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For immediate release

Sumitomo Forestry Named to the Dow Jones Sustainability World Index, a Global ESG Investment Equity Index

Achieves Best Score in the Homebuilding Industry

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that it has been named to the Dow Jones

Sustainability World Index (DSJI World), a globally renowned ESG (environmental, social, and governance) investment equity index. In addition, Sumitomo Forestry has been included in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific Index). This is the fifteenth year Sumitomo Forestry has been included in the Dow Jones Sustainability Indices (DJSI) series.

Member of Dow Jones

Sustainability Indices

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S&P Global tracks the performance of 2,480 of the world's top companies in terms of market capitalization, and using the Corporate Sustainability Assessment, selects the top 10% (332 companies, of which 36 companies are Japanese) in each sector for inclusion in the DJSI World. Sumitomo Forestry achieved the best score in the homebuilding industry in recognition of its environmental initiatives, such as operational eco-efficiency and climate strategy, as well as its social initiatives, such as human rights, talent attraction and retention, and other efforts.

Launched in 1999, the DJSI series are the first global equity indices that surveys major corporations in terms of their initiatives to realize a sustainable society. Companies from around the world are evaluated and analyzed based on their sustainability practices in terms of economic, environmental, and social aspects and those that demonstrate superior performance are selected for inclusion.

In addition to the DJSI series, Sumitomo Forestry has been selected for five ESG indices adopted by the Government Pension Investment Fund, the world's largest pension fund investment agency. These five ESG indices are the FTSE Blossom Japan Index^{*1}, FTSE Blossom Japan Sector Relative Index^{*2}, MSCI Japan ESG Select Leaders Index^{*3}, MSCI Japan Empowering Women Index (WIN)^{*4}, and S&P/JPX Carbon Efficient Index^{*5}. Sumitomo Forestry has also been selected for FTSE Russell's FTSE4Good Index Series^{*6}.

To contribute to the realization of a decarbonized society, Sumitomo Forestry Group formulated Mission TREEING 2030, our long-term vision with 2030 as our target year, the same as for the United Nation's SDGs. In our medium-term management plan Mission TREEING 2030 Phase 1 (2022~2024), we specified the "further integration of business and ESG" as one of our basic policies and to achieve this, created our Mid-Term Sustainability Targets 2024, which incorporates sustainability strategies. By addressing specific material issues and providing value for our planet, for people and society, and for the market economy, we want to contribute to the realization of a sustainable society.



- *1 An ESG index for Japanese stocks developed by FTSE Russell. Constructed so that industry/sector weights align with the Japanese equity market, this index evaluates the performance of Japanese companies that excel in ESG initiatives. Sumitomo Forestry has been included in this index every year since 2017, when the index was selected by the Government Pension Investment Fund (GPIF) of Japan.
- *2 A classification-based, comprehensive ESG index formulated in 2022 that evaluates companies from three perspectives FT Russell's ESG evaluation, carbon intensity (volume of greenhouse gas emissions per unit of revenues), and management stance regarding climate change risks and opportunities.
- *3 An ESG index for Japanese stocks developed by the US company MSCI Inc. Using as a parent index the MSCI Japan IMI Top 700 Index, which selects the top 700 stocks by market capitalization, this index evaluates companies that excel in ESG initiatives by sector. Sumitomo Forestry has been included in this index every year since 2017, when the index was selected by GPIF.
- *4 A stock index for Japanese stocks developed by the US company MSCI Inc. Using as a parent index the MSCI Japan IMI Top 700 Index, this index evaluates companies that excel in gender diversity initiatives by sector. Sumitomo Forestry has been included in this index every year since 2017, when the index was selected by GPIF.
- *5 An environmental stock index for Japanese stocks developed by the Tokyo Stock Exchange and the US company S&P Dow Jones Indices. This index evaluates companies based on the level of environment-related information disclosure and carbon emissions volume per unit of revenues.

 Sumitomo Forestry has been included in this index every year since 2018, when the index was selected by GPIF.
- *6 A stock index developed by FTSE Russell that evaluates companies with global ESG standards. Sumitomo Forestry has been included in this index every year since 2004.

<Reference>

Detailed information regarding Sumitomo Forestry Group's activities to realize a sustainable society can be found in <u>Sustainability Report 2022</u>. https://sfc.jp/english/sustainability/

External recognition of Sumitomo Forestry Group: https://sfc.jp/english/sustainability/evaluation/