

August 31, 2022

For Immediate Release

Sumitomo Forestry Co., Ltd.

Financial Agreement of Sustainability Linked Loan

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) has signed a sustainability linked loan agreement with Sumitomo Mitsui Banking Corporation (President and Representative Director: Makoto Takashima; Headquarters: Chiyoda-ku, Tokyo).

Sustainability linked loans set sustainability performance targets (hereinafter SPTs) based on the borrower's management strategies. They link terms and conditions of the loan with actual progress on achieving SPTs and promote environmentally and socially sustainable economic growth. The loan will be linked to the promotion of sustainability management by aiming to achieve the SPTs set in the loan agreement.

The SPTs in this agreement adopt the Climate Change Score used by the CDP^{*1}, an international NGO, to evaluate greenhouse gas emission reduction activities and climate change mitigation efforts. Sumitomo Forestry has been selected as a "Climate Change A List" company, the best rating, for six consecutive years since 2016, and will continue to maintain the highest rating in the Climate Change Score going forward.

The Sumitomo Forestry Group has set "Further integration of business operations and ESG" as the basic policy of its Medium-Term Management Plan. It develops business operations centered on wood, from forest management through to procurement and manufacture of timber and building materials, wooden construction, and wood biomass power generation, in Japan and abroad. Through Sumitomo Forestry's wood cycle of harvesting and processing, using, recycling, and planting trees, it will increase the CO₂ absorption of forests and utilize wood to continue to store carbon over the long term. It established its Long-Term Vision, Mission TREEING 2030, in February 2022, will contribute to the realization of a sustainable society by addressing material issues identified in the vision and providing value for our planet, people and society, market economy, and so on.

[Outline of Loan]

Agreement Date:	August 26, 2022
Drawdown Date:	August 31, 2022
Sustainability Coordinator ^{*2} :	Sumitomo Mitsui Banking Corporation
Tenor:	4 years

*1 An NGO founded in London in 2000 that promotes the reduction of greenhouse gas emissions and conservation of water resources and forests by companies and governments. It works with institutional investors with asset under management totaling US\$130 trillion to encourage companies to disclose and manage their environmental impacts with the aim of preventing climate change.

*2 An institution that assists borrowers in setting up SPTs and other forms of assistance in origination of sustainability linked loans.