

Leading Our Growth and Future with Wood

Over two and half years have passed since the Great East Japan Earthquake. Although the recovery of disaster stricken areas is moving forward, industries and the population composition in these areas have undergone major changes since the disaster that have created numerous recovery-related issues. Despite these ongoing difficulties, we will actively promote measures to help these areas achieve a full recovery.

The disaster has changed the values of people in various ways. For example, interest in energy-related issues as well as safe, seismic resistant housing has increased dramatically. In addition, these value changes are having a psychological effect that is causing people to place greater importance on family and interpersonal relationships. Since Sumitomo Forestry's foundation, we have been contributing to society through businesses that increase the value of wood. In light of our history, we will utilize our technologies and knowhow developed to date to respond to these changing values.

Wood is highly valued as a material that is gentle on all five senses and allows us to feel at ease. Given these attractive characteristics, we believe that the role of wood has been expanding in recent years. The Sumitomo Forestry Group is promoting the use of wood construction and wood materials in non-residential building structures, many of which, until now, were composed of iron and concrete. The development of materials and technologies that take advantage of the strength and fire-resistant capabilities of wood is expected to drive up demand in the years ahead. Regarding public buildings, there is growing momentum with the government introducing policies that improve operating conditions, including law that promote the use of timber in general, and Japanese timber wherever possible.

The world's population currently exceeds seven billion and the living standards of developing countries are expected to improve. To realize sustainable lifestyles for future generations, the importance of being more environmentally conscious and reducing society's dependence on fossil fuels is clear. Wood holds the key to achieving a sustainable global society since it is a renewable natural resource that can be used as a material and energy source. In addition, forests serve the public good and make an important environmental contribution by absorbing and sequestering carbon dioxide. The Group's businesses have the potential to open the door to a better future by contributing to the global environment in areas that include promoting sustainable forestry, preserving biodiversity, carbon offsetting and energy generated by wood biomass.


Looking to the future, we will continue to implement our corporate philosophy of utilizing timber—a material that is both renewable and kind to people and the environment—while contributing to the realization of a prosperous society through all types of housing-related services. With this in mind, we will redouble our efforts toward achieving further growth while helping to create a sustainable society by continuing to pursue the new possibilities of wood throughout our business activities.



Ryu Yano

Ryu Yano
Chairman / Representative Director

Message from the President

 住友林業株式会社 SUMITOMO FORESTRY LTD.



A white ink signature of Akira Ichikawa, written in a cursive style. The signature is positioned to the left of his name and title.

Akira Ichikawa
President / Representative Director

Steady Steps to Further Growth

In fiscal 2012, the Housing Business drove sales and profits increases against the backdrop of a healthy domestic housing market. In fiscal 2013, despite uncertainty caused mainly by a consumption tax hike set for April 2014, we expect the housing market to remain firm. Although the domestic business environment is forecast to remain favorable for the immediate future, we must remain resolved to improve management efficiency and implement strategies with an eye to further growth while continuing to reduce costs.

Since fiscal 2010, the Sumitomo Forestry Group has seen increases in recurring income for three consecutive years as a result of Groupwide efforts to strengthen profitability. Turning our attention to the future, however, the business environment in which the Group operates is expected to undergo major changes that leave little room for optimism. Such potential changes will likely arise mainly from a slowdown in the number of new housing starts, reflecting a decline in birth rates, rising numbers of elderly and the shrinking population in Japan.

Not flinching in the face of these changes, we will take steady steps to further expansion in order to maintain stable earnings as well as evolve into a corporate group with a diverse and solid revenue base. Accordingly, we will undertake aggressive measures to establish stable revenue bases by continually allocating management resources to business domains anticipated to grow in the medium to long term. Specifically, this includes the expanding stock housing market in Japan and overseas markets centered on the Pacific Rim region, including the United States and developing Asian countries.

With over 300 years of history, the Group has relentlessly pursued the acquisition of wood technologies and expertise, which have been used to address changing times. In Japan, a country prone to earthquakes, we provide sturdy, comfortable and environmentally sound homes by focusing on the evolution of wooden houses as well as by expanding beyond new housing to also create numerous renovation technologies for traditional Japanese-style houses built more than 100 years ago. Overseas, we operate businesses ranging from the import of timber and building materials to the manufacturing of building materials, the plantation forestry business, and the wooden housing business, while maintaining our focus on wood.

As environmental and resource-related problems become more evident worldwide, our businesses reflect once again the firm conviction that we must achieve sustainable growth while consistently engaging in high value-added businesses recognized by people and society. This is guided by the Sumitomo Spirit of pursuing business to the benefit of society based on the principles of integrity and sound management. Through developing the capabilities and values of wood, a renewable natural resource that is gentle to both people and the Earth, we will contribute to the prosperous lifestyles of people, while preserving the global environment. To this end, the Sumitomo Forestry Group is continuing on the path toward being a necessary presence in society.