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For Immediate Release

Sumitomo Forestry Co., Ltd.

First Japanese Company Awarded at the 2019 Climate Bonds Green Bond Pioneer Awards

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) announced that on March 5 (London time), it won the New Products category of the 4th Green Bond Pioneer Awards organised by the Climate Bonds Initiative (CEO: Sean Kidney; Headquarters: UK; hereinafter CBI). Sumitomo Forestry is the first Japanese company to be awarded a Green Bond Pioneer Award.

The Green Bond Pioneer Awards have been held each year since 2016, and its host, CBI, is one of the organizations known for global promotion of green bonds. It selects countries, organizations, and companies that have exhibited advanced progress based on various viewpoints, such as the issuing sum of green bonds and the development of new types of green bonds. It then offers awards for various categories.



The awards ceremony

In September 2018, Sumitomo Forestry issued Convertible Bonds with Stock Acquisition Rights in accordance with the Green Bond Principles and with a second party opinion received from a leading evaluation agency (hereinafter “Green CBs”). This was the first instance of the issuance of Green CBs worldwide, and it was this advanced initiative that was highly evaluated and won the New Products category.



For more than 320 years since its founding, the Sumitomo Forestry Group has been using wood—a renewable natural resource—as it expands globally into a wide range of housing- and lifestyle-related businesses. It has promoted initiatives focusing on the global environment in all of its activities. Green CBs are one such initiative, and issuance of Green CBs will contribute to activating ESG investment markets and expanding the base within and outside of Japan.

[Reference]

■ Green bonds

Green bonds are bonds that are issued so that a local municipality or company for example, can procure funds required for domestic or overseas business that is expected to be effective in improving the environment such as by preventing global warming. They are generally issued pursuant to the Green Bond Principles established by the International Capital Market Association (ICMA), after assuring transparency with regard to, for example, the target business or usage status of funds. As interest regarding the global environment increases, many

organizations both within and outside of Japan have recently started to issue green bonds, and going forward it is expected that issuance sums will continue to increase.

Please see the second party opinion provided by Vigeo Eiris (President: Nicole Notat; Headquarters: France), a leading evaluation organization regarding the alignment of the Green CBs issued by Sumitomo Forestry with the Green Bond Principles.

(Original/English) https://sfc.jp/information/news/pdf/20180911_03.pdf

(Japanese translation) https://sfc.jp/information/news/pdf/20180911_02.pdf

■Climate Bonds Initiative

The Climate Bonds Initiative

The [Climate Bonds Initiative](#) is an investor-focused not-for-profit, promoting large-scale investment in the low carbon economy. It was established in the UK in 2010. CBI developed the Climate Bonds Standard; an international screening tool for investors and governments, which allows for the easy evaluation of climate and green bonds with confidence that the funds are being used to deliver climate change solutions.

■Convertible Bonds with Stock Acquisition Rights

Convertible Bonds with Stock Acquisition Rights are bonds that can be converted into issuer shares if certain conditions are met. They may also be called convertible bonds (CBs). Please see the following press releases for details about Green CBs issued by Sumitomo Forestry.

- Notice of Issuance of Zero Coupon Convertible Bonds (Green CBs) Due 2023
- Notice of Decision on Issuance Conditions for Zero Coupon Convertible Bonds (Green CBs) Due 2023