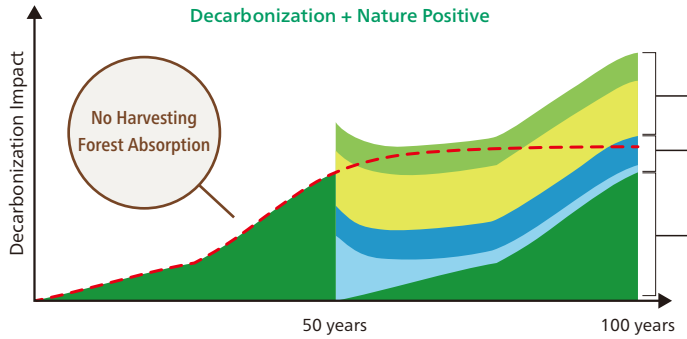
Three Values Created by the Wood Cycle

Wood resources have three decarbonization effects—forests absorb CO_2, carbon is fixed inside lumber, and wood resources limit CO_2 emissions when used as an alternative fuel. By promoting its businesses, the Sumitomo Forestry Group contributes to decarbonization and creates value for our planet, value for the market economy, and value for people and society.

Value for our planet



Reduction
- Reduction of CO_2 emissions through substitution of fossil fuels with wood biomass-derived materials.
- Reduction of CO_2 emissions through substitution of steel/RC construction material with wood products.

Sequestration
- Carbon sequestration in woodland residue.
- Carbon sequestration in wood products. (wooden construction/wood products)

Absorption
- Carbon absorption and sequestration through forest harvesting & reforestation.

* The amount of CO_2 absorbed by trees is higher when they are young and gradually decreases as they age. Therefore, in commercial forestry, trees are harvested and replanted at regular intervals, such as every 50 years for Japanese cedar.

Value for the market economy

Energy and Construction Businesses
- Operate wood biomass power plants
- Supply wooden structures

Timber and Construction Business
- Handles timber and wood products
- Generates sales for the Timber and Building Materials business
- Establishes timber industrial complex
- Supplies housing in Japan and overseas
- Generates sales for the Housing and Global Construction and Real Estate businesses

Forestry Business
- Owns and manages forests both in Japan and overseas
- Creates forest funds
- Supplies lumber and wood products

Value for people and society

- Well-being and the promotion of renewable energy, etc.
- Employment promotion, etc.
- Preventing natural disasters and conserving water sources, etc.

Sumitomo Forestry Group's Contributions to a Decarbonized Society

The Sumitomo Forestry Group is working toward the decarbonization of society as a whole by reducing greenhouse gas emissions from its business activities, increasing the CO_2 absorption volume of forests, promoting carbon sequestration through increased use of wood products, and achieving long-term carbon sequestration through wooden construction.

Indicators and data on each of the forests, wood, and construction fields*1

*1 Collection period: January to December 2024

Accelerate the cyclical forest business

Forests

Area of owned forests in Japan
Approximately **48,000** ha

Area of owned/managed forests overseas
Approximately **237,000** ha

Forest area under forest fund management
Approximately **80,000** ha

Domestic and overseas reforestation rate
100%

Number of trees planted annually
Japan **0.16** million trees
Overseas **10.75** million trees

Number of seedlings produced annually
Container seedlings in Japan
Approximately **1.90** million capacity

Seedling production overseas
Approximately **13.12** million

Ratio of domestic forests that are sustainably managed with consideration to biodiversity
100%

Forest certification acquisition rate*2
Japan **100**%
Overseas **92.1**%

*2 Forest certification acquisition rate for the operating area (planted area)

Promote wood change

Wood

Renewable energy

Sustainability procurement survey implementation rate for imported wood product suppliers*4
100%

*4 Ratio of suppliers who completed the sustainability procurement survey among all suppliers who were subject to timber procurement due diligence by the Company's Timber Procurement Committee.

Volume of wood and wood products handled
8,923,000 m^3

Recycling rate of manufacturing site waste
Japan **99.1**%
Overseas **98.4**%

Power supply from wood biomass power generation (converted to number of households)*5
569,000 households

*5 Total power supply from the six wood biomass power generation facilities in Japan. 265,000 households when converted to ownership ratio.

Standardize carbon neutral design

Construction

ZEH order ratio of new, custom-built detached houses in Japan*7
79.3%

*7 Value that includes ZEH, Nearly ZEH, ZEH Oriented in heavy snowfall areas.

Ratio of new, custom-built detached houses in Japan that have acquired long-life quality housing certification*8
96.7%

*8 Limited to private residences and those with at least the applicable floor area.

Recycling rate of waste from housing demolition sites
96.6%

Cumulative number of houses sold
Japan
Approximately **360,000** units

Overseas
Approximately **120,000** units

The Sumitomo Forestry Group's potential carbon sequestration

(As of December 31, 2024)

Carbon sequestration of owned and managed forests and currently standing wooden buildings and HWP (Harvested Wood Products)

Carbon sequestration in forests

Carbon sequestration of forests
65,562 thousand tons*3
Japan **14,046** thousand tons
Overseas **51,516** thousand tons

*3 Method to calculate carbon sequestration of forests: Cumulative amount x Bulk density x Biomass magnification factor x (1+ratio of underground area as a ratio of above ground area) x Carbon content (utilizing the specific number of each tree species)

Carbon sequestration through wood products

Cumulative wood products overseas
15,641 thousand tons*6

*6 HWP carbon sequestration from overseas housing and manufacturing facilities was calculated with the cooperation of Tokyo University of Agriculture and Technology using figures for Japanese housing as reference.

Carbon sequestration through housing

Cumulative houses in Japan
7,876 thousand tons*9

Cumulative houses overseas
2,784 thousand tons*6

*9 Carbon sequestration of Japanese housing HWP was calculated with the cooperation of Tokyo University of Agriculture and Technology based on the number of housing unit starts, the number of owners, and wood usage per floor area to determine carbon sequestration and amounts of change from housing.