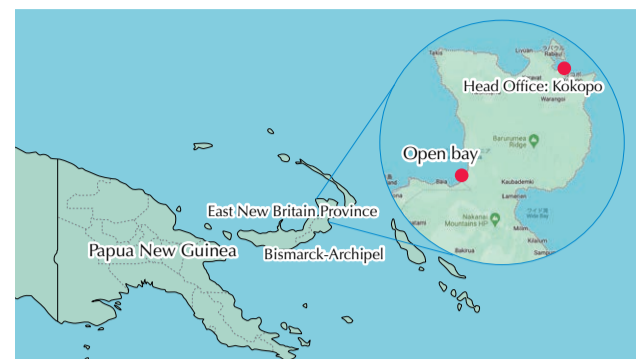


Open Bay Timber Ltd.



Group photo of management staff
 Front row, center: Chairman Ichikawa, and (then) Environment and Resources Divisional Manager Nishikawa



OBT Location

Head Office: Kokopo, East New Britain, Papua New Guinea
Established: 1971
Business Activities: Large-scale forestry business, production and export of plantation logs
Forest Site: 31,260 ha (Plantation Area: 13,290.71 ha)
 Some of sawn timber produced in Open Bay is sold within PNG.
Number of Employees: 340 (Japanese: 5, Filipino: 7, PNG National: 328)
Main Species: *Eucalyptus deglupta* (Known as: Rainbow Tree / Local name: Kamarere)

Business outline

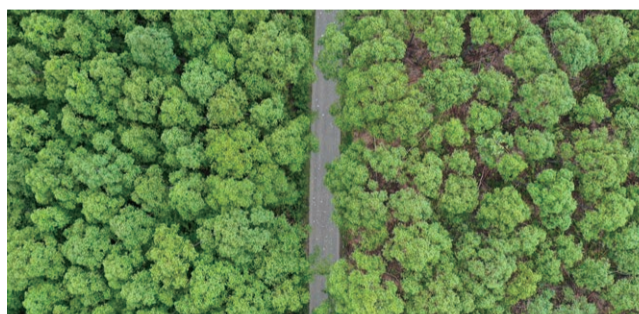
- Open Bay Timber Ltd. (OBT) has been operating a sustainable forestry business for over 50 years in Open Bay, East New Britain Province, Papua New Guinea (PNG).
- It produces approximately 60,000 m³ of logs per year, and exports them mainly to China and Vietnam. Some of the rejected logs for export are processed into sawn timber and sold in PNG.
- In 2016, OBT entered into a partnership with Lotte Corporation, a global confectionery manufacturer. Together, they have trialed the cultivation of cocoa and continued their efforts to produce high quality cocoa beans. OBT

provides local people with seedlings of good varieties and shares knowledge on sustainable cocoa farming.

- OBT's area of operation is far from the provincial capital of Kokopo, so basic infrastructure such as electricity, gas, and waterworks are not available. In addition to forestry business, OBT contributes to society and the local residents by operating medical clinics, improving school facilities, providing electricity, and transporting daily necessities, among others.
- In cooperation with the respective manufacturing companies under the Sumitomo Forestry Group, OBT strives to increase the added value of its products and enhance synergy within the group.



At a logging site



Drone view of the plantation and road construction



Kamarere, characterised by its rainbow bark



Message from Managing Director

- OBT is engaged in the sustainable forestry business in PNG, in an area blessed with strong sunshine from overhead and abundant rainfall.
- We are responsible for the furthest upstream processes of the WOOD CYCLE. Alongside supplying logs cut from planted forests endorsed by the PNG Forest Authority, in compliance with the forest certification standard and in line with our customers' needs, we also focus on passing on quality planted forests to future generations.
- Amid higher expectations than ever before toward decarbonization and sustainable practices, as well as the formation and operation of forestry funds, we are now planting trees day by day.



Fujita Takashi, OBT Managing Director

TOPICS

On March 14, OBT distributed 232 picture books to children in PNG. These picture books were donated by employees of Henley Properties Group, which is engaged in the housing business in Australia. The picture books collected by Henley have crossed the seas to reach the children of PNG via OBT. The children were bursting with smiles and joy as they received the picture books and began reading them immediately. Staff from the local schools sent messages of gratitude, expressing that the donation has created an opportunity for the children to see and learn about many different worlds through books.



Children happy to receive picture books



Announcement of FY2023 Outstanding Performance Awards!!

In April, the FY2023 Outstanding Performance Awards ceremony was held in Tokyo. Award recipients attended the ceremony and expressed their joy. Here, we feature five overseas Group companies that performed exceedingly well in the year.

Bloomfield (USA)

On behalf of our team at Bloomfield Homes, I wish to thank you for this honor. Despite the challenges of 2023, we achieved the sale of over 2,000 homes for the third consecutive year, exceeding our business plan by 30%. We introduced new floor plans, updated specifications, and built more energy-efficient homes, among other new initiatives launched during the year. Additionally, we celebrated our 10-year partnership with Sumitomo Forestry. Our experiences in Japan have been unforgettable, creating lifelong memories and friendships. In 2013, we would not have expected to close over 15,000 homes and I would not have dreamed of being in Tokyo receiving this amazing recognition. We are proud to work with Sumitomo Forestry, extending our shared values to our customers, employees, and communities. Thank you for your support, and we look forward to many more years of success together.



DRB Group (USA)

DRB Group is honored to have received another Outstanding Performance Award, and it is with the utmost gratitude that I pen this message. In 2023, we outperformed expectations that we set for ourselves to mark another record setting year. As CEO of DRB Group, I continue to focus on strategic growth, best use of our assets and most importantly our people and our customers. At DRB we separate ourselves from other builders by providing an exceptional brand and experience, offering not only a great product and design but a pleasant experience as well. The continued support from Sumitomo Forestry has kept DRB growing into new markets and increasing its market share in all our current markets. It is truly a well-designed partnership. Thank you again for recognizing DRB Group for our FY2023 performance.



Fine Line Trim (USA)

I am Jeremiah Ott, the founder and President of Fine Line Trim. I am very honored to receive this award. Fine Line Trim is an expert in the construction of single-family and multi-family homes. Since our founding in 2005, we have been highly regarded by our customers as a trusted partner and a leader in the construction industry along the U.S. East Coast. We are responsible for multiple processes, including framing works and interior works, as well as roofing works and exterior works. In addition to carefully managing work schedules, we also work on managing safety at our sites by developing our own safety program and dedicated safety department. Going forward, we will continue to leverage the strengths of our highly diverse and experienced team to build the future of housing construction.



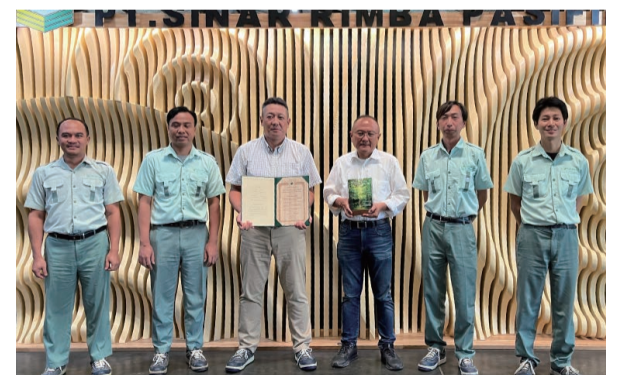
Henley (AUS)

Thank you for honoring the Henley Properties team with this Achievement Award. The team has worked hard to recover our performance after the COVID-19 pandemic. We have recovered swiftly, and this award is for every single staff member and will be cherished throughout our organization. I would like to thank all the Sumitomo staff in Tokyo and in Australia, led by Mr. Kawamura, for their support. Without their support and belief, we would not have been able to win this award. Our future is exciting, and we look forward to continuing to deliver happy, healthy and safe homes that help change and improve the lives of Australian families. We are eager to share this journey with our extended Sumitomo Forestry family around the world. Thank you!



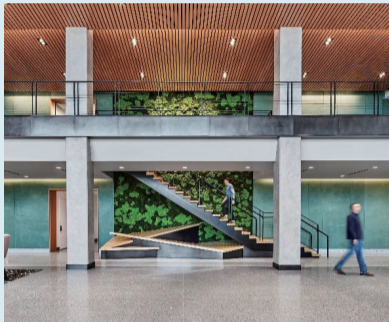
SRP (IDN)

I would like to express my gratitude for this performance award. Our Company is primarily engaged in the production of flooring and staircase materials for the Housing Division, so we interact regularly with staff from the Housing Division, Timber and Building Materials Division, and Sumitomo Forestry Crest Co., Ltd.. I would like to take this opportunity to thank everyone involved. Going forward, we will strive to continue providing products that satisfy the needs of our customers in the Housing Division.



Completion of Seven-Story Mass Timber Office Building in the Suburbs of Dallas, U.S.

Construction has been completed on Southstone Yards Office, a seven-story mass timber office building developed by a major U.S. developer, Crow Holdings, along with three Japanese joint-venture companies, Sumitomo Forestry, IINO Kaiun Kaisha, and Kumagai Gumi. Located in Frisco, a city north of Dallas, Texas., this office building offers a pleasant space that features the use of wood with exposed wood finishes, which takes employees' health and work comfort into consideration. Compared to reinforced concrete structures, this timber building reduces the embodied carbon emissions by approximately 2,600 tons, and the wood used as building material is expected to store approximately 3,400 tons of CO₂. The building is expected to acquire green building certification (LEED) and wellness certification (Fitwel), providing an added value to the social and environmental features of the office for ESG-conscious tenants.



Building interior



Building exterior



Ribbon-cutting ceremony

The completion ceremony was held on June 11. It was a grand event attended by more than 50 guests, including associated companies of developers, contractors, banks, Frisco city, as well as representatives from Sumitomo Forestry, IINO Kaiun Kaisha, and Kumagai Gumi.

First Build to Rent (BTR) Multi-Family Housing Development Project in Brisbane, Australia

Sumitomo Forestry Australia Pty. Ltd. has participated in the BTR*¹ project developed by Cedar Pacific Investment Management Pty Ltd. This project involves the development of a 475-unit, 31-floor multi-family rental building in Brisbane, Queensland in the eastern part of Australia, and is one of the projects supported by the Queensland Government to deliver affordable housing.*² Construction started in April 2024 (start of piling works) and is scheduled to be completed in October 2026. Through this project, Sumitomo Forestry will contribute to resolving the social issue of housing shortage in Australia.

*1. "BTR" is the abbreviation for "Build to Rent" housing. It is attracting attention as one of Australia's fastest growing assets.

*2. Affordable housing refers to housing supplied at a relatively reasonable price compared to the market price, facilitated by subsidies from the government.



Building exterior



Entrance of the building

Joint Participation in Large-scale Township Development Project in Binh Duong Province, Vietnam

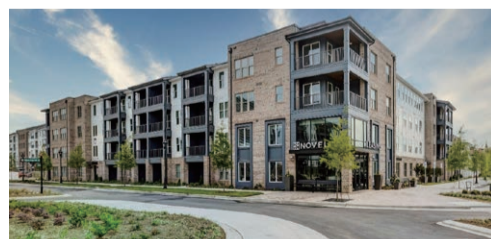
Sumitomo Forestry, Kumagai Gumi, and NTT Urban Development, together with Kim Oanh Group, are participating in a township development project in Thuan An City of Binh Duong Province in the south of Vietnam. This is a large-scale township development project that involves approximately 1,200 units of low-rise condominiums and approximately 5,500 units of high-rise condominiums on a 41-hectare site. The total project cost is estimated to be 140 billion yen, and the entire construction is expected to be completed by 2034. By participating in this project, Sumitomo Forestry will offer its design expertise cultivated from its domestic and global housing operations, as well as its ability to propose building materials with lower environmental impact, with a view to creating a sustainable city and contributing to carbon neutrality in Vietnam.

A signing ceremony for the four companies, graced by 34 attendees, was held on May 21 in Tokyo. During the ceremony, representatives "filled in" the eyes of the Daruma figurine, a traditional Japanese custom to pray for success.



Commemorative photograph taken at the signing ceremony

Crescent Communities Wins Award from NAHB



Main amenity building with solar panels on the rooftop.



Connection to the lakeside walking trails and open garden parks for community events held on weekends.

NOVEL University Place, a luxury apartment community developed by Crescent Communities, has been crowned the winner in the Best Garden Apartment Community (Four Stories or Less) in the 2023 Multifamily Pillars of the Industry Awards organized by the National Association of Home Builders (NAHB). This award recognizes multi-family residential developers and projects across the U.S. for creative development concepts, outstanding design, and other areas of excellence. Crescent Communities create high-quality, differentiated multi-family and commercial communities in many of the fastest growing markets in the U.S., and NOVEL University Place was commended for its connectivity with the surrounding environment which takes advantage of the characteristics of the lakefront site, its contribution to the community through enhanced indoor and outdoor amenities, and its sustainability features such as the installation of solar panels.

The community design for Novel University Place was inspired by southern waterfront cities, Charleston and Savannah, known for walkability, hospitality and unique architecture. Embracing traditions of southern hospitality, we were inspired to create welcoming spaces with a refined but relaxed design that encourages a social lifestyle. Design details in line with the vision are woven throughout the community, from the Charleston-style gas lanterns and garden parks, to blurring the line between inside and outside spaces and connectivity to walking trails.



Katie Maloomian
 (Senior Director of Development)