net Sales, Operating Income, Recurring Income and Net Income

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (Billions of yen)</td>
<td>997.3</td>
<td>1,040.5</td>
<td>1,113.4</td>
<td>1,222.0</td>
<td>1,308.9</td>
</tr>
<tr>
<td>Operating Income (Billions of yen)</td>
<td>34.0 (3.4%)</td>
<td>30.1 (2.9%)</td>
<td>54.0 (4.8%)</td>
<td>53.0 (4.3%)</td>
<td>49.2 (3.8%)</td>
</tr>
<tr>
<td>Recurring Income (Billions of yen)</td>
<td>36.4 (3.7%)</td>
<td>30.5 (2.9%)</td>
<td>57.8 (5.2%)</td>
<td>57.9 (4.7%)</td>
<td>51.4 (3.9%)</td>
</tr>
<tr>
<td>Net Income (Billions of yen)</td>
<td>18.6 (1.9%)</td>
<td>9.7 (0.9%)</td>
<td>34.5 (3.1%)</td>
<td>30.1 (2.5%)</td>
<td>29.2 (2.2%)</td>
</tr>
</tbody>
</table>

* Percentages indicate the ratio to net sales

### Consolidated Net Sales, Net Sales Ratios by Segment (FY2018)

<table>
<thead>
<tr>
<th></th>
<th>Timber &amp; Building Materials Businesses</th>
<th>Housing &amp; Construction Business</th>
<th>Overseas Housing and Real Estate Business</th>
<th>Other Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (Billions of yen)</td>
<td>487.1</td>
<td>452.8</td>
<td>364.9</td>
<td>40.4</td>
</tr>
<tr>
<td>Ratio of Net Sales (%)</td>
<td>36.2</td>
<td>33.7</td>
<td>27.1</td>
<td>3.0</td>
</tr>
</tbody>
</table>

*1 Percentages indicate the ratio to net sales

*2 The net sales of each segment include the internal net sales between segments and transfers. Therefore, the total net sales of each segment do not match the consolidated net sales (1,308.9 billion yen).

▶ Performance Highlights
The Sumitomo Forestry Group regards the Sustainability Report as an important tool for communicating with our stakeholders.

As in previous reports, the fiscal 2018 report continues with coverage of Sustainability Activity Highlights, Sustainability Management, Governance, a Social Report and Environmental Report, in addition to Contributing Our Business, a new section that introduces in more detail the ways in which we are applying sustainability management through our business activities.

In addition to the website, we also publish a pamphlet with content centering on Sustainability activity highlights, arranged to be used in line with the interests of all our readers.

We appreciate your feedback on our wide range of sustainable activities.

The scope of this report is Sumitomo Forestry, its consolidated companies, and some affiliated companies accounted for by the equity-method.

* In this report, Sumitomo Forestry refers to Sumitomo Forestry Co., Ltd. and the Sumitomo Forestry Group includes consolidated companies in Japan and overseas as well as some affiliated companies accounted for by the equity-method

The environmental and social performance indicators have obtained third-party assurance by KPMG AZSA Sustainability Co., Ltd., and bear the third-party guarantee mark.

The respective departments of the Sumitomo Forestry Group have endeavored to ensure accuracy by using appropriate measurements and data collection methods for the initiatives and results reported in the Sustainability Report. These methods are also disclosed when relevant.