

**Integrated Report**  
**2022**



 **SUMITOMO FORESTRY CO.,LTD.**

Corporate Communications Department IR Group  
Keidanren Kaikan, 3-2, Otemachi 1-chome,  
Chiyoda-ku, Tokyo 100-8270, Japan  
Tel: 81-3-3214-2270 Fax: 81-3-3214-2272  
URL: <http://sfc.jp/english/>



## Editorial policy

The Sumitomo Forestry Group publishes an Integrated Report every year to inform shareholders, investors and all other stakeholders about its yearly performance and medium to long-term initiatives for corporate value enhancement. It is issued with the aim of sparking opportunities for further dialogue.

The Integrated Report for 2022, a report on performance for the fiscal year ended December 2021, was compiled with the primary focus of explaining the long-term vision and medium-term management plan that were newly formulated in February 2022. Based on this long-term vision, the Group will endeavor to achieve sustainable growth by maximizing the value of forests and wood to realize decarbonization and a circular bioeconomy. This report will explain the concepts behind the vision and the efforts each business is making to achieve it. It will also report systematically on last year's performance and the ESG initiatives that formed the basis of those results.

We hope this report will serve as a basis for deeper discussions with all of our stakeholders.

## Scope of reporting

### Reporting period

Fiscal year ended December 2021  
(January 1, 2021 to December 31, 2021)

\*The report also includes some activities from outside the reporting period.

### Scope of reporting

Sumitomo Forestry Co., Ltd. and Group companies

### Framework and guidance referred to

- International integrated reporting council (IIRC) International integrated reporting framework
- "Guidance for collaborative value creation" issued by Japan's Ministry of Economy, Trade and Industry




### Regarding change of fiscal term

The Sumitomo Forestry Group is changing the end of its fiscal year from March 31 to December 31, beginning after the fiscal year ended December 31, 2020. As a result of this change, fiscal 2020 refers to the irregular nine-month fiscal period that starts on April 1, 2020 and ends on December 31, 2020.

## Information disclosure

Sumitomo Forestry proactively discloses information to enhance the transparency of management. Since the fiscal year ended March 2017, the Sumitomo Forestry Group has published the Integrated Report with the objective of improving the disclosure of financial information about its initiatives to increase corporate value, as well as non-financial information related to ESG. Our ESG initiatives are available in both Japanese and English on the Company's website. Sumitomo Forestry also publishes on its website Japanese and English translations of its business activity reports and Notices of Convocation of the Ordinary General Meeting of Shareholders, among other documents.

 Corporate, IR, Sustainability information <https://sfc.jp/english/>



### Third-party assurance regarding ESG information

With the aim of ensuring the appropriateness and objectivity of non-financial information disclosed, some environmental and social performance indicators that are disclosed on the Sumitomo Forestry sustainability report website have been assured by a third-party assurance provider, KPMG AZSA Sustainability Co., Ltd. Please refer to the Company's sustainability report website to view the independent third-party assurance report.

[https://sfc.jp/english/sustainability/gri/pdf/2022\\_csr-report\\_third-party\\_en.pdf](https://sfc.jp/english/sustainability/gri/pdf/2022_csr-report_third-party_en.pdf)

## Contents

|   |    |
|---|----|
| Editorial policy .....  | 1  |
| Sumitomo Forestry Group's corporate philosophy and our values ..... | 3  |
| Message from the Chairman .....                                     | 5  |
| The history of Sumitomo Forestry .....                              | 7  |
| Message from the President .....                                    | 11 |

### PART 1 Our long-term vision and medium-term management plan

|   |    |
|---|----|
| Long-term vision .....  | 18 |
| Sumitomo Forestry Group's value creation .....                                  | 33 |
| Data on Sumitomo Forestry Group's contributions to a decarbonized society ..... | 35 |
| Medium-term management plan .....   | 37 |
| Message from the executive in charge of corporate planning and finance .....    | 39 |
| Financial and non-financial highlights .....                                    | 41 |
| Timber and Building Materials Business .....                                    | 43 |
| Housing and Construction Business .....   | 45 |
| Overseas Housing and Real Estate Business .....                                 | 47 |
| Environment and Resources Business .....  | 51 |
| Lifestyle Services Business .....   | 53 |

### PART 2 ESG management as a foundation for growth

|   |    |
|---|----|
| Introducing the board of directors and statutory auditors ..... | 56 |
| Corporate governance .....                                      | 61 |
| Messages from outside directors .....                           | 71 |
| Sustainability initiatives .....                                | 73 |

|  |     |
|--|-----|
| Eleven-year consolidated financial summary ..... | 91  |
| Financial Section .....                          | 93  |
| Organization chart .....                         | 123 |
| Corporate profile .....                          | 124 |

