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For Immediate Release

Company name: Sumitomo Forestry Co., Ltd.
(Code 1911, Tokyo Stock Exchange, First Section)
Representative: Toshiro Mitsuyoshi, President and Representative Director
Inquiries: Toshihiro Horii (telephone: 03-3214-2270)

Sumitomo Forestry Group Long-Term Vision and Medium-Term Management Plan

Sumitomo Forestry Group is pleased to announce the formulation of Mission TREEING 2030, its long-term vision for 2030, and Mission TREEING 2030 Phase 1, its medium-term management plan.

Long-term vision, Mission TREEING 2030

(1) Long-term vision naming and statement

Mission TREEING 2030

~Making our planet safer and more secure for future generations~

By providing value to our planet, to people and society, and to the market economy, we at Sumitomo Forestry Group strive to make our planet safer and more secure for current and future generations of people and all living beings. Utilizing our long-held strengths in harnessing and expanding the value of forests and wood, we will create change for a new future.

To fulfill our long-term vision, Sumitomo Forestry Group has defined and linked three important issues – providing value to our planet, providing value to people and society, and providing value to the market economy. We are committed to promoting businesses that synergistically and simultaneously enhance all three values without sacrificing each of the other values.

(2) Business Policy

1. Maximizing the value of forests and wood to realize decarbonization and a circular bioeconomy
2. Advancing globalization
3. Striving for transformation and the creation of new value
4. Transforming our business foundation for growth

(3) Major numerical targets

	Fiscal 2021 actual (December 2021 term)	Fiscal 2030 forecast (December 2030 term)
Recurring income	134.5 billion yen	250.0 billion yen
Forest conservation and management area	279 thousand ha	500 thousand ha
Timber industrial complex domestic timber volume	-	1.0 million m ³
Number of houses supplied annually	27 thousand units	50 thousand units

Medium-term management plan, Mission TREEING 2030 Phase 1 (2022~2024)

Sumitomo Forestry Group is positioning the three years starting 2022 as the first phase of its long-term vision, Mission TREEING 2030. In three years and by the fiscal year ending December 2024, we will aim for 1,770 billion yen in net sales, 173 billion yen in recurring income (excluding actuarial difference regarding employees' retirement benefit obligation), 116 billion yen in net income attributable to shareholders of parent, and at least 15% in ROE. In addition, as the basic policy of the medium-term management plan, we are working to fulfill our goals based on five themes: 1) Striving for decarbonization through the utilization of wood resources, 2) Enhancing our revenue base, 3) Accelerating globalization, 4) Reinforcing our management foundation for sustainable growth and 5) Further integrating our businesses with ESG.

(1) Numerical targets

	Fiscal 2021 actual (December 2021 term) *1	Fiscal 2024 forecast (December 2024 term) *1
Net sales	¥1,385.9 billion	¥1,770.0 billion
Recurring income	¥137.8 billion	¥173.0 billion
Net income attributable to shareholders of parent	¥87.2 billion	¥116.0 billion
ROE (return on equity)	20.2%	15% or higher

Recurring income (excluding actuarial differences)	¥134.5 billion	¥173.0 billion
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*1 Fiscal 2021 financial results include the effect of actuarial gain of 3.3 billion yen while fiscal 2024 forecast figures do not include the effect of actuarial differences.

(2) Basic policy

1. Striving for decarbonization through the utilization of wood resources
 - Develop new businesses that pursue the value of forests as a carbon sink
 - Promote initiatives that enhance the competitiveness of domestic wood
 - Expand our medium- and large-scale wooden construction business

2. Enhancing our revenue base
 - Regain profitability of our Housing & Construction and Timber & Building Materials Businesses and promote transformation that enables us to anticipate and respond to future market changes
 - Improve resource efficiency
3. Accelerating globalization
 - Expand our Housing and Real Estate Business operations in the United States and Australia and create a profit base in Asia
4. Strengthening our management base for sustainable growth
 - Promote digitalization
 - Secure and nurture human resources and improve engagement with employees
 - Reinforce risk management
5. Further integrating our businesses operations with ESG initiatives
 - Steadily implement initiatives to achieve RE100/SBT (Science Based Targets)

Shareholder Return

Sumitomo Forestry Group recognizes that returning profits to shareholders is one of its highest priorities and has adopted a basic policy to provide stable and continuous dividends.

In addition to improving return on equity (ROE) and enhancing shareholders' equity by effectively utilizing retained earnings for investments and R&D that contribute to long-term improvement of corporate value, the Company will continue to return profits at a level in line with earnings while comprehensively taking into consideration business fundamentals, financial condition, cash flow and other factors.

In accordance with the above-mentioned basic policy, we plan to pay a year-end dividend of 45 yen per share. Including the interim dividend of 35 yen per share, the full-year dividend will be 80 yen per share.

(Reference) Trends in annual dividends per share every three years

Fiscal term	March 2013	March 2016	March 2019	December 2021 forecast
Per share dividend	¥17	¥24	¥40	¥80

In addition to the above-mentioned initiatives, Sumitomo Forestry Group will work to further enhance corporate value by responding to societal changes, keeping attuned to stakeholder opinion and enhancing corporate governance while continuing to reinforce its efforts regarding environmental coexistence, customer satisfaction, human rights and diversity, risk management, and compliance with laws and regulations.

In addition to integrating our businesses operations with ESG initiatives, which is one element of the basic policy of our medium-term management plan, we will actively pursue SDGs (sustainable development goals) and other efforts to fulfill our corporate social responsibility.

(Supplementary information)

Briefing materials about this topic will be posted on the Company's website.

<https://sfc.jp/information/ir/>

(Notice)

Forecast figures in this release are based on information available at this time. Hence, actual results may differ.