

October 6, 2006



Sumitomo Forestry Co., Ltd. Receives SGEC Certification for Over 40,000 ha of Domestic Forest—Corresponding to One One-Thousandth of Japan’s Total Land Area

On September 25, 2006, Sumitomo Forestry Co., Ltd. (Ryu Yano, President; corporate headquarters: 8-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo) received certification from the Sustainable Green Ecosystem Council (SGEC), a forest certification scheme specifically designed for Japanese forestry, for all of the domestic forests owned by the company, which cover 40,246 hectares (* 1) or one-thousandth of Japan’s total land area. The certification applies to all forests in Japan owned and managed by Sumitomo Forestry, the first such simultaneous certification received for forest lands extending from Hokkaido to Kyushu.

The forests owned by Sumitomo Forestry are located all over Japan, and are comprised of the Hokkaido Forest in the vicinity of Monbetsu in Hokkaido; the Wakayama Forest near Tatsugami village in the city of Tanabe in Wakayama Prefecture; the Shikoku Forest centered on the city of Niihama in Ehime Prefecture, and extending along the mountain range that separates Ehime from Kochi Prefecture; and forest lands located in the three prefectures of Miyazaki, Kumamoto, and Kagoshima on the island of Kyushu.

Japan Forest Technology Association, the organization conducting the certification examination, gave Sumitomo Forestry high marks for responsible management of diverse forest lands, the high level of technical expertise of its staff and subcontractors, its safety policies, and its provision of opportunities for communication with members of local communities.

In addition, our subsidiary Sumitomo Forestry Timberland Management Co., Ltd. (Koichi Sakuta, President; corporate headquarters, 2-1 Isoura-cho, Niihama-shi, Ehime-ken; wholly capitalized by Sumitomo Forestry Co., Ltd.) was recognized the same day by the SGEC as a certified business entity for responsible separation control and distribution of certified logs and other products (CoC certification), enabling the company to deal in SGEC-certified products.

With the implementation of the Law on Promoting Green Purchasing, there is a growing demand for wood materials whose legality and sustainability is certified. Sumitomo Forestry hopes to contribute to the revitalization of Japanese forestry industry by supplying such certified materials.

*SGEC: The Sustainable Green Ecosystem Council is a forest certification system unique to Japan. Established in 2003 it evaluates and certifies responsible forest management from an impartial, third-party standpoint.

*Qualifications for SGEC-certified business entities (CoC certification) / Certified forest products distribution system: SGEC's certified forest products distribution system is designed to control separation and labeling of products from SGEC-certified forests at all stages of processing and distribution, providing the consumer with reliable, safe products bearing the SGEC mark.

Basic facts on SGEC Forest Land Certification:

1) Certifying organization: SGEC

2) Certified forests: Forests owned by Sumitomo Forestry Co., Ltd.

Area: 40,246 ha

(1*) Exclusive of land within the Shikoku Forest provided to golf courses

- Monbetsu, Hokkaido
15, 314 ha (Japanese larch, Sakhalin fir, silver fir, white oak, and maple)
- Ogawa, Wakayama
2,260 ha (Japanese cedar and Japanese cypress. Selected as one of Japan's Top 100 headwater forests)
- Niihama, Shikoku
14, 459 ha (Japanese cedar, Japanese cypress, red fir, and hemlock fir)
- Hyuga, Kyushu
8,213 ha (Japanese cedar and Japanese cypress)

3) Certification number: JAFTA-010

4) Certification date: September 25, 2006

Basic Facts on CoC Certification

- 1) Certifying organization: SGEC
- 2) Certified business entity: Sumitomo Forestry Timberland Management Co., Ltd.
- 3) Certified business type: Sales and distribution of wood materials
- 4) Certification number: JAFTA-W017
- 5) Certification date: September 25, 2006