

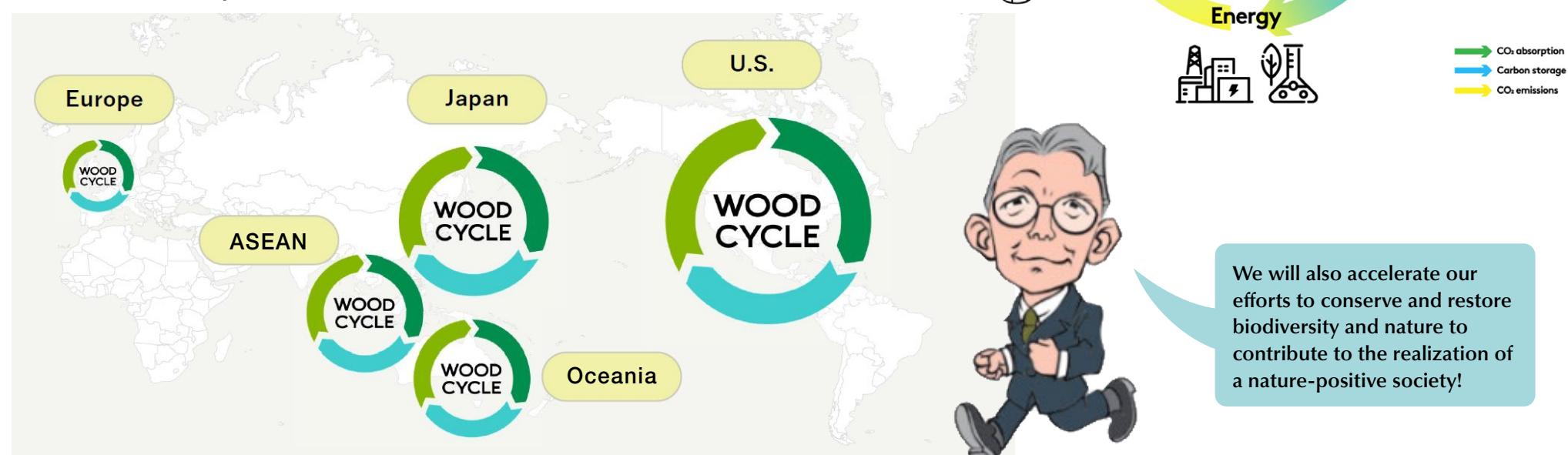
## Our Medium-Term Management Plan, “Mission TREEING 2030 Phase2”, Kicks Off!

On February 13, Sumitomo Forestry announced our Medium-Term Management Plan, “Mission TREEING 2030 Phase2”, which will cover the period from 2025 to 2027. Green Forest Vol. 39 explains the key points of Phase2 and the initiatives that we plan to undertake in each business. Read on to find out what efforts your business division will be focusing on!

### Long-Term Vision, Mission TREEING 2030, and the WOOD CYCLE

The figure on the right is a visual representation of the WOOD CYCLE, Sumitomo Forestry Group’s value chain that has become well-established within and outside the company over the three years of Phase1. Through the multinational development of the WOOD CYCLE in the Japanese, Northern American, Oceania, ASEAN, and European markets, Sumitomo Forestry Group will harness the values of forests and wood to promote its businesses with a view to realizing sustainable growth and a decarbonized society.

#### Multinational Development of WOOD CYCLE



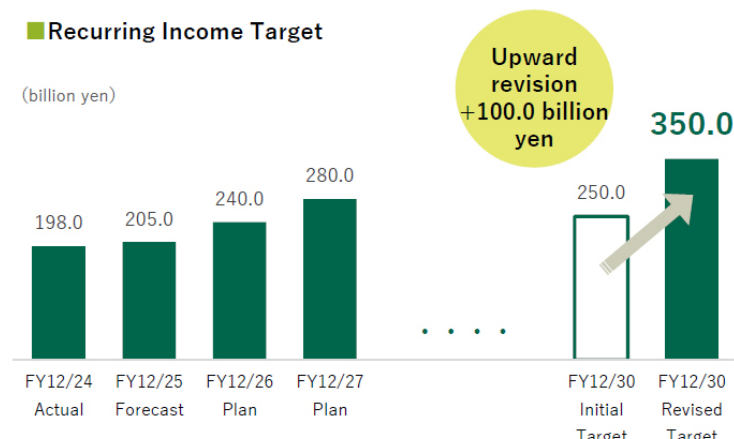
#### Medium-Term Management Plan, Mission TREEING 2030 Phase2:

Three Years of Reform and Implementation for Dramatic Growth

The following are the five basic policies:



We have raised our performance targets for 2030, the final year of the Long-Term Vision, based on the results achieved in Phase1. Targeting recurring income of ¥350.0 billion for FY12/2030, increase by ¥100.0 billion from the Phase1 announcement target of ¥250.0 billion.



#### Achievement Targets for Decarbonized Society



### Message from the President



Toshio Mitsuyoshi  
Representative Director, President and Executive Officer

We worked steadily on initiatives over the three years of our Medium-Term Management Plan, Mission TREEING 2030 Phase1, positioned as a foundation-building period that ended in 2024. As a result of our efforts, net sales, recurring income, and profits for FY12/24 all exceeded the initial targets, with recurring income reaching a record high. This is the culmination of the hard work of each and every employee, and I would like to express my heartfelt gratitude to everyone for their efforts.

Our vision for 2030 remains unchanged under the Medium-Term Management Plan, Mission TREEING 2030 Phase2, which starts this fiscal year. Our Long-Term Vision cannot be achieved without the efforts of the more than 25,000 individuals who make up Sumitomo Forestry Group worldwide. Keeping in mind that your daily work helps to keep the WOOD CYCLE in motion, let us all work as one to create “value for our planet”, “value for people and society”, and “value for the market economy”, and to achieve our Long-Term Vision, Mission TREEING 2030!



# Messages from the Divisional Managers

This page features the key initiatives that each division will be focusing on under the Medium-Term Management Plan “Mission TREEING 2030 Phase2” from 2025 to 2027, and messages from the Divisional Managers to their divisions.

## Timber and Building Materials Division Making each and every individual a powerful driving force behind the WOOD CYCLE

Our vision is for every member to tackle the challenge of business reform, and to become a resilient and sustainable division that can generate profits under any environment. We aim to shift away from a business model that is heavily reliant on new housing starts in Japan, and to build a diverse business portfolio that can adapt to changes in the business environment. In our existing distribution business, we will work on providing services that improve productivity and promoting designs that are directed toward decarbonization. We will also inject effort into areas that we have positioned as priorities, including the expansion of the manufacturing business in Japan and abroad, and promotion of the use of domestic timber centered around timber industrial complexes. With a view to creating new sources of profit, we will also take up the challenge of venturing into the biorefinery and energy fields going forward.



Domestic timber felled from forests



Yoichi Hosoya  
Divisional Manager,  
Timber and Building Materials Division

### Message for all employees

Our business domains cover the entire supply chain, from raw material procurement to manufacturing, processing, distribution, and service provision. Each and every individual involved in the respective businesses can be a powerful driving force behind the WOOD CYCLE. Let us all take up the challenge of creating the three values: value for our planet, value for people and society, and value for the market economy.



Atsushi Kawamura  
Divisional Manager,  
Global Construction and Real Estate Division

## Global Construction and Real Estate Division Aiming to be a global leading company in timber construction and development!

In the U.S., we will work to expand the business and stabilize earnings in our single family homes business and real estate development business, while also focusing on expanding synergies with the FITP business. We will take a similar approach in Australia, where we have become the top builder of single-family homes. In the U.K., which is a leading country for timber constructions and developments, we will continue to develop mass timber offices and start on the development of mass timber multi-family residential buildings. We

will also take on challenges in new business domains in various parts of the world, including in Vietnam and Indonesia where we have commenced work on the development of large-scale townships, and in Japan with the development of timber structured resort hotels and other projects.



Southstone Yards Office (the U.S.)

### Message for all employees

With the aim of becoming a global leading company in timber construction and development, we will strengthen cooperation with other divisions within the Company and boldly approach the challenges of the next three years, an important period for establishing the foundations for Mission TREEING 2030. Placing the emphasis on communication between the Company’s representative staff abroad, local partners in each country, and Japanese staff, let us work to further enhance the transparency of information, demonstrate solid teamwork, and tackle the challenges that lie ahead of us.

## Environment and Resources Division Become a “professional team” that gives new value to forest resources!



Kazutaka Horita  
Divisional Manager,  
Environment and Resources Division

In addition to significantly increasing the areas of forests owned and managed by the Company, such as by expanding our domestic and overseas forestry business and establishing a forest fund in the U.S., we aim to tackle new challenges, including demonstration experiments on AI-driven peatland management in Indonesia and developing carbon credit methodologies.



Planted forest of PT. Wana Subur Lestari

Furthermore, we will advance initiatives to increase added value for forests, such as developing new businesses that create carbon credits and remote sensing technologies for satellites and drones.

### Message for all employees

Amidst the growing momentum toward the realization of a decarbonized society, we play an important role in creating decarbonization impacts through the three approaches of CO<sub>2</sub> absorption, carbon storage, and reducing CO<sub>2</sub> emissions, achieved through our WOOD CYCLE. Taking up the challenge of realizing a decarbonized society is not merely a part of our business, but also an important effort that contributes to addressing social issues. Let us enjoy this challenge together and pave the way to a sustainable future.



## “Sumitomo Pavilion” is currently on display at EXPO 2025 Osaka, Kansai, Japan!



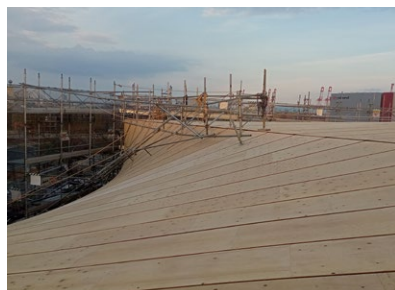
“Sumitomo Pavilion,” created with wood from Sumitomo Forest



Processing rectangular Japanese cedar timber felled from Sumitomo Forest

Sumitomo Forestry Group, in collaboration with Sumitomo Group, is hosting the “Sumitomo Pavilion” at EXPO 2025 Osaka, Kansai, which is currently being held (April 13 to October 13, 2025). About 1,000 Japanese cedar and cypress trees, felled from Sumitomo Forest (Niihama, Ehime Prefecture), have been used to create the Sumitomo Pavilion, and the wood was procured and processed by Sumitomo Forestry Group. The construction was carried out in a joint venture with Sumitomo Mitsui Construction Co., Ltd. Cypress trees were processed into structural plywood and used to build the roof and outer walls, while the decorative façade near the entrance incorporates wood from Japanese cedar trees planted in 1970, when the previous Osaka Expo was held. Taking inspiration from the peaks of the Besshi mountain in Shikoku, which has been the foundation for Sumitomo’s growth, the exterior of the pavilion designed to look like the silhouette of a mountain range. During the event period, Sumitomo Pavilion will hold hands-on events for elementary school students to experience planting, and approximately 10,000 saplings planted in pots will be put on display on the exterior walls of the pavilion. The saplings will later be sent to Sumitomo Forestry’s tree nursery in Kochi, re-grown, and then planted in Sumitomo Forest.

Through the personal contact with trees that have been passed down from the past to the present, and trees that will be passed on to the future, we hope to promote greater understanding of the roles that forests play, create opportunities to foster awareness of the importance of reflecting on the future, and contribute to the realization of a sustainable society.



The roof of the Sumitomo Pavilion with its magnificent curves (this photo was taken during construction)



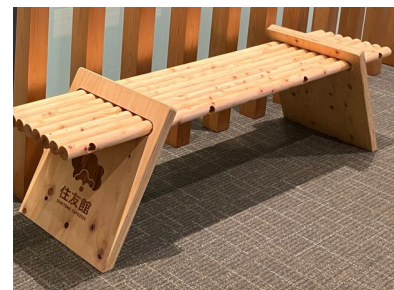
Sapling from the tree-planting event



Planting activity (this photo was taken during the rehearsal)



Members of the construction team in front of the Sumitomo Pavilion



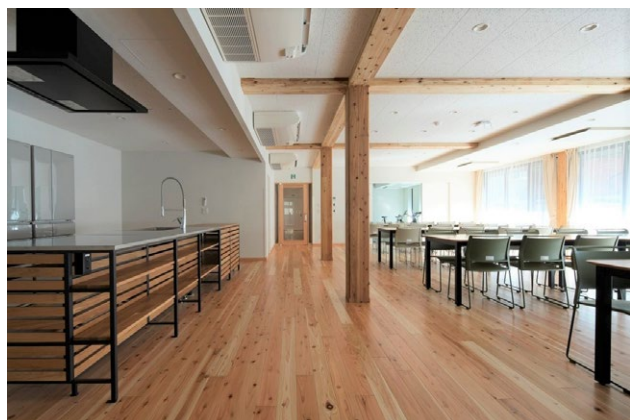
A bench made from wood left over from the plywood production process

## Verifying the effectiveness of wood in a student dormitory designed and constructed by Sumitomo Forestry!

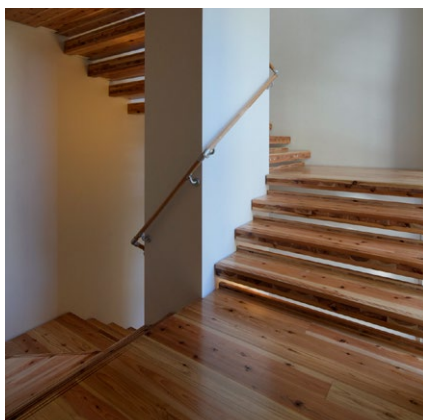
Seiun-Ryo, a student dormitory for the Tokyo University of Agriculture designed and constructed by Sumitomo Forestry, was completed in February. Made with domestic timber obtained from *Okutama Practice Forest* (forests for experimental and research purposes) owned by the university, this building contributes to decarbonization. It is now home to members of the track and field team, which has a consistent track record of participating in the Hakone Ekiden (a famous Japanese long-distance relay race for college students that has been held since 1920) a total of 70 times. Tsukuba Research Institute, Sumitomo Forestry, will take measurements related to the psychological and physiological conditions of dormitory residents to verify the effects that timber constructions have on physical and mental health as well as athletic performance. The results of this study will contribute to creating comfortable spaces and enhancing the value of timber constructions.



Seiun-Ryo  
Approximately 300 m<sup>3</sup> of wood was used, of which about 70% was domestic wood.



Cafeteria and community kitchen  
The cafeteria, with its impressive pillars and beams made from timber from Okutama Practice Forest, is also used to hold meetings on competitions and training.



Staircase  
Cross-laminated timber from Okutama Practice Forest is used on the steps. It is strong and has excellent insulation and soundproofing properties, and also reduces strain on the back and legs.

## Recognition in various ESG-related ratings!

With growing interest in investments that consider a company’s Environmental, Social and Governance (ESG) elements, the evaluation of a company’s ESG efforts is becoming increasingly important. Sumitomo Forestry is highly appraised by world-leading ESG rating organizations, including selection to the Climate Change A List for nine consecutive years by CDP, an international non-governmental organization that promotes the disclosure of environmental information.



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