



# At a Glance

Founded



**1691**


Group companies



**Japan 39**  
**Overseas 337**

(As of December 31, 2023)


Number of employees (consolidated)



**24,815**

(As of December 31, 2023)


Equity ratio



**41.6%**

(Fiscal year ended December 31, 2023)

Net debt-equity ratio



**0.4 times**

(Fiscal year ended December 31, 2023)

ROE



**14.8%**

(Fiscal year ended December 31, 2023)

ROA



**9.5%**

(Fiscal year ended December 31, 2023)

PBR



**1.1 times**

(Fiscal year ended December 31, 2023)

Dividend per share



**125.0 yen**

(Fiscal year ended December 31, 2023)

Area of forests owned and managed



**Japan Approx. 48,000 ha**  
**Overseas Approx. 238,000 ha**

(As of December 31, 2023)

Number of units sold and delivered annually



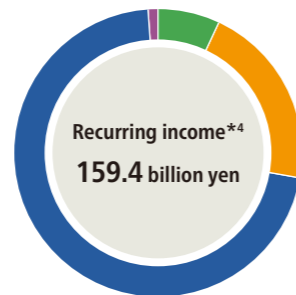
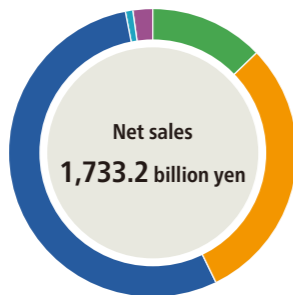
Japan	<b>9,295 units*1</b>	United States	<b>10,221 units</b>
Australia	<b>3,402 units</b>	Others	<b>1,501 units*2</b>

(Fiscal year ended December 31, 2023)

\*1 Custom-built detached houses, single-family rentals, and spec homes.  
\*2 Total of multi-family and single-family rentals in real estate development in the U.S., Australia, and other countries (Europe and Asia), including JV formats.

## Fiscal 2023 breakdown by segment\*3

- Timber and Building Materials **13%** 236.1 billion yen
- Housing\*4 **30%** 534.0 billion yen
- Global Construction and Real Estate **54%** 948.1 billion yen
- Environment and Resources **1%** 24.8 billion yen
- Others **2%** 26.0 billion yen



- Timber and Building Materials **7%** 11.2 billion yen
- Housing\*4 **21%** 32.8 billion yen
- Global Construction and Real Estate **71%** 112.5 billion yen
- Environment and Resources **0%** 0.6 billion yen
- Others **1%** 2.2 billion yen

\*3 The composition by segment excludes inter-segment eliminations (net sales -35.9 billion yen, recurring income +0.2 billion yen).  
\*4 Recurring income is shown because the profits of equity method companies are included.

## Timber and Building Materials Business P.90

Based on the global network we have built through many years of business development in Japan and overseas, we are developing a wide range of businesses as the leading timber and building materials trading company in Japan by transaction amount, including stable procurement of high-quality timber from appropriately managed forests and the distribution of timber manufactured by our Group companies.



## Housing Business P.92

In addition to our core custom-built detached housing business, we are developing a rental housing business, a spec-home business, a renovation business, and a greening business that propose the comfort unique to wood by utilizing the design and engineering capabilities we have cultivated.



## Global Construction and Real Estate Business P.94

In addition to building and selling single family homes and condominiums mainly in the United States, Australia, and Southeast Asia, we are also involved in the development of commercial and mixed-use complexes. In order to realize a decarbonized society, we are participating in medium- to large-scale wooden construction projects in the United States, Australia and the United Kingdom. In the 22 years since we entered the market in 2003, our operations in the United States have grown into a business that supports the Sumitomo Forestry Group.



## Environment and Resources Business P.98

In addition to forest management and forest asset management in Japan, Oceania, and Southeast Asia, we also operate renewable energy businesses in Japan that make effective use of primarily wood resources.



## Lifestyle Services Business P.100

We offer a wide range of services that support people's lives, with a focus on the nursing care business that includes private nursing homes and in-home care. We are also working to revitalize local economies by participating in the development of commercial resort facilities opened as collaborative projects involving industry, government, and academia.



# Our History

## Our sustainable business model draws out the potential of trees

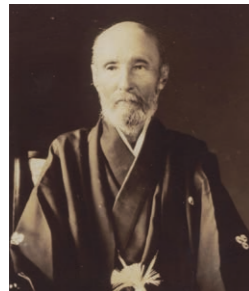


1600s ..... 1800s ..... 1900s ..... 1950s ..... 1960s ..... 1970s ..... 1980s

1691

### Founding of Sumitomo Forestry

Besshi Copper Mine opened by the Sumitomo family  
Started management of the forests around Besshi Copper Mine used for procuring wood for mine construction and fuel for smelting



Teigo Iba (stored among Sumitomo Historical Archives)

1865

Saihei Hirose appointed manager of Besshi

1882

Rules Governing the House of Sumitomo established

1894

Teigo Iba appointed manager of Besshi. Launched the Great Reforestation Plan

1899

Masaya Suzuki appointed manager of Besshi. Established the sustainable forestry approach



The Besshi Copper Mine was in a state of degradation during the Meiji era due to the effects of mining operations (stored among Sumitomo Historical Archives)



Mount Besshi in the present day

1909

House of Sumitomo's mountain forestry business transferred to Sumitomo Sohonten upon its establishment

1919

Forestry Section established at Sumitomo Sohonten

1948

Six companies formed (established) from the Forestry Department of Sumitomo under the government's zaibatsu dissolution order. After two mergers, they became two companies: Toho Agriculture and Forestry (Toho Norin) and Shikoku Forestry (Shikoku Ringyo)

### Start of the Great Reforestation Plan and sustainable forestry

In the late 19th century, the forests surrounding the Besshi Copper Mine were in danger of being devastated after a long period of excessive logging and smoke pollution. With the advocacy of Teigo Iba, manager of the Besshi Copper Mine, in 1894 the company prepared a Great Reforestation Plan for restoring forest that had been lost due to mining activities. As a result of large-scale reforestation exceeding two million trees annually at its peak, the area's mountains regained their verdant green landscapes. Afterwards, Sumitomo Forestry established conservation and sustainability minded forestry, a hallmark of sustainability management, by focusing on forest upkeep and development, harvesting, and timber manufacturing.

### Sumitomo Forestry's origin in the copper mine forestry business

Sumitomo Forestry was established back in 1691 with the opening of the Besshi Copper Mine in present-day Niihama, Ehime Prefecture. It began with the management of forests surrounding the Besshi Copper Mine in order to procure timber for fuel and wood to support mine walls, which was essential to the copper smelting business, and also timber and other materials for the construction of housing for people who lived and worked in mining and smelting.

### Evolution as a timber trading company and manufacturer

In the 1950s, Japan arrived at a period of rapid economic growth, and driven by dramatic growth in new housing starts, demand for timber increased sharply. However, the domestic forestry business at the time faced shortages of timber supply in the marketplace because the trees planted soon after the end of World War II were still immature.

Amid this, Sumitomo Forestry began importing timber from abroad ahead of its peers in Japan. The Company established timber manufacturing, distribution and sales systems in Japan and abroad and became the largest timber and building materials trading company in Japan in terms of volume.

1955

Toho Norin Co., Ltd. and Shikoku Ringyo Co., Ltd. merged to form Sumitomo Forestry Co., Ltd., and established a nationwide network to procure and sell domestic timber.

1956

### Import business for foreign timber started

Starting with the handling of Philippine lumber in 1955, the Company expanded its business to Malaysia and Indonesia, and in 1958 began handling timber from the United States and New Zealand.



Waterfront at the Port of Vancouver Sumitomo Forestry employees performing inspections at timber yard facility

1964

Established full-scale plywood manufacturing company in Japan

### Growth of housing business in Japan and overseas

In the 1970s, in response to changes in socioeconomic conditions, housing policy shifted from securing "quantity" to improving "quality," including the housing environment.

To respond to such social demands, Sumitomo Forestry entered the custom-built wooden housing business in 1975. By making full use of its domestic and overseas timber procurement networks to provide high-quality wooden houses, "Sumitomo Forestry homes" grew into a leading brand of custom-built wooden houses.

Furthermore, in 2003, Sumitomo Forestry launched a housing business in the United States, where wooden houses are the predominant form of housing. After that, the Company also entered the housing business in Australia, where wooden houses are mainstream. In the housing market, where the residential culture of each area is strongly reflected, Sumitomo Forestry expanded its business by partnering with local companies who share its management approach.

1970

### Started manufacturing business overseas

Established a joint venture, P.T. Kutai Timber Indonesia (KTI), in Indonesia and launched a full-scale building materials manufacturing business based on plywood manufacturing that would serve as a springboard for its overseas manufacturing business.

1986

Full-scale operation of MDF production plant by Nelson Pine Industries Ltd. (NPIL) in New Zealand



NPIL plant

1975

Started the custom-built wooden housing business



Custom-built wooden housing

1977

Entry into the greening business



Picture scroll depicting the Besshi Copper Mine in Iyo Province (stored among Sumitomo Historical Archives)

### The Sumitomo Business Spirit which started it all, passed down through generations

The Monjuin Shiigaki left by Masatomo Sumitomo (1585-1652), founder of the House of Sumitomo. The preamble of this brief explanation of philosophical business rules states, "Do your best prudently and meticulously, not only in business, but in every aspect of your life." He emphasizes that care should be exercised in all matters and everything should be done with consideration and respect. Sumitomo also left behind writings such as "Value trust and make certainty a principle" advocating the importance of trustworthiness, "Refrain from the pursuit of easy gains" which warns against being blinded by thirst for quick profits, and "Harmony between your interests and those of the public" with which Sumitomo urges harmony with the public interest - between the individual, the nation and society. These words through which our predecessors have kept the Company marching forward throughout its long history, as well as the thoughts behind them, are devotedly observed as the Sumitomo Spirit even in the present day.



# Our History



## Entered the elderly care services business

In 2007, we officially entered the elderly care services business. As Japan becomes a super-aged society, our private nursing homes as well as our assisted living and senior daycare services business aim to help each resident live independently while offering them high-quality services tailored to their individual needs.

## Promotion of medium- to large-scale wooden constructions

In Japan, planted forests usable as a resource are not fully maintained, raising concerns about the loss of the multifaceted functions of forest lands. Faced with the urgent task of using trees to maintain forests and revitalize forestry, in 2010 Japan passed a law encouraging the use of timber in public buildings and other structures. To address this issue, the Group has been promoting woodification and the use of wood in the field of non-residential construction since 2011.

Wooden construction makes significant contributions to decarbonization by storing carbon absorbed by wood over a long period of time. Compared to steel or reinforced concrete construction, wood can greatly reduce CO<sub>2</sub> during construction (embodied carbon), and therefore demand for medium- to large-scale wooden construction is increasing both in Japan and overseas. With the aim of realizing net zero carbon buildings\*<sup>1</sup>, Sumitomo Forestry is pursuing the medium- to large-scale wooden



construction business not only in Japan but also in the United States, Australia, and Europe.

\*<sup>1</sup> A building that emits virtually zero CO<sub>2</sub> during use.

## Promotion of the renewable energy business

In 2011, the Group entered the renewable energy business after reaffirming the value of forest resources. The Company has built several wood biomass power generation plants which use construction waste and unused timber from forestland as fuel.

### 1990s

#### 1990

Listed on the First Section of the Tokyo Stock Exchange

#### 1991

Tsukuba Research Institute established, unified the R&D organization for building materials, housing, and resources



New research building at Tsukuba Research Institute

### 2000s

#### 2003

Started housing business in the United States



Houses built for sale in Seattle

#### 2005

Developed first wooden beam Rahmen structure (Big-Frame Structure) in Japan



My Forest BF

#### 2007

Full-scale entry to the elderly care services business



Gran Forest Kobe Mikage

#### 2008

Started housing business in Australia



Show home by Henley Properties Group in Australia

### 2010s

#### 2011

Entered the medium- to large-scale wooden construction business in Japan



Sophia University Yotsuya Campus Building 15 (Completed in 2022)

#### 2016

Net sales exceeded 1 trillion yen for the first time since the Company's founding

#### 2018

Started full-scale real estate development business in the United States

Unveiling of W350 Plan aimed at realizing the Timberized Eco City

### 2020s

#### 2021

Full-scale entry into the large-scale single-family rental housing development business in the United States

#### 2022

Looking ahead to 2030, the Company announced its Long-term Vision Mission TREEING 2030, which defines the Group's vision. As the first phase of this plan, the Company launched the three-year Medium-term Management Plan Mission TREEING 2030 Phase 1.

## Mission TREEING 2030

#### 2022

Entered the medium- to large-scale wooden construction business overseas



36 Wellington Project in Australia (Completed in 2023)

#### 2022

Entered the Fully Integrated Turnkey Provider (FITP) business in the United States

#### 2023

Established the Eastwood Climate Smart Forestry Fund I

(billion yen)  
2,000

1,500

Trend in net sales

1,000

500

0

1990/3

1995/3

2000/3

2005/3

2010/3

2015/3

2020/3\*<sup>2</sup>  
(9M)\*<sup>3</sup>

2020/12

2023/12  
(planned)\*<sup>4</sup>

(billion yen)  
2,000

1,500

1,000

500

0

2023  
Net sales  
1,733.2  
billion yen

\*<sup>2</sup> Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied since the beginning of the fiscal year ended March 31, 2020.

\*<sup>3</sup> The accounting period for the fiscal year ended December 31, 2020 is the nine-month period from April to December 2020 due to a change in the accounting period.

\*<sup>4</sup> The planned figure represents the initial plan as of February 14, 2024.