

**Open Bay Timber, Sumitomo Forestry Group Company  
in Papua New Guinea, Acquires FSC Certification**

—Certification for Appropriate Management of Approximately 12,000 ha of Forestry—

In September 2011, Open Bay Timber Ltd. (OBT; Representative: Katsumi Hosoda), a Sumitomo Forestry Group company with operations covering plantations, and the export and sale of plantation timber in the Independent State of Papua New Guinea, was granted FSC®-FM/CoC<sup>※1</sup> certification by Rain Forest Alliance<sup>※2</sup>, as OBT certification body. OBT is a wholly-owned subsidiary of Kowa Lumber Co., Ltd., an importer, exporter, and seller of timber and itself a wholly-owned subsidiary of Sumitomo Forestry Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Akira Ichikawa).

This certification recognizes that according to the objective of the FSC certification system, OBT operations in forestry management and in timber production, processing and distribution management are beneficial to society, contributive to the progress of economically sustainable forestry management, and appropriate from the perspective of environmental protection. The tree species concerned is *Eucalyptus deglupta* (local name: *Kamarere*), which is generally allowed to grow for 18 years before cutting. This is the first instance of the certification being acquired by a company dealing with plantation timber in Papua New Guinea.

OBT was established as a forestry development company in 1971 and has been promoting its large-scale planting-based timber production since 1985 with the objective of creating a system which allows sustainable use of forest resources. After becoming a member of the Sumitomo Forestry Group in 2007, OBT has expanded the area of reforestation and substantially increased the numbers of trees planted and, as of August 2011, was operating a sustainable forestry business with over 13,692 ha of plantation forest. The certification received from the FSC covers 11,770 ha of the 31,260 ha under its management.

Currently, the wood products produced by OBT are mainly sold in Vietnam, where they are used as timber and furniture materials. In the countries of the EU and in North America, the main export destinations for such timber and furniture, products made from FSC-FM certified\* materials are well regarded due to the high levels of awareness about environmental policies in those regions, and OBT can therefore expect the certification to give a significant competitive advantage in these markets.

In addition to Papua New Guinea where the FSC certification was acquired, the Sumitomo Forestry Group is engaged in plantation projects in various other countries, including a large-scale reforestation project that will eventually cover 280,000 ha in West Kalimantan, Indonesia and industrial plantation of around 5,000 ha in New Zealand.

As it continues to respond to customer needs in Japan and the rest of the world and maintain the functions of its forests for the public good, the Sumitomo Forestry Group will look to supply a wider range of environmentally friendly timber products through production of sustainable timber, conserve and nurture the

environment, popularize building materials and homes that make use of high-quality timber, and contribute to the better implementation of timber's unique qualities around the world.

<sup>\*1</sup> FSC-FM/CoC certification

The Forest Stewardship Council (FSC) is one of the international bodies which assess, approve and monitor forestry for timber production, products and distribution processes. There are two types of certification, Forest Management (FM) certification which applies to the management of forests and Chain of Custody (CoC) certification which applies to the control of processing and distribution processes of timber products from the certified forest. Under this system, labeling (an FSC certification mark) is used to guarantee compliance with the relevant standards.

<sup>\*2</sup> As of 2019/9/25, certification Body has been changes from Rain Forest Alliance to NEPCon

Summary of FSC-FM/CoC Certification

Certifying Body:	Rainforest Alliance
Certificate Number:	SW-FM/CoC-005600
Certification Date:	September 12, 2011

■ **Corporate Profile of OBT**

- (1) Name: Open Bay Timber Ltd.
- (2) Location: East New Britain, Papua New Guinea
- (3) Established: March 1971 (part of the Sumitomo Forestry Group since April 2007)
- (4) Capital: 2.215 million PGK (Papua New Guinea kina)
- (5) Shareholder: Kowa Lumber Co., Ltd. (wholly-owned subsidiary of Sumitomo Forestry)
- (6) Representative: Katsumi Hosoda
- (7) Business activities: Large-scale plantation forest operations, production and export of plantation timber
- (8) Annual revenue: Approximately 20 million PGK (2010 results)
- (9) Certification already held: FSC-CW\*/FM certification (granted March, 2008)

\* Forest Stewardship Council-Controlled Wood certification