

June 15, 2012

For Immediate Release

Sumitomo Forestry Co., Ltd.

**Sumitomo Forestry Group Subsidiary Wins Awards for Energy Efficiency
New Zealand Building Materials Manufacturing Company Wins
in 2 Categories at 2012 EECA Awards**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) announces that its wholly owned subsidiary Nelson Pine Industries Ltd. (NPIL), its New Zealand building materials manufacturing company, has received awards in two categories at the EECA Awards 2012, an event that celebrates excellence and innovation in energy efficiency and renewable energy. This marks the first time that the company has been selected for an EECA award.

EECA awards are administered by the Energy Efficiency and Conservation Authority, a body established by the New Zealand government to promote energy efficiency. Award winners are announced at an annual award ceremony sponsored by corporate and government organizations. In 2012 winners were selected from 90 entries.

The year's most innovative energy efficiency projects in nine categories were announced at the award ceremony held on May 23. NPIL received "Highly Commended" awards in the Large Business and Energy Management categories.

NPIL's initiatives included improving the efficiency of its medium density fiberboard (MDF) furnaces and introducing energy-efficient motor systems. The company's efforts were commended for successfully reducing the amount of wood used for fuel and cutting electricity use. At the close of the 17-month project, the company was saving 78 million yen a year in energy costs, compared to a capital outlay of 45 million yen.

To break down this figure, the improvement in heat efficiency was achieved by greater furnace control and improved air flow, resulting in a 48 million yen per year reduction in fuel costs. Installation of new motors allowed the company to optimize its motor system. 20 of the main motor drives, such as the dryer fan motor drive, were switched to variable-speed motors, allowing energy to be conserved by varying motor rotation speed according to need. As a result, the company has already saved more than 30 million yen in electricity costs.

The project also won acclaim for its contribution to the community. New Zealand's South Island where NPIL is based relies almost solely on hydroelectric power, and although electricity is normally generated using dam water, the region often faces power shortages when rainfall is low or demand for power is high due to cold weather in the winter. As a result, power has to be transported from the country's North Island, which has thermal, geothermal and wind power generation facilities in addition to hydroelectric power generation. By engaging in initiatives to reduce power usage, NPIL was able to alleviate the power supply needs of the South Island.

NPIL's plant is one of the world's largest in terms of MDF production capacity, and in addition to MDF also manufactures a wide range of timber products such as laminated veneer lumber (LVL). The company uses radiata pine from managed plantation as its base material, and strives to reduce its environmental impact through measures such as utilizing every part of the logs during manufacturing—from the end pieces to the bark. As a member of the Sumitomo Forestry Group, which aims to contribute to a sustainable society, NPIL will continue developing its community-based environmental initiatives.

■ Overview of NPIL

- (1) Name: Nelson Pine Industries Ltd.
- (2) Location: Nelson, New Zealand
- (3) Established: October 1984
- (4) Capital: NZD 45,500,000
- (5) Shareholders: Wholly owned subsidiary of Sumitomo Forestry Co., Ltd. (30% at time of foundation)
- (6) Managing Director: Murray G. Sturgeon
- (7) Business scope: Manufacture and sale of MDF, veneer, LVL