

July 29, 2011

Sumitomo Forestry Co., Ltd.

Sumitomo Forestry Group Releases *Environmental and Social Report 2011*

—Presenting Sustainability Initiatives that Harness the Vast Potential of Trees—

Sumitomo Forestry Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Akira Ichikawa) has released on its company website the *Environmental and Social Report 2011*, a compilation of the major sustainability initiatives undertaken by the Sumitomo Forestry Group in fiscal 2010.

Sumitomo Forestry's annual environmental and social report, which is broken down into four major sections—Management System, Economic Report, Social Report, and Environmental Report—provides information on many of the initiatives and achievements taking place in the Sumitomo Forestry Group as a way of fulfilling its corporate social responsibility. It describes the Sumitomo Forestry Group's business, which is based on the corporate philosophy of "utilizing timber as a renewable, healthy, and environmentally friendly natural resource, and contributing to a prosperous society through all types of housing-related services," the impacts its business is having on the natural environment and society, and the various ways the Group is communicating with its stakeholders.

Environmental and Social Report 2011 presents the four materials issues* the Group established in 2007 and has been continually working toward since then, as well as a number of sustainability initiatives aimed at harnessing the vast potential of trees, including forest management agreements with publicly owned forests to help restore Japan's forestry industry, development of forestry equipment, biomass power generation to promote the cascading use of forest resources, propagation of old and precious trees, and reforestation consulting activities overseas. The report also includes vital information for helping the Sumitomo Forestry Group fulfill a greater part of its social responsibility, such as environmental data from each plant in the Group, including those located overseas, and the results of a survey of Group companies in Japan on their CSR activities.

On the same release date as the *Environmental and Social Report 2011*, Sumitomo Forestry also released *CSR Highlights in Pictures*, a separate publication showing the Group's progressive initiatives in an easy-to-understand image-based format.

■ Brief Summary of *Environmental and Social Report 2011*

- Time frame: April 2010 through March 2011 (includes some activities after April 2011 and future outlooks)
- Organizations featured: Sumitomo Forestry Group
- Disclosure method: Posted on the Sumitomo Forestry website (<http://sfc.jp/information/kankyo/>)

* The Four Material Issues

In 2007, Sumitomo Forestry talked with its stakeholders and identified four priority goals for its business:

- Provide timber products and materials from sustainable forests
- Provide environmentally friendly homes
- Promote global warming countermeasures through our business
- Promote family-centered employee lifestyles