

July 18, 2008



Wood Biomass Electricity Generation Project Approved: First Such CDM Project in Indonesia

Sumitomo Forestry Co., Ltd. (President: Ryu Yano; head office: 8-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo) is pleased to announce that a project to generate electricity using wood biomass at P.T. Rimba Partikel Indonesia (RPI), an affiliate manufacturing wooden building materials in the Republic of Indonesia, has been approved by the UN Clean Development Mechanism (CDM) Executive Board and was registered on May 23. Details are set out below.

1. Outline of CDM Project

Making use of wood shavings and saw dust from nearby sawmills, the RPI CDM project recently approved by the UN CDM Executive Board is Indonesia's first wood biomass CDM project. Switching from a diesel-fueled generator to a 4 MW wood biomass generator will enable the project to reduce CO₂ emissions from 14,900 tons to approximately 200 tons.

Each year Sumitomo Forestry Group companies in Japan emit some 91,500 tons of CO₂ in total, while company-owned forests in Japan absorb approximately 237,000 tons. Sumitomo Forestry believes that reducing CO₂ emissions from its business activities is an essential part of its social obligations. The company also undertakes new greenhouse gas reduction projects with a view to trading carbon credits earned from overseas CDM projects. Sumitomo Forestry plans to purchase the credits (CERs: Certified Emission Reductions) gained from this CDM project to help achieve reduction targets in group companies and for use in carbon offset products.

Utilizing stumps, roots, and other wood waste from plantation timber, the particle board products turned out by RPI are manufactured according to clean energy methods entailing low levels of CO₂ emissions. They are thus recognized as low-CO₂-emission recycled products in terms of life cycle assessment (LCA) procedures. Sumitomo Forestry is considering CO₂ emission (carbon footprint) labeling and will differentiate its products on the basis of their recycled nature and high environmental value.

2. RPI Company Profile

(1)	Name	P.T. Rimba Partikel Indonesia (Sumitomo Forestry equity share: 50%)
(2)	Location	Desa Mororejo, Kaliwungu, Kendal, Jawa Tengah, Indonesia
(3)	Established	June 1990
(4)	Capital	US\$12 million
(5)	Representative	Soichiro Kitamura
(6)	Merchandise	Particle board

(7)	Certifications earned	June 2003	ISO9001 (2000) certification for quality management system
		October 2005	ISO14001 (2004) certification for environmental management system
		March 2007	JIS Mark JIS A 5908 (2003) certification
(8)	Production volume	118,099 m ³ p.a. (2007 results)	

RPI is a 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. Since the high quality of its products has been recognized through JIS certification, RPI is well-positioned to differentiate itself from its rivals and plans to develop an even stronger operating base.

3. Supplementary Information

(1) Definition of particle board

Cut or pulverized wood fragments (chips, flakes, wafers, strands, etc.) are coated with a plastic adhesive agent and hot form-pressed into boards.

(2) PB applications

Shelf units, cabinets, floors, core material for furniture, speaker boxes, etc.