

Eleven-Year Consolidated Financial Summary

	2024/12	2023/12	2022/12	2021/12	2020/12 (9M)*6	2020/3	2019/3	2018/3	2017/3	2016/3	2015/3
Operating results (¥ million)											
Net sales	¥2,053,650	¥1,733,169	¥1,669,707	¥1,385,930	¥ 839,881	¥1,104,094	¥1,308,893	¥1,221,998	¥1,113,364	¥1,040,524	¥997,256
Gross profit	502,952	408,830	392,970	321,994	191,323	242,689	232,146	219,315	204,138	183,134	169,492
Selling, general and administrative expenses	308,364	262,573	234,717	208,344	143,862	191,312	182,899	166,294	150,149	153,041	135,498
Operating income	194,588	146,258	158,253	113,651	47,462	51,377	49,247	53,021	53,989	30,093	33,994
Recurring income	197,955	158,921	194,994	137,751	51,293	58,824	51,436	57,865	57,841	30,507	36,424
Net income attributable to shareholders of parent / Net income	116,528	102,170	108,672	87,175	30,398	27,853	29,160	30,135	34,532	9,727	18,572
Recurring income (excluding actuarial differences)	188,153	153,919	187,027	134,491	46,470	61,396	54,846	55,574	52,860	42,038	36,681
Financial position (¥ million)											
Total assets	¥2,261,128	¥1,824,727	¥1,537,598	¥1,314,226	¥1,091,152	¥1,004,768	¥ 970,976	¥ 899,120	¥ 794,360	¥ 710,318	¥665,538
Working capital*1	883,938	639,401	578,653	470,909	297,669	273,167	236,047	209,506	190,386	178,215	158,110
Interest-bearing debt	613,411	423,872	348,323	302,763	302,933	268,491	248,885	200,630	163,817	119,069	103,369
Net assets	1,020,127	826,462	682,554	540,089	399,456	357,064	353,489	345,639	295,857	265,257	260,782
EBITDA*2	241,967	189,595	218,991	159,186	67,777	84,647	75,501	79,645	76,261	46,354	51,606
Cash flows (¥ million)											
Cash flows from operating activities	¥ 27,078	¥ 125,300	¥ 55,276	¥ 91,576	¥ 46,840	¥ 45,724	¥ 40,689	¥ 13,732	¥ 40,337	¥ 45,705	¥ 14,709
Cash flows from investment activities	(135,103)	(112,497)	(52,385)	(40,254)	(44,635)	(38,874)	(71,659)	(46,250)	(62,350)	(9,972)	(23,575)
Cash flows from financing activities	133,225	10,236	(32,998)	(7,029)	(6,782)	1,142	11,523	25,156	14,267	1,813	(17,286)
Cash and cash equivalents at the end of the year	206,297	174,771	147,373	170,035	122,220	112,565	105,102	125,555	132,707	141,265	103,296

*1 Working capital = Current assets - Current liabilities

*2 EBITDA = Recurring Income + Interest expenses + Depreciation and Amortization

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	2024/12	2023/12	2022/12	2021/12	2020/12 (9M)*6	2020/3	2019/3	2018/3	2017/3	2016/3	2015/3
Capital investment (¥ million)											
Property, plant and equipment	¥ 54,470	¥ 23,367	¥ 31,657	¥ 21,844	¥ 18,124	¥ 32,414	¥ 17,071	¥ 17,685	¥ 48,204	¥ 18,042	¥ 12,617
Intangible fixed assets	8,005	4,913	5,334	3,892	2,989	3,470	3,173	2,470	2,839	2,006	2,488
Others	7,106	10,154	7,026	2,488	2,834	2,267	2,088	3,792	3,085	400	282
Total	69,582	38,433	44,017	28,224	23,946	38,151	22,331	23,947	54,128	20,448	15,388
Depreciation and amortization	27,916	20,618	17,911	16,491	11,503	14,388	13,696	13,727	12,887	11,753	11,453
Per share data (¥)											
Net income	¥ 569.40	¥ 504.01	¥ 543.80	¥ 457.69	¥ 167.54	¥ 153.54	¥ 160.80	¥ 168.49	¥ 194.95	¥ 54.92	¥ 104.85
Net assets	4,497.17	3,684.87	3,140.26	2,479.76	2,025.13	1,777.57	1,755.06	1,719.05	1,552.04	1,374.47	1,387.39
Cash dividends	145.0	125.0	125.0	80.0	35.0	40.0	40.0	40.0	35.0	24.0	21.5
Financial ratios (%)											
Gross profit margin	24.5	23.6	23.5	23.2	22.8	22.0	17.7	17.9	18.3	17.6	17.0
Operating income margin	9.5	8.4	9.5	8.2	5.7	4.7	3.8	4.3	4.8	2.9	3.4
Recurring income margin	9.6	9.2	11.7	9.9	6.1	5.3	3.9	4.7	5.2	2.9	3.7
Return on assets (ROA)*3	9.7	9.5	13.7	11.5	4.9	6.0	5.5	6.8	7.7	4.4	5.6
Return on equity (ROE)*3	13.9	14.8	19.4	20.2	8.8	8.8	9.3	10.3	13.3	4.0	8.0
Return on invested capital (ROIC)	12.1	11.9	17.0	14.1	6.1	7.6	7.3	9.3	11.0	6.4	7.9
Equity ratio	40.7	41.3	40.8	37.7	33.7	32.1	32.8	34.7	34.6	34.3	36.9
Interest-bearing debt ratio*4	40.0	36.0	35.7	37.9	45.2	45.4	43.9	39.2	37.3	32.8	29.6
Current ratio	233.5	207.1	217.1	211.9	178.3	175.3	163.2	158.8	158.8	156.9	154.1
Interest coverage ratio (times)*5	3.59	29.3	18.4	39.7	24.9	16.9	20.1	9.6	27.1	43.1	12.6
Net debt equity ratio (times)	0.4	0.3	0.3	0.3	0.5	0.5	0.5	0.3	0.1	0.1	0.1

*3 ROA and ROE are calculated using the simple average of beginning and end of term balance sheet figures.

*4 Interest-bearing debt ratio = Interest-bearing debt / (Interest-bearing debt + Shareholders' equity)

*5 Interest coverage ratio (times) = Cash flows from operating activities / Interest payments

*6 In conjunction with the change in fiscal year-end, the fiscal year ended December 2020 is an irregular transition period covering the nine months from April to December 2020 on a consolidated basis.

ESG Information

		2024/12	2023/12	2022/12	2021/12	2020/12
Environment (E)	Energy consumption (MWh)	2,768,650	2,862,493	2,880,398	2,878,334	2,848,460
	Water use volume (thousand m ³)	2,939	2,916	2,937	2,858	2,851
	Greenhouse gas emissions (t-CO ₂ e)	92,727	103,726	126,301	143,806	151,534
	Greenhouse gas emissions (t-CO ₂ e)	62,305	98,566	100,915	100,891	91,960
	Greenhouse gas emissions (ten thousand t-CO ₂ e)	1,073.5	944.6	940.0	983.5	911.9
	Renewable energy introduction rate (%)	81.7	78.1	75.7	74.5	74.1
	Renewable energy introduction rate in electricity used in the Group overall (%)	39.8	19.6	17.5	17.2	17.4
	Sustainability procurement survey rate for imported wood product suppliers (%)	100.0	100.0	100.0	100.0	100.0
	Sustainable wood use rate among principal structural materials (%)	100.0	100.0	100.0	100.0	95.8
	Recycling rate at domestic manufacturing plants (%)	99.1	99.6	99.4	99.1	99.1
	ZEH order ratio for new custom-built detached houses (%) (order basis)	79.3	79.7	77.2	67.4	51.5
	Rate of new custom-built detached houses certified as long-life quality housing (%)	96.7	95.9	96.3	94.9	94.7
	Area under forest ownership/management (ten thousand ha)					
	Domestic	4.8	4.8	4.8	4.8	4.8
	Overseas	23.7	23.8	24.0	22.9	22.9
	Area under forest fund management	8.0	—	—	—	—
Social (S)	Carbon storage amount in area under forest ownership/management (carbon dioxide equivalent) (ten thousand t-CO ₂)					
	Domestic	1,405	1,384	1,373	1,361	1,348
	Overseas	5,152	5,191	5,264	5,240	5,212
	Number of employees (persons)					
	Non-consolidated	5,341	5,235	5,139	5,091	5,073
	Consolidated	26,741	24,815	21,948	21,254	20,562
	Ratio of female employees (%)					
	Non-consolidated	24.4	23.8	23.1	22.6	22.0
	Consolidated in Japan	35.2	36.1	33.4	34.4	32.4
	Consolidated overseas	30.1	28.4	28.2	30.0	30.8
	Ratio of female employees in management position (%)					
	Non-consolidated	7.6	6.8	6.3	5.6	4.8
	Consolidated in Japan	10.4	9.4	8.9	8.4	7.1
	Consolidated overseas	27.4	25.4	23.2	20.9	19.5
	Ratio of newly graduated female recruits (%)					
	Non-consolidated	32.8	34.1	33.1	26.9	30.2
	Consolidated in Japan	45.1	41.8	34.6	35.1	43.4
	Ratio of female recruits (%)					
	Consolidated overseas	39.1	35.7	39.5	32.8	38.7
	Employment ratio of persons with disabilities (%)					
	Non-consolidated	2.60	2.46	2.40	2.38	2.25
	Consolidated in Japan	2.30	2.25	2.23	2.04	1.85
	Rate of childcare leave taken by male employees (%)*					
	Non-consolidated	78.1	70.0	49.0	50.4	46.8
	Consolidated in Japan	48.7	28.0	32.8	28.0	13.2
	Rate of childcare leave taken by female employees (%)*					
	Non-consolidated	102.2	81.4	110.3	108.8	84.4
	Consolidated in Japan	101.6	96.8	114.3	118.8	122.0
	Rate of paid leave taken (%)					
	Non-consolidated	68.9	69.0	68.4	64.1	60.7
	Consolidated in Japan	69.1	68.1	66.6	59.6	58.1
	Training hours per employee (hours)					
	Non-consolidated	20.9	19.6	15.5	13.0	10.5
	Training expenses per employee (thousand yen)					
	Non-consolidated	152	117	106	77	59
	Turnover ratio (%)					
	Non-consolidated	3.6	3.1	3.2	2.7	1.8
	New graduate employee retention rate (three years with the Company) (%)					
	Non-consolidated	81.7	83.7	82.9	83.3	82.3
	Employee satisfaction (%)					
	Non-consolidated	78.0	76.3	77.0	78.2	80.1
Governance (G)	Number of Board of Directors meetings held	15	15	15	16	10
	Number of Directors	10	9	9	9	9
	Ratio of Outside Directors (%)	40	33	33	33	33
	Attendance rate of Outside Directors at Board of Directors meetings (%)	100	100	100	100	100

* Rate of childcare leave taken = Number of employees who started childcare leave during the fiscal year / Number of employees who had a child born during the fiscal year.

Major Evaluations and Awards Achieved

In recent years, there has been growing interest in ESG investment, which considers not only financial aspects but also environmental, social, and governance factors as investment criteria. The Sumitomo Forestry Group received the following ESG-related evaluations and awards. (As of March 31, 2025)

External Evaluations



Included as a constituent stock in all six ESG indices selected by the GPIF



**FTSE Blossom
Japan Index**

**2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX**



**Morningstar Japan ex-REIT
Gender Diversity Tilt Index**



**FTSE Blossom
Japan Sector
Relative Index**

**2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

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Dow Jones Sustainability Indices

* Name changed to "Dow Jones Best-in-Class Indices" in February 2025.



Major Initiative Participations and Endorsements



Statement of Authenticity



Tatsumi Kawata
Representative Director,
Executive Vice President

Publication of Integrated Report 2025

In order to realize a sustainable society and promote management aimed at the long-term improvement of corporate value, the Sumitomo Forestry Group established its Long-term Vision Mission TREEING 2030 in fiscal 2022, and identified the Nine Material Issues of material importance to management. In the new Medium-term Management Plan Mission TREEING 2030 Phase 2, launched in fiscal 2025, the Company clarified policies for further deepening and accelerating Sumitomo Forestry Group's unique value creation centered on trees. In this report, we have attempted to provide a clear overview of our Group's value creation to a wide range of stakeholders by devoting space to explaining the mechanisms through which we create three types of value—value for our planet, value for people and society, and value for the market economy—through this new Medium-term Management Plan and our unique Wood Cycle.

In preparing this report, we referred to disclosure criteria that included the International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Collaborative Value Creation 2.0 published by the Ministry of Economy, Trade and Industry. In addition, in order to accurately convey the Group's strategy, awareness of issues, and response, many related departments and management teams cooperated and collaborated closely during the preparation. For important non-financial information, we are working to improve the reliability of reported matters by measures including obtaining a limited warranty from a third-party warranty organization. As the person in charge of the department responsible for preparing the Integrated Report, I hereby declare that the process of preparing this report is adequate and that the contents of the report are accurate.

We hope that this report will help readers understand the current standing of the Group, as well as our future direction, and will serve as a launching pad for constructive dialogue. We look forward to your continued understanding and support of the Sumitomo Forestry Group as we move forward.

IR FAQ

Q

What is your outlook for the future of the single-family homes market in the United States?

A

While the number of housing starts in the U.S. has remained at a low level for a long period of time since the Global Financial Crisis (GFC), the country's population is continuously increasing, rising by approximately 36 million people since the GFC to over 340 million in 2024, and there is a shortage of housing. In particular, the population of millennials and Generation Z, the core of the home-buying population, appears relatively robust. Mortgage rates are trending at a high level between 6–7% and, while there is future policy uncertainty and buyers appear to be taking a wait and see approach, we expect stable growth to continue over the medium to long term.

Q

What is your roadmap to realize the 2030 recurring income target of 350 billion yen?

A

Currently, through four builders of single-family homes in the U.S., we are developing our housing business from Washington State to the East Coast, but mainly in the Sun Belt, which is experiencing significant population growth. In the Global Construction and Real Estate Segment, we have set a target of increasing recurring income from 225 billion yen in the fiscal year ending December 31, 2027 to 270 billion yen in 2030. In addition, we plan to increase our annual sales target for the U.S. single-family homes business from 17,700 units in the fiscal year ending December 31, 2027 to 23,000 units in 2030. Going forward, we will aim to achieve our targets by focusing on organic growth at our four builders, while also exploring new M&A opportunities. Furthermore, we currently have secured approximately 80,000 plots of land, including option contracts, which we plan to utilize as sites for our 2030 growth plans.

Q

What is your outlook for the future of the real estate development business in the United States?

A

As for the U.S. real estate development business, we plan to sell an annual average of 20 properties during Medium-term Management Plan Mission TREEING 2030 Phase 2 (from January 1, 2025 to December 31, 2027). Currently, negotiations for sales are difficult to conclude, given the backdrop of high interest rates. In the fiscal year ending December 31, 2025, we believe it will be important to improve the occupancy rate of rental properties and create conditions conducive to sale, as high supply pressure will continue in the rental housing market. One of our two U.S. real estate development companies has general contractor capabilities, enabling it to earn fee income in addition to income gains and capital gains. Going forward, we will aim to build a U.S. real estate development business that can generate stable revenue.

Q

What is the status of plant operations and synergies with Group companies in the Fully Integrated Turn key Provider (FITP) business?

A

Including the new plant in Missouri that came on line in March 2025, as of the end of June 2025 we have 10 plants in operation as manufacturing bases for roof trusses, wall panels, and other construction materials. For current Group companies, we are supplying products to companies including DRB, a single family homes builder in the U.S., for its spec homes, and to Crescent, a real estate developer in the U.S., for its multi-family housing. In this way, collaboration between Group companies is progressing. Through the FITP business, we will promote construction rationalization and creation of new value, and build Group synergies in collaboration with our Group companies to achieve our target of 23,000 housing units sold annually in the U.S.

Q

How do you specifically plan to improve the profitability of the Australian housing business?

A

In Australia, we acquired Metricon Group in November of 2024. Metricon is making progress in improving its earnings, and aims to achieve recurring income of 20 billion yen in fiscal 2025. We expect steady performance improvements at existing Group companies, and, going forward, we will strengthen synergies across the entire Group through efficiency measures such as centralized material procurement and integration of back-office functions.

Q

What initiatives are you pursuing to strengthen the earnings base in the custom-built detached housing business in Japan?

A

In the domestic housing business in the fiscal year ended December 31, 2024, the number of privately-owned housing starts in Japan declined year-on-year, and the business environment remained challenging, but the profit margin improved due to cost reductions, the implementation of operational efficiency measures, and the effect of price revisions. In addition, through our Grand Estate Design Project, proposals that leverage high-quality materials and design capabilities that exceed the scope of luxury properties are gaining support from customers. Orders for the semi-customized Forest Selection product line in the mid-price range are also steadily increasing, demonstrating the success of measures taken in each price range.

Going forward, we will strengthen our land acquisition capabilities in the rental housing business, expand our build-and-land package business, and promote the strengthening of the business of each Group company, including the renovation business, in order to strengthen the earnings base of our domestic housing business as a whole.

Corporate Profile and Stock Information (as of December 31, 2024)

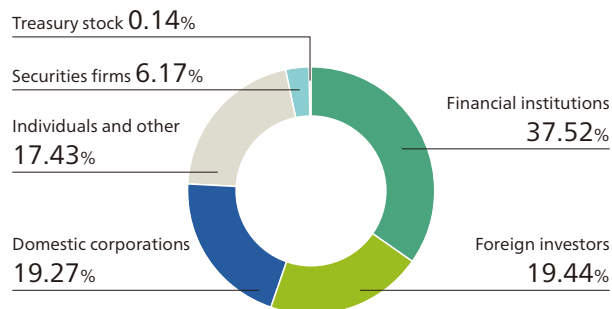
Corporate profile

Company name	Sumitomo Forestry Co., Ltd.
Founded	1691
Incorporated	1948
Paid-in capital	¥55,101 million
Head office	Keidanren Kaikan, 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8270, Japan
Affiliated companies	654 (Overseas 601)
Number of employees (consolidated)	26,741
Homepage	https://sfc.jp/english/
Accounting auditor	Ernst & Young ShinNihon LLC
Contacts	Sumitomo Forestry Co., Ltd. Corporate Communications Department IR Group Tel: 81-3-3214-2270 Fax: 81-3-3214-2272 IR contact https://inquire.sfc.jp/sfc/m/contact/english/

Shareholders & stock information

Stock exchange listing	Tokyo
Total number of authorized shares	400,000,000
Total number of shares issued	206,067,368
Ordinary General Meeting of Shareholders	March
Number of shareholders	68,515

Breakdown of shareholders



* Percentages in breakdown of shareholders are rounded down.

Major shareholders (top 10)

Shareholders	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	27,601	13.4
Custody Bank of Japan, Ltd. (trust account)	12,815	6.2
Sumitomo Metal Mining Co., Ltd.	10,110	4.9
The Iyo Bank, Ltd.	5,849	2.8
Kumagai Gumi Co., Ltd.	5,197	2.5
Sumitomo Corporation	4,383	2.1
Sumitomo Life Insurance Company	4,227	2.0
The Hyakujushi Bank, Ltd.	4,197	2.0
SMBC Nikko Securities Inc.	4,131	2.0
JP Morgan Securities Japan Co., Ltd.	3,938	1.9

* Number of shares held and shareholding ratio are rounded down. Shareholding ratio is calculated by subtracting treasury stock from the total number of outstanding shares.

Global Network (as of January 1, 2025)

Growing business in **12** countries, including Japan



Timber and Building
Materials Business



Housing Business



Global Construction and
Real Estate Business



Environment and
Resources Business



Lifestyle Services
Business

