

# Keep Moving Forward



## About Us

The Sumitomo Forestry Group dates back to the opening of the Sumitomo family's Besshi Copper Mine in 1691. Our corporate philosophy—"utilize timber as a renewable, healthy, and environmentally friendly natural resource, and contribute to a prosperous society through all types of housing-related services"—is the foundation of our businesses. We are engaged in comprehensive housing and wood products businesses at home and abroad.



### Contents

- 1 \_ Financial Highlights
- 2 \_ Keep Moving Forward
- 6 \_ Message from the Chairman
- 8 \_ Message from the President
- 10 \_ Interview with the President
- 15 \_ Special Feature
- 21 \_ Business Strategies by Segment
  - 22 \_ Timber and Building Materials Business
  - 24 \_ Overseas Business
  - 26 \_ Housing Business
  - 28 \_ Real Estate Business
  - 30 \_ Other Businesses
- 32 \_ CSR Management
- 33 \_ Corporate Governance
- 35 \_ Internal Controls / Compliance
- 36 \_ Human Resource Development and Workplace Environment
- 38 \_ Directors
- 39 \_ Financial Section
- 69 \_ Sumitomo Forestry Group at a Glance
- 72 \_ Organization Chart
- 73 \_ Investor Information

# Financial Highlights

Sumitomo Forestry Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen			Thousands of U.S. dollars*1
	2011	2010	2009	2011
<b>Operating Results:</b>				
Net sales	¥797,493	¥723,923	¥823,810	\$9,608,350
Operating income	14,238	9,747	6,837	171,548
Recurring income*2	14,206	9,465	6,160	171,157
Net income	5,175	2,377	1,028	62,352
<b>Financial Position:</b>				
Total assets	489,417	469,738	427,738	5,896,590
Interest-bearing debt	69,229	66,786	49,127	834,086
Total net assets	163,110	162,930	156,192	1,950,132
<b>Per Share Data:</b>				
	Yen			U.S. dollars*1
Net income	¥ 29.2	¥ 13.4	¥ 5.8	\$ 0.35
Net assets	919.5	917.8	880.9	11.08
Cash dividends	15.0	15.0	15.0	0.18
<b>Financial Ratios:</b>				
	%			
Return on equity (ROE)*3	3.2	1.5	0.6	
Return on assets (ROA)*3	3.0	2.1	1.4	
Return on Capital Employed (ROCE)*4	4.1	2.9	2.3	
Equity ratio	33.3	34.6	36.5	

\*1. Japanese yen amounts have been translated into U.S. dollar amounts, at the rate of ¥83 = US\$1, the approximate exchange rate prevailing in the Japanese foreign exchange market at March 31, 2011.

\*2. Recurring income = Operating income + Non-operating income - Non-operating expenses

Non-operating income includes interest income, purchase discounts, dividends income, foreign exchange gains, miscellaneous gains, and other income generated from normal business activities. Non-operating expenses include interest expense, sales discounts, foreign exchange losses, miscellaneous expenses, and other expenses from normal business activities.

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

ROA = Recurring income / Total assets ROE = Net income / Shareholders' equity

\*4. ROCE = Operating profit / (Interest-bearing debt + Shareholders' equity)

[Operating profit = (Recurring income + Interest expenses) x (1 - Effective tax rate)]

