

# GREEN FOREST

Sumitomo Forestry Group News Letter



## Introducing Our Overseas Company PT. Sumitomo Forestry Indonesia

### Message from Top Management

The WOOD CYCLE expresses Sumitomo Forestry Group's value chain and we are committed to realizing it within Indonesia, covering **forest management, manufacturing and distribution of timber and building materials, and housing and real estate development**. Furthermore, we will communicate our decarbonization business, a business that maximizes the value of Indonesia's natural capital, its forests, to the entire world. The country's population is approximately 272 million\*. In this large market, which is expected to continue growing until 2067\*, we will contribute to the decarbonization of Indonesia by revolving the WOOD CYCLE. I hope you will see how Sumitomo Forestry Indonesia plays a role in the Group's Long-Term Vision, Mission TREEING 2030.

\*According to the United Nations World Population Prospects 2022

**Amane Hatanaka**

President Director  
PT. Sumitomo Forestry Indonesia



Sumitomo Forestry Indonesia was originally the Jakarta representative office which was established in 1970 as a distribution hub for timber and building materials. In 2011, the local subsidiary PT. Sumitomo Forestry Indonesia was established to further develop its business rooted in the Indonesian market. In 2022, Sumitomo Forestry Indonesia made a fresh start as the leading role in managing three businesses: **the forest and peatland management business, the timber and building materials manufacturing and distribution business, and the housing and real estate development business**, with the aim of expanding and generating synergies among them.

Indonesia boasts the fourth largest population in the world and is experiencing rapid economic development. It is also home to bustling cities. Both Indonesian and English are spoken in the office, and a total of 41 staff members, including 11 Japanese and 30 local staff members who are experts in their respective fields, engage in passionate discussions daily.

### Forest and Peatland Management Business

Since 2005, we have been supporting Paliyan Wildlife Sanctuary's regeneration project in Central Java as a reforestation consultant, and we have also been engaged in a large-scale planted forest operation through WSL/MTI/KMF. In December 2022, we launched a new mangrove conservation project (see page 3). We will promote new projects to realize a decarbonized society, including a tropical peatland consulting business with IHI called NeXT Forest, a forestry fund, and the expansion of the forest area owned and managed by the company.



Mangrove forest in Kalimantan

### Timber and Building Materials Manufacturing and Distribution Business

We are engaged in quality control of plywood and other products marketed in Japan, as well as the sale of timber and building materials to the Indonesian domestic market. The products we provide include plywood, MDF, particle board, gypsum board, etc., including products made by other Group companies. We are also focusing on generating synergies with new businesses, such as supplying interior doors for landed houses developed jointly by Sumitomo Forestry and real estate developer PT. Summarecon Agung Tbk (see vol.26, page 1). Going forward, we will work to develop products that lead to decarbonization as well as the sale of wood biomass fuel.



Sumitomo Forestry Interior Design Showroom in Jakarta



Plywood made by PT. Kutsal Timber Indonesia

### Housing and Real Estate Development Business

We are working with a local real estate developer to jointly develop three spec home projects (in Bekasi, Makassar, and Depok) and one mixed use high-rise residential and commercial complex. To create a successor business, we are actively reaching out to existing partners and seeking new partners. Our goal is to sell energy-efficient homes and to become a developer that produces not only homes but also entire communities in the future.



Landed houses developed in Bekasi (2017-)



A large-scale housing developed in Makassar (2021-)

### Topics

#### Development and Marketing of Landed Houses in Suburban Area of Jakarta

Sumitomo Forestry Indonesia will establish a joint venture with PT. Graha Perdana Indah, an Indonesian real estate development company, to develop and market 305 landed houses and 41 shophouses in Depok City, a suburban area in Jakarta. Sumitomo Forestry's design methods and construction technologies that take advantage of the natural environment will enhance the quality and safety of buildings. Sumitomo Forestry has a 32-year history with the owner of GPI in the particle board manufacturing business, which led to this collaboration.



Image of completed buildings  
Final handover expected March 2026



Signing ceremony for the conclusion of the JV held on February 1



## Succession of Heritage Trees for Future Generations with the Sumitomo Forestry Group's Tissue Culture Technology

Using clonal propagation technology (tissue culture and grafting), the Sumitomo Forestry Group is propagating stocks of heritage trees and precious trees, such as cherry blossom, plum blossom, and pine trees, from all over Japan. Tissue culture is a kind of cloning technology used to multiply stocks by taking tissue from plants and growing it in a sterile test tube. Since it is performed in a sterile environment, there is no risk of pests and diseases, a great number of stocks can be produced on a small area regardless of the season, and the original tissue can even be rejuvenated. We have greatly contributed to the preservation of Japanese culture by helping recover trees of historical and scientific value belonging to shrines, temples, or municipalities, and by cultivating new-generation trees.

### What are cherry trees? What are plum trees?

Japan has four seasons and the cherry and plum trees that bloom in spring are loved by the Japanese people as the sign of the arrival of spring.

### What is "Hanami"?

Hanami is the traditional custom of viewing cherry blossoms in spring in Japan, during which we share the joy of the arrival of spring by chatting under cherry trees while drinking and eating.



### Kentaro Nakamura

Forest and Landscape Research Center General Manager

The forests and heritage trees have been for many years protected and preserved by the people of each region. This is because the timber, wooden architecture, and greenery produced from them are of high value not only culturally and historically, but also scientifically.



### Remi Nakagawa

Tsukuba research Institute Chief Researcher

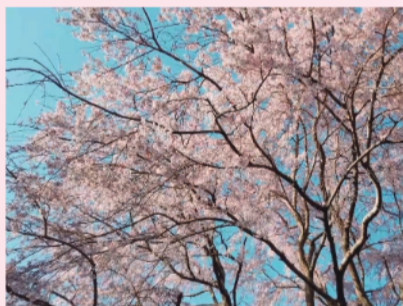
In Japan each season has its natural beauty, however the plum and cherry blossoming in spring is very special. Our company's technology significantly helps to protect and preserve these for future generations. By all means, come to Japan to see the flowers for yourself. Let's enjoy Hanami together!

## The Cherry Blossoms at Daigo-ji Temple

Daigo-ji is a famous temple in Kyoto with over 1100 years of history, listed as a World Heritage Site. It is said that the late grand chancellor (taiko), Toyotomi Hideyoshi, held a big hanami party at Daigo-ji temple and planted about 700 cherry blossom trees. The "Taiko Shidarezakura," an offspring of these cherry trees, had become weak, and was at risk of withering, so in 1999, Sumitomo Forestry worked on its recovery and conducted studies for the new-generation tree species. In a world first in 2004, we succeeded in propagation by tissue culture from the weeping cherry tree and made it bloom. The propagated cherry tree, named "Taiko Chiyo Shidare," now blooms every year next to its parent tree, and many visitors enjoy it at Daigo-ji temple.



"Taiko Shidarezakura"



"Taiko Chiyo Shidare"

## The Plum Blossoms at Kitano-Tenmangu

Kitano-Tenmangu is a shrine in Kyoto with over 1000 years of history dedicated to the god of learning. It has about 1500 plum trees of 50 different species, making it a famous plum blossom sight. Among these, the plum tree in front of the main shrine is regarded as a "sacred tree," and is estimated to be over 300 years old. According to a legend, this tree jumped to another city about 500 km away overnight. In recent years, concerned with threats to the growth of plum trees, such as diseases and global warming, we propagated historically valuable plum tree seedlings using the tissue culture. The success of growing a seedling from an old plum tree was a world first, which contributed to maintaining the scenery of Kyoto and preserving its culture.

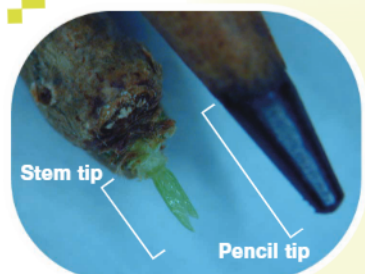


Cloned seedlings blooming again this year

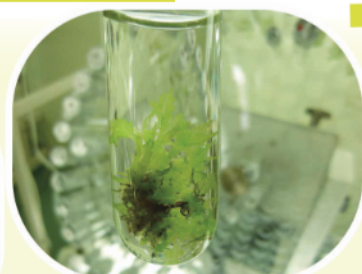


Sacred tree in front of the main shrine

## The Steps of Tissue Culture



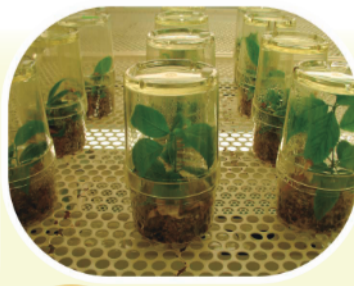
1. Peel the winter bud layer, and take the shoot apex.



2. Place the culture of the shoot apex in a special liquid medium and multiply the buds.



3. Allow the shoots to elongate from multiple buds.



4. Let the shoots take root in artificial soil.



5. Acclimatize plantlets in a field.



6. After 4 to 5 years, the flowers bloom!

### Sumitomo Forestry Establishes Truss Manufacturing Plant in North Carolina, USA, Accelerating the Fully Integrated Turnkey Provider (FITP) business!

The plant will manufacture wall panels and roof and floor trusses for single-family home and multi-family housing and, in the future, will sell building materials such as windows and doors. Group company Crescent Communities is engaged in the real estate development business, and is building the plant with the aim of starting operations in 2024. Builder Solutions Group, LLC was established in September last year as a holding company to oversee and promote the FITP business, and its wholly owned subsidiary Builder Solutions Group North Carolina, LLC will operate the plant. The plant will be operated using the expertise of the Structural Group, a manufacturer of panels, trusses, and other products acquired last year. Utilizing the construction function of FLT, which was acquired in February last year, they will provide a stable supply of high-quality materials to the DRB Group, which operates the homebuilding business and Crescent Communities, which develops multifamily projects in North Carolina and so on.



Image of plant

The Sumitomo Forestry Group is promoting its FITP business, which provides integrated panel design, manufacturing, delivery, and construction in the United States. The Group's long-term vision "Mission TREEING 2030," sets a target of 23,000 houses per year in the United States by 2030, and the establishment of the plant and a stable material procurement network will contribute to achieving this target. Going forward, the Group will collaborate with its factories and builders with the aim of reducing construction periods, saving costs, and improving quality through rationalization of construction.

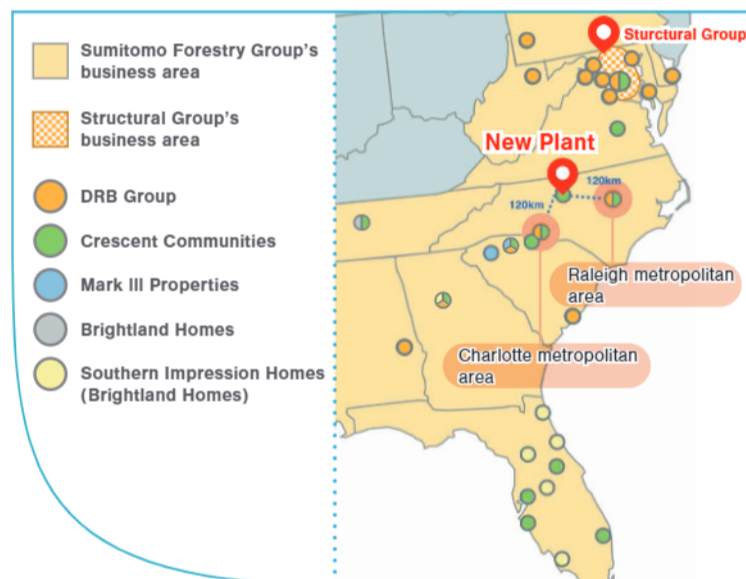


Image of truss



Image of wall panel

### Launch of Mangrove Conservation Project in Kalimantan, Indonesia



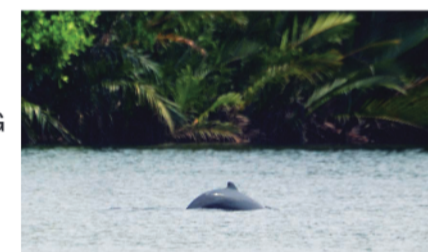
On December 28, 2022, Sumitomo Forestry welcomed PT. BINA OVIVIPARI SEMESTA (BIOS) to the Group, a company that owns and manages a 9,738-ha mangrove forest. Mangroves are plants that grow in brackish water area in tropical and subtropical regions, and are important habitats for rare animals and plants. Since mangroves fix a large amount of carbon, they are gaining worldwide attention from the viewpoint of environmental conservation.



Mangroves owned and managed by BIOS

In the inland area of the country, Sumitomo Forestry Group companies PT. Wana Subur Lestari, PT. Mayangkara Tanaman Industri, and PT. Kubu Mulia Forestry (KMF) manage over 150,000 ha of tropical forests and peatlands, and will work on wide-area ecosystem conservation projects inland. An estimated 66 million t-CO<sub>2</sub> of carbon is fixed in BIOS's mangroves, and the companies will work on the development of technology to measure the amount of carbon accumulation with high accuracy.

The Sumitomo Forestry Group's long-term vision, "Mission TREEING 2030," calls for a focus on cycling forestry business. Currently, the Group owns and manages approximately 290,000 ha of forests worldwide, and aims to expand this to 500,000 ha by 2030.



Mangroves are valuable ecosystems inhabited by a wide variety of flora and fauna. An endangered Irrawaddy dolphin (*Orcaella brevirostris*) was also spotted nearby.

### New Companies Established in the UK to Advance Environmentally Conscious Development in Europe



On February 1, Sumitomo Forestry established three companies in the Bywater SFC Group with the founder of British real estate developer Bywater Properties. The two companies are jointly developing a 6-story mass-timber\* office building in London, and will further strengthen their relationship with the establishment of new projects. Sumitomo Forestry Group will make a full-scale entry into the UK real estate market to promote environmentally conscious properties and mass-timber constructions in Europe. For the procurement of building materials, the Group will utilize its distribution network, which has one of the highest transactions volumes of European timber among Japanese companies.

In addition to development in London, we are also developing wooden office buildings, such as a 15-story building in Melbourne, Australia; a 7-story building in Dallas; and a 3-story building in

Atlanta. We will also develop new markets and engage in environment-conscious development globally.

\*A construction method using engineered wood (mass timber) with relatively large mass and volume, which is made by combining multiple types of wood such as CLT and LVL.



A 6-story wooden office building built by Sumitomo Forestry and Bywater in London (image)



#### Breaking News from US

Gehan Homes changed its name to Brightland Homes!

<https://www.brightlandhomes.com/>



**Brightland**  
HOMES