

Message from the Chairman



Expanding the potential of timber into new fields

The global economy is on a moderate recovery path led by the developed countries, and the Japanese economy shows signals of exiting deflation. While the domestic economy is now on a firmer footing, there are still areas of uncertainty such as the possible impact of the consumption tax increase. In addition, risks of downward pressure on the global economy remain with the economic slowdown of the emerging countries and political instability in some regions. There are also many issues that must be approached at the global level, including global warming, energy problems, and natural disasters in various places. We should not waste a moment in order to fulfill our responsibilities to future generations.

The Sumitomo Forestry Group will continue to contribute to people, communities, and the global environment through its worldwide business activities derived from wood. Trees are natural resources that we can regenerate through planting, cultivating, harvesting to use and replanting. Furthermore, wood resources show superior performance in terms of strength, durability, and heat insulation and wooden construction with advanced technologies bring great security and safety to people's lives. In recent years, the value of wood as a resource is seen in the new light with the increasing demand in wood as fuel for power generation. The role of wood is expanding as we witness the greater use of wood in large architectural structures, such as in Europe. The Sumitomo Forestry Group is therefore entering new business fields that are based on wood; these new fields include businesses to promote greater use of wood in non-housing construction for instance elderly care facilities and retail stores, and the biomass power generation business.

Global demand for timber is expected to increase with the expansion of applications and the economic growth of emerging countries. It is essential for us to have flexible ideas based on a global perspective and the ability to act on those ideas in this rapidly changing environment. Since its founding in 1691, the Sumitomo Forestry Group has undergone many changes in order to meet the demands of the age and continue its business in a changing society. On the other hand, we have upheld our original approach and spirit toward business for over 320 years. Our business focus has been on wood for a long period time, increasing its added value, and expanding its potential. Likewise, the spirit of our business founded on the Sumitomo Spirit—"We conduct business that is beneficial to society based on the principles of integrity and sound management."—is unchanged to this date.

I believe that the fields in which the Sumitomo Forestry Group can make a significant contribution will continue to expand if we build up our business from new perspectives without fearing change, while remaining close to our basic approach to business. In accordance with our corporate philosophy of utilizing timber—a material that is both renewable and friendly to people and the environment—while contributing to the realization of a prosperous society through all types of housing-related services, we will extract all of the value of wood including forest, timber, and the value of greenery, and strive toward achieving a prosperous and sustainable society by continuing to pursue the potential of wood.

Ryu Yano
Chairman / Representative Director

