

Message from the Chairman



The upheaval of socioeconomic activities caused by the COVID-19 pandemic is finally normalizing. Nevertheless, energy and raw materials prices continue to surge amid the protraction of geopolitical risks and in Japan, which imports most of its resources, this is beginning to have a major impact on people's daily lives. Additionally, there are growing concerns of a slowdown of economic growth worldwide caused by financial turmoil in Europe and the United States brought on by the bankruptcies of financial institutions in the United States.

In this time of uncertainty, in 2022 the Sumitomo Forestry Group formulated Mission TREEING 2030, our Long-Term Vision leading up to 2030, taking the first steps toward new value creation. Over the past year, we have steadily made progress with growing our existing businesses as well as such initiatives as "maximizing the value of forests and wood to realize decarbonization and a circular bioeconomy" and "advancing globalization." The Sumitomo Forestry Wood Cycle seeks to establish a forestry fund to produce high quality carbon credits, put in place timber industrial complexes that encourage the utilization of domestic timber, and standardize carbon neutral design to facilitate the push toward decarbonization across the entire construction industry. This value chain has been embraced by many of our stakeholders and we once again strongly feel the importance of our responsibilities to society.

The Sumitomo Forestry Group's origins date back to 1691 with the opening of the Besshi Copper Mine where we managed forests to procure wood for fuel and mine posts. In the more than 330 years since, we have operated our businesses for the good of society emphasizing trust and avoiding the pursuit of easy gains, as our core values. In the late 19th century, we formulated the Great Afforestation Plan that took nearly 100 years to rejuvenate the surrounding forests of Besshi Copper Mine that had been damaged from mining and smelting. In this manner, Sumitomo's Business Spirit, which places prime importance on fairness and integrity for the good of society as well as ourselves, has been passed down in our DNA in the form of our Group's Corporate Philosophy and Our Values today.

In times of uncertainty especially, we must faithfully uphold the spirit of harmony with the public interest, a tenet valued by our predecessors. The Sumitomo Forestry Group engages in a broad range of business operations utilizing the renewable resource of trees. Going forward, while flexibly responding to the changing times, we will resolve various social issues, work to create new value together with stakeholders, and contribute to a sustainable and prosperous society.

Akira Ichikawa
Representative Director, Chairman of the Board