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For Immediate Release

Sumitomo Forestry Co., Ltd.

**Sumitomo Forestry Ties Reconstruction Agreement  
with Higashimatsushima City  
To Serve as Partner Promoting ‘Timber-based’ City Development**

Higashimatsushima City (Mayor: Hideo Abe) and Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) signed off on an agreement today to work together on the post-disaster reconstruction of Higashimatsushima City in Miyagi Prefecture. Under the agreement, the two parties will carry out activities aimed at creating new industry and rebuilding the city with a focus on the use of sustainable timber resources, as concrete plans for the city’s “FutureCity” initiative.

Leveraging its diversified strengths, the Sumitomo Forestry Group will work closely with Higashimatsushima City to realize its plan to use local forest and timber resources as a springboard for sustainable redevelopment of the city following the 2011 Great East Japan Earthquake. Sumitomo Forestry will bring to the table the knowledge and expertise it has acquired through its extensive experience in timber and housing-related businesses.

■ **Background**

Higashimatsushima City’s vision for timber-based development meshes perfectly with the Sumitomo Forestry Group’s corporate philosophy of “utilizing timber as a renewable, healthy, and environmentally friendly natural resource and contributing to a prosperous society through all types of housing-related services,” thus leading to the conclusion of today’s agreement aimed at a new urban development strategy that makes the most of renewable timber resources.

■ **Objective**

The agreement clarifies the cooperative relationship of the two parties towards the realization of the city’s timber-based development. It promotes the exchange of information and close collaboration in the decision-making processes, as well as a rapid recovery of the city that establishes a sustainable local economy and community that remains vibrant long into the future.

■ **Areas of Collaboration**

- Promotion of revegetation (tsunami-buffer forests) of low-lying areas (coastal areas struck by the tsunami)
- Promotion of forestry in low-lying areas (coastal areas struck by the tsunami)
- Promotion of timber-based construction of public facilities (e.g., public housing, educational facilities, tourism facilities, sports facilities)
- Tasks related to procurement and engineering of fuel for wood biomass-related businesses
- Tasks related to advising on public policies for promoting forestry (e.g., formulation of the overall design of the city’s timber-based development plan)

■ **Paths Forward**

In December 2011, Higashimatsushima City was selected for the Japanese government’s “FutureCity” initiative, which seeks to promote environmentally friendly urban development that accommodates the needs of an aging population. Of the 11 cities that were selected nationwide, Higashimatsushima is one of

six cities that applied and were selected from the disaster region. The city's reconstruction plan adopts as its motto, "Stepping forward into the future, while never forgetting that day. Higashimatsushima—our hearts are one." The city's plan includes processes for engaging resident participation and has been commended for its promise in providing a model for future town development projects to follow. The city has announced policies stating that all of its activities related to reconstruction are a matter of creating mechanisms that facilitate the reconstruction of industry and that support the development of a self-sustaining local economy.

As it implements its reconstruction plan, Higashimatsushima City is striving not only to remake itself into a place that is safe and comfortable to live, but also to build industries and create jobs by using renewable resources such as solar and wind power and trees—the natural building block of forests—to establish new connections between agriculture and forestry business, energy production, tourism, and daily living.

Since its founding in 1691, Sumitomo Forestry has successfully operated a wide range of businesses related to timber and housing, including forest management, manufacturing and distribution of timber and building materials, housing construction and renovation, and various other housing-related businesses. Since managing its first forest near Besshi Copper Mine in Ehime Prefecture, the company has continued its sustainable practice of always replanting trees that were harvested. Sumitomo Forestry has a tradition of emphasizing the positive impact of trees as one of only a few renewable resources that exist on the planet, and strives to support the creation of a sustainable society built on the limitless cycle of planting trees and producing timber.

Sumitomo Forestry hopes to contribute to the reconstruction and sustainable development of Higashimatsushima City by working closely with involved parties and making full use of its long-cultivated knowledge and experience related to timber and wooden housing.