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For immediate release

Sumitomo Forestry Co., Ltd.

Australian Subsidiary Installs Solar Panels as a Standard Inclusion on Order Homes

~ A first for major Australian builders, significantly reducing utility costs and CO₂ emissions ~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) announced that its Australian subsidiary Henley Properties Group (hereinafter Henley Properties) has become the first major Australian builder to install solar panels as a standard inclusion in all its order homes. Henley Properties will promote ZEH in Australia with detached housing that uses energy generated by solar power generation to cover daily energy consumption. In addition, full electrification is now the standard specification, saving up to 75% of utility costs together with solar power generation. These initiatives will reduce Scope 3^{*1} CO₂ emitted during daily life by up to 100%. Sumitomo Forestry Group will promote the installation of solar powers in Australia, starting with Henley Properties, and contribute to the decarbonization of society.



Detached housing equipped with solar panels (photograph is exhibition hall)

Henley Properties is a company that builds and sells detached houses and townhouses. The installation of solar panels as standard equipment and full electrification as the standard specification began in June in Victoria and August in Queensland, where Henley Properties operates its order home business. Electric heating equipment, air conditioners, induction cooktops, and hot water heat pump are standard inclusions, and depending on the products and options selected, the energy generated by solar power generation is equal to or exceeds the electricity used by these products, making them ZEH. Three types of products are available that allow customers to choose the best plan for their budget: “Essence,” “Collection,” and “Reserve.” Solar panels ranging from 4.68 to 6.24 kW are standard, and a variety of options are available to meet customer needs.



Solar panels installed as standard equipment

The Sumitomo Forestry Group operates a housing business in Australia through three companies—Henley Properties and Wisdom Properties Group in eastern states of Australia and Scott Park Group in Western Australia—that is equivalent to ranking third^{*2} in Australia in the number of single family home commenced. Since its establishment in 1989, Henley Properties has led the industry as the leading builder

in Australia with a total supply of approximately 50,000 houses. Henley Properties has also been proactive in improving energy efficiency, having led the standardization of the 5-star House Energy Rating (NatHERS)^{*3} energy efficiency standard in 2005. It is currently leading the Australian housing industry in improving energy efficiency by making 6-star the standard specification. The airtightness of the house is approximately three times higher than the market average, and the energy required for heating and cooling is about 25% less than that of the average house^{*4}. Henley Properties has twice won the HIA Australian Professional Major Builder award, given by Australia's Housing Industry Association (HIA) to Australia's No. 1 home builder selected from the most outstanding builder in each state.

The Australian government is committed to achieving "net zero greenhouse gas (GHG) emissions by 2050." It is expected to revise the NCC (National Construction Code) from the current 2019 edition to the 2022 edition (to be announced in October and implemented in October 2023). The new edition will place more emphasis than ever before on lower environmental impact and energy conservation, and will adopt the "Whole of Home Performance Ratings" standard^{*5} that evaluates the total amount of energy consumed by a house. With this standard, the energy generated by solar panels can be offset from the total energy consumption. In addition to reducing CO₂ emissions produced during daily life through environmentally friendly homes with full electrification as standard, Henley Properties will also promote construction streamlining and strive to both shorten construction times and reduce CO₂ emissions from raw material procurement to processing, transportation, construction, retrofitting, and demolition (CO₂ emissions during construction).

The construction sector accounts for approximately 37%^{*6} of global CO₂ emissions, of which approximately 30% is CO₂ emitted during construction and the remaining approximately 70% is emitted during occupancy. Sumitomo Forestry Group has already achieved a carbon negative position under Scope 1 and 2 through the absorption of CO₂ emissions by the forests it owns and manages. Sumitomo Forestry will continue to promote further reductions in CO₂ emissions during construction, such as by promoting carbon neutral design using One Click LCA^{*7} software, which visualizes CO₂ emissions. It will reduce Scope 3 CO₂ emitted during daily life through the promotion of solar panels and environmentally friendly housing such as ZEH and ZEB in Australia and other countries.

The Sumitomo Forestry Group 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 increases the CO₂ absorption of forests and utilizes wood to continue to store carbon over the long term. As a partner of the global shift toward decarbonization, it will provide unique wood solutions and contribute toward the realization of a sustainable society.

*1. Scope 1 refers to direct GHG emissions by the business itself; Scope 2 refers to indirect emissions resulting from the use of electricity, heat, and steam supplied by other companies; and Scope 3 refers to indirect emissions other than Scope 1 and Scope 2. Greenhouse gas emissions from the use of sold or purchased products are also included in Scope 3, meaning that greenhouse gases emitted by the entire supply chain is expected to be included, not just those emitted by the business itself.

*2. Total of three Sumitomo Forestry Group companies. Sumitomo Forestry survey based on construction ranking by builder

issued by Australia's Housing Industry Association.

- *3. An index for evaluating the insulation efficiency of houses in Australia. Evaluation items include insulation, windows, building type and size, orientation, and climate zone. Acquisition of a 6 Star-equivalent was mandated in Australia in November 2011, and 7 Star will become mandatory in October 2023.
- *4. Based on an external agency inspection in 2019.
- *5. Evaluation items include heating/cooling, hot water, lighting, cooking appliances (including use of ovens and electrical appliances), and energy consumption of swimming pools. Offsets are permitted for renewable energy generated on site, such as solar power generation. The energy consumption of the entire house must be less than the specified value.
- *6. Source: Global alliance for building and construction (2021)
- *7. Software for which Sumitomo Forestry is the sole reseller in Japan. It enables the precise calculation of CO₂ emissions during raw material procurement to processing, transportation, construction, retrofitting, and demolition (CO₂ emissions during construction). Related release: <https://sfc.jp/information/news/2022/2022-08-08.html>

<Reference Materials>

■ Outline of Henley Properties

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| (1) | Company name | Henley Arch Pty Ltd |
| (2) | Representative | Antony Blackshaw (Chief Executive Officer) |
| (3) | Location of head office | Mount Waverley, Victoria, Australia |
| (4) | Establishment | 1989 |
| (5) | Business description | Developing order and spec home businesses in four states in Australia |
| (6) | Number of employees | 567 (as of the end of 2021) |

■ Areas of Sumitomo Forestry Group business operations in Australia

