

January 27, 2023

For Immediate Release

Sumitomo Forestry Co., Ltd.

**Sumitomo Forestry establishes
a forest asset management company in the United States.**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary, Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; headquarters: Dallas, Texas, USA; hereinafter, SFAM) has jointly established forest asset management company called “Eastwood Forests, LLC (hereinafter, EF)” with Dr. Finkral and Mr. Wallace who have in-depth knowledge and experience on forestry fund management in the US. Through a forestry fund, EF will manage forestry assets and provide returns to investors from sales related to timber and other products, as well as forest carbon credits with a view to contribute to society as a whole by carbon offsetting.

Sumitomo Forestry Group announced “Mission TREEING 2030”, its long-term vision with 2030 as target year, the same target year as the United Nation’s SDGs. One initiative to realize a decarbonized society is to accelerate the circular forestry business. With this goal, we are working to establish forestry funds globally. The establishment of EF announced today is our initial step.

With many years of experience in forest management, Sumitomo Forestry Group owns and manages forests and is expanding its sustainable forestry business in North America, Asia, and Oceania. Utilizing the value of forests as a natural capital effectively and developing a carbon credit distribution mechanism, we will contribute to the decarbonization of industries where drastic reductions of CO2 emissions are difficult to achieve.

Through these efforts, Sumitomo Forestry Group will aim to expand the area of forest land that we own or manage to about 500,000 ha and to increase our assets under management to 100 billion yen by 2030.

■ Creating high-quality carbon credits

Sumitomo Forestry Group has promoted NeXT FOREST, a joint tropical peatland management project utilizing peatland management technology developed in Indonesia which is the success model in the world as well as satellite observation technologies of IHI. These technologies will help create high-quality carbon credits by adding not just the value of climate actions to absorb and store CO₂, but also the value of natural capital such as preserving biodiversity and water cycle conservation and contributing to local communities.

Sumitomo Forestry Group is engaged in a broad range of businesses centered on wood, including forest management, timber and building material procurement and manufacturing, wooden construction, and wood biomass power generation. By promoting the Sumitomo Forestry Wood Cycle, our value chain of harvesting, processing, utilizing, reusing, and replanting trees, we are striving to increase the CO₂ absorption of forests and store carbon for long periods of time to contribute to decarbonization for our company, our customers, our business partners, and society.

■ About Eastwood Forests

- (1) Company name Eastwood Forests, LLC
- (2) Location Chapel Hill, North Carolina
- (3) Business description Forest asset management operations
- (4) Representative Alex Finkral, president and CEO
- (5) Establishment date October 28, 2022 (operations started from November)