

May 11, 2023

For Immediate Release

Sumitomo Forestry Co., Ltd.  
SFC Asset Management Co., Ltd.

## **Establishment of Eastwood Climate Smart Forestry Fund I**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that Eastwood Forests LLC (CEO: Alex Finkral; hereinafter, EF), a Sumitomo Forestry Group forest asset management company in the United States, will establish Eastwood Climate Smart Forestry Fund I (hereinafter, the Fund). EF is working to formally establish the Fund by June. Further details will be announced promptly after establishment.

Sumitomo Forestry Group announced Mission TREEING 2030, its long-term vision to realize a decarbonized society with 2030 as the target year, the same target year as the United Nations' SDGs. One pillar of this vision is to accelerate the cyclical forest business by establishing forestry funds globally. The establishment of this Fund is Sumitomo Forestry Group's first initiative toward this goal.

The Fund will purchase and manage forests primarily in North America using capital procured from participating companies. It will contribute to carbon offsetting for society by providing returns to investors from sales of timber and other products, as well as forest carbon credits. Through the Fund, we will engage in sustainable forest management to harness the multifaceted functions of forests, such as CO<sub>2</sub> absorption, carbon storage, biodiversity, and water resource protection.

Currently, in addition to Sumitomo Forestry Group, three companies have announced their participation in the Fund – ENEOS Corporation, Fuyo General Lease Co., Ltd., and Unicharm Corporation – with several others considering their participation in time for the Fund's June establishment. In a post-establishment announcement, we will once again explain details of the Fund and the purpose of this initiative.

EF was jointly established in October 2022 by Sumitomo Forestry's wholly owned subsidiary Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; headquarters: Dallas, Texas, USA) and Alex Finkral and Glenn Wallace, experts in establishing and managing forestry funds in the United States.<sup>\*1</sup> EF will serve as the asset management company of the Fund, providing advice on the management of forest assets. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Tokyo) will handle the Fund's private placement and has been entrusted by the GP<sup>\*2</sup> to manage operation in Japan.

Forests are gaining increasing attention as a nature-based solution (NbS) to combat such social issues as climate change and biodiversity conservation. Sumitomo Forestry Group owns and manages forests in Japan and overseas and conducts sustainable forest management to continuously utilize timber resources while maintaining the public benefits of forests. In addition, by effectively utilizing the value of forests as natural capital and developing a carbon credit distribution system, we will contribute to the decarbonization of industries where drastic reductions

of CO2 emissions through technological innovations alone are difficult to achieve. Through these efforts, Sumitomo Forestry Group aims 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.

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                   |

\*1. Related press release: Sumitomo Forestry establishes a forest asset management company in the United States  
[https://sfc.jp/english/news/pdf/20230127\\_01.pdf](https://sfc.jp/english/news/pdf/20230127_01.pdf)

\*2. General Partner. An unlimited liability partner who is responsible for the management of the fund.