

May 15, 2007



Acquisition of First Particle Board Plant in Indonesia
Notice Concerning JIS Certification for Overseas Affiliate Engaged in the Manufacture
of Wood-Based Building Materials

PT. Rimba Partikel Indonesia (RPI), an Indonesian particle board manufacturer affiliated with Sumitomo Forestry Co., Ltd. (Ryu Yano, President; head office: 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo), recently became the first particle board plant in Indonesia to earn JIS certification.

1. Background to JIS Certification

RPI is the only large-scale particle board facility located on the Indonesian island of Java. It utilizes waste wood from nearby factories to manufacture homogeneous particle board products and commands a major share of the domestic Indonesian market. Having recently earned JIS certification, it is now well-positioned to differentiate itself from its rivals and plans to develop an even stronger operating base. It sought JIS certification in order to begin supplying its customers with F**** rated board and other high-quality products.

2. JIS Certification Summary

(1)	Japanese Industrial Standards code	JIS A 5908	
(2)	Certification category	particle board	
(3)	Scope of certification	Classification based on surface condition	RS
		Classification based on bending strength	Type 18, Type 13, Type 8
		Classification based on adhesive agent	Type U
		Classification based on formaldehyde emission level	F****, F***, F**
		Classification based on flame retardance	Regular
(4)	Certification code	JQID06005	
(5)	Date of certification agreement	March 30, 2007	
(6)	Certification body	Japan Quality Assurance Organization (JQA)	

Reference Information

1. RPI Company Profile

Company name: PT. Rimba Partikel Indonesia (Sumitomo Forestry equity share: 50%)

Address: Desa Mororejo, Kaliwungu, Kendal, Jawa, Tengah, Indonesia

Established: June 1990

Paid-in capital: US\$1.2 million

Representative: Soichiro Kitamura

Merchandise: particle board (applications: speaker boxes, piano components, television stands, furniture components, etc.)

Certifications earned:

June 2003 -- ISO 9001 (2000) certification for quality management system

October 2005 -- ISO 14001 (2004) certification for environmental management system

2. Supplementary Information

(1) Definition of particle board

Cut and pulverized wood chips, flakes, wafers, strands, etc. are coated with a plastic adhesive agent and hot form-pressed, creating a relatively thick, homogenous board material.

This method was developed and commercialized in Europe in the 1930s and 1940s as a means of utilizing debris wood from logged forests and wood from forest thinning operations. It evolved into an industry for the effective utilization of wood, and it is manufactured mainly in Europe and North America as well as in other countries around the globe. Particle board has become a popular substitute for plywood in Europe, which, like Japan, has faced difficulty in obtaining supplies for plywood products.

Particle board differs from fiberboard in that the latter is produced by breaking up the wood materials into fibers and re-bonding them with an adhesive. Whereas the entangled fibers in fiberboard are one of the elements contributing to board material bonding, particle board is made by re-bonding small wood chips together and the strength of the mutual bonds between the wood chips glued together contribute to the bonding of the board material.

(2) Types of particle board

Many types of particle board are produced to suit a range of different applications. For the JIS A 5908 standard, particle board is classified by differences in surface condition, bending strength, the adhesive agent used, and formaldehyde emission level.

(3) Characteristics of particle board

Has excellent insulating and sound-proofing properties.

Can satisfy a range of applications because it can be manufactured to different sizes and thicknesses (6 mm to 40 mm).

Because exposure to moisture can cause it to expand in thickness and lose strength, particle board requires that attention be given to such factors as the use location, surface protection, and the wood grain sealing process. In addition, boards have to be installed with a 2-3 mm joint gap between them to allow for elongation or stretching.

Particle board is subject to severe deflection under long-term load. Compared to other materials of the same density, it has only one-half to one-fourth the bending strength or Young's modulus ratio.

Applying a single-layer board provides about the same strength as that of the material itself. Accordingly, particle board is well-suited as a center layer or substrate layer.

Although it excels over other wood-based materials in nail retention, it is only about half as strong in terms of wood screw retention.