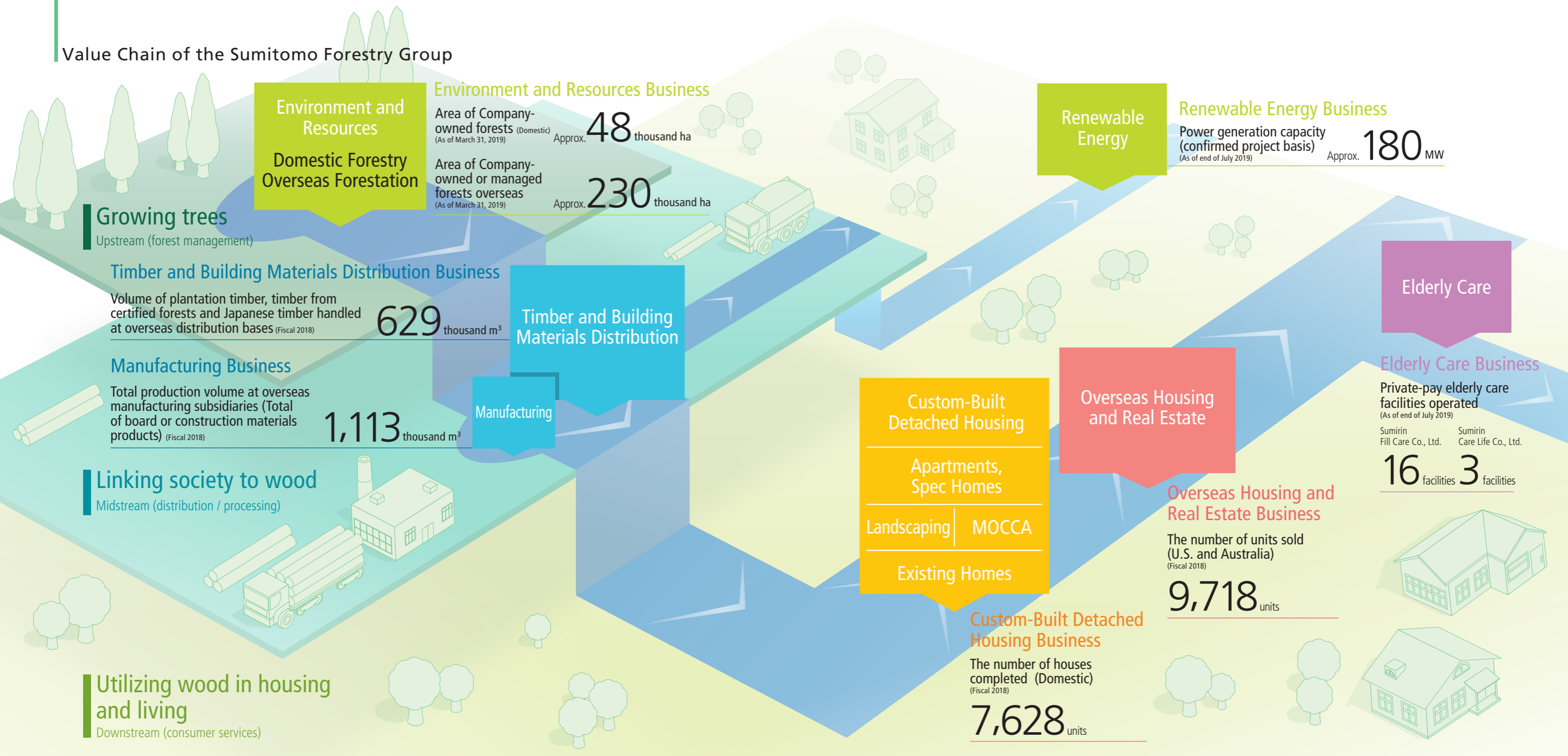


Value Chain of the Sumitomo Forestry Group



The Sumitomo Forestry Group is building its own value chain as a wood professional. Through utilizing wood that is friendly to people and the environment, we are engaged in a diverse range of businesses, extending from forestry management in Japan and overseas to procurement, distribution, manufacturing and processing in a global network, and even providing services related to the lives of people, including housing construction.

Integration of Business Operations and ESG Initiatives

Contributing to the realization of a prosperous and sustainable society through its business is an integral part of the Sumitomo Forestry Group's Corporate Philosophy. The Sumitomo Forestry Group is promoting integration of business operations and ESG initiatives with the aim of increasing the corporate value of the entire Group. We recognize the role expected by society and will continue putting into practice our corporate philosophy from the standpoint of stakeholders in our business, while sustaining growth for the Group while providing value to society.

E Environment

As a renewable resource, trees absorb and fixate carbon dioxide in the atmosphere, and thanks to their low impact on the environment throughout their life cycle as a natural material, trees are able to support the creation of a sustainable society with their outstanding inherent environmental qualities. We contributed to the global environment through our business activities centered on trees.

➔ See the Sustainability section on page 37 for details.

S Social

On developing operations globally, we emphasize communication with stakeholders, who influence each other indirectly and potentially direct our broad business from upstream to downstream operations centered on trees. Also we will continue to meet their expectations and requests.

G Governance

Under our Corporate Philosophy, we state that we conduct business that places prime importance on fairness and integrity for the good of society. We strive to ensure transparency in management, appropriate and lawful business operations, and swift decision-making, business execution and information disclosure. Through these efforts, we are further enhancing corporate governance in order to raise corporate value.

➔ See the Governance section on page 59 for details.

Sumitomo Forestry Group's Value Creation Process

We at the Sumitomo Forestry Group are engaged in various business activities pivoting on trees. The Sumitomo Forestry Group has accumulated technologies and expertise related to wood over more than 320 years since our foundation. We use these and demonstrate our unique strengths of customer trust, a network within and outside of Japan and cultivated brand strength, and we will continue to contribute to the realization of a sustainable and prosperous society through all services related to people's lifestyles.

