

October 27, 2023

Sumitomo Realty & Development Co., Ltd.

**Sumitomo Realty Forest has been certified as one of the
“Nationally Certified Sustainably Managed Natural Sites”
by the Ministry of the Environment
for its effort to balance timber production with ecosystem preservation**

Sumitomo Realty & Development Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo; President: Kojun Nishima; hereinafter “Sumitomo Realty”) is pleased to announce that the forest we own in Susono City’s Chabatake district, “Sumitomo Realty Forest,” has been certified as one of the “Nationally Certified Sustainably Managed Natural Sites” by the Ministry of the Environment. The certificate was awarded on October 25 (Wed).

The “Nationally Certified Sustainably Managed Natural Sites” certification system recognizes areas where efforts are being made to conserve biodiversity through private initiatives and other efforts. This system has been promoted since fiscal 2023 as a key measure towards achieving the goal of effectively conserving more than 30% of land and sea with healthy ecosystems by 2030 (the 30by30 target).

Sumitomo Realty Forest has been awarded certification for its valuable efforts in balancing between utilizing the forest as a sustainable source of timber and preserving an ecosystem that includes rare species.



70-year-old cypress trees in Sumitomo Realty Forest



Certificate awarding ceremony



(Left) The Ministry of the Environment, Nature Conservation Bureau: Director General Mr. Shiraiishi

(Right) Sumitomo Realty: Corporate Planning Department, General Manager Mr. Mogi

About Sumitomo Realty Forest

Sumitomo Realty Forest is our company-owned forest spanning 185 ha, located in Susono City, Shizuoka Prefecture. It comprises natural broadleaf forests and artificially planted coniferous forests. Since May 2022, when we entered into a comprehensive collaboration agreement with Susono City, we have been advancing maintenance activities aimed at long-term forest regeneration.

In the foothills of Mount Hakone, which are predominantly covered with artificial forests, Sumitomo Realty Forest is characterized by its highly natural vegetation. Within the vast forest with a maximum elevation difference of about 650 meters, various ecosystems under diverse climates and soils coexist. In addition, rare ecosystems unique to the Fossa Magna region are present. As such, it is expected to provide nesting, feeding, and hiding place for wildlife, as well as contribute to reducing the risk of water-related disasters in the area through the watershed conservation.



Observed Endangered Plants

In Sumitomo Realty Forest, five key plant species unique to the Fossa Magna region, including the Hakone-gumi (*Elaeagnus matsunoana* Makino), classified as Vulnerable (VU), have been identified. The Fossa Magna region refers to the area east of the Itoigawa-Shizuoka Tectonic Line, and the group of plants that are distributed only in the southern half of this area is called Fossa Magna element plants. These plants are considered to be extremely rare, as they are thought to have invaded, settled, adapted, and evolved in an area that was submerged under the sea before being uplifted due to relatively short volcanic activity in the middle of the Tertiary period.



Hakone-gumi (*Elaeagnus matsunoana* Makino) confirmed to inhabit in Sumitomo Realty Forest

About Nationally Certified Sustainably Managed Natural Sites

The “Nationally Certified Sustainably Managed Natural Sites” are areas where biodiversity conservation is being promoted through private sector initiatives, such as corporate forests, satoyama landscapes and urban green spaces. As a part of efforts towards achieving a Nature-Positive outcome, the Ministry of the Environment started this system to certify those areas since fiscal 2023, accepting applications from April 2023. Following expert review, it has been decided to grant the first Minister of the Environment certification to 122 locations across 35 prefectures. The total area of these certified locations is about 77,000 hectares, which is roughly 0.2% of the country’s land area and is larger than the 23 wards of Tokyo combined. Moving forward, areas excluding those overlapping with protected areas are planned to be registered in the international database as OECM (Other Effective area-based Conservation Measures), which are areas contributing to biodiversity conservation outside of protected areas.

About 30by30

30by30 refers to the goal of halting biodiversity loss and restoring biodiversity (nature-positive) by 2030, aiming to effectively conserve over 30% of land and sea areas as healthy ecosystems by the same year. This target is one of the key objectives of the “Post-2020 Global Biodiversity Framework.” At the G7 Summit held in the UK in June 2021, the “G7 2030 Nature Compact” was agreed upon, committing G7 countries to conserve or protect at least the same percentage (30%) of the national land and sea areas to achieve the goal of halting and reversing biodiversity loss by 2030.

About OECM

OECM stands for Other Effective area-based Conservation Measures. Aiming at achieving the 30by30 goal, in addition to promoting expansion and enhancement of national parks and the like, it recognizes areas such as satoyama landscapes, corporate forests and temple forests as areas where efforts are being made to conserve biodiversity by local communities, companies and organizations. By registering these areas in an international database, it aims to promote conservation efforts.

Expected Effects of OECM Certification



Decarbonization

Regeneration of nature to aid the absorption and retention of CO₂, and disaster prevention/mitigation



Circular Economy

Sustainable production of biomass resources to replace plastics



Agricultural and Mountain Villages

Prevention of damage by birds and wild animals, and maintenance of bountiful rural mountains



Food

Local production of safe food



Health

Experiencing nature to boost immunity and maintain a healthy lifestyle



Relaxation

Relaxation of the body, fulfilling leisure time, and enrich the mind



自然共生サイト認定

30by30

About Comprehensive Collaborative Agreement on Forest Cultivation



Using the forest Sumitomo Realty owns (approximately 185 ha), we will practice sustainable forest management by engaging in timber production, afforestation, thinning, and natural-forest conservation jointly with local companies. The forest resources harvested through final cutting and reforestation will be used for our housing business, etc.

Approximately 90% of the forest is an untouched natural forest with diverse functions essential to the area, such as watershed conservation, biodiversity, prevention of landslides, and CO₂ absorption. We will contribute to the community by cultivating a sustainable forest in accordance with the forest management plan created under the collaborative agreement.

Sumitomo Realty's Forest Regeneration Project

We signed a comprehensive collaborative agreement on forest cultivation with Susono City, Shizuoka prefecture, on May 30, 2022. Accordingly, we will present a model of sustainable forestry and forest regeneration by utilizing Sumitomo Realty Forest, which we own within the area designated by the agreement. In addition, taking advantage of its location close to urban cities, we will also promote activities designed to connect major cities with adjacent rural areas.

Slogan: Forest cultivation starts here as we work together for the next generations

1. Forest Regeneration

In order to promote a healthy forest for the next generations, we will carry out appropriate maintenance activities such as thinning and weeding on a regular basis in accordance with the forest management plan. These activities contribute to forest regeneration through final cutting and reforestation, protection of biodiversity and promotion of watershed conservation. We will also promote tree-planting activities by our employees.

During the forest growth stage, the forest will absorb and retain carbon dioxide, and contribute to the sustainability of the global environment and local communities.

2. Biodiversity Conservation

We conduct a general monitoring survey to ensure appropriate management of the natural forest, where red-listed plants grow naturally.

3. Effective Use of Forest Resources

■ Establishment of a Supply Chain

We promote forest regeneration through final cutting and reforestation when the trees are mature enough for logging, and have established a supply chain for construction materials used in our housing business (such as Shinchiku-Sokkurisan remodeling business).

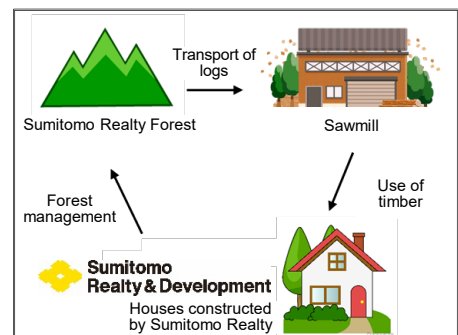
4. Community Engagement and Awareness-raising Activities Using the Forest

■ Community Engagement and Regional Revitalization

In cooperation with sawmills and wood-processing companies based in Shizuoka Prefecture that handle wood sourced locally, we are contributing to the revitalization of forestry and related industries in the prefecture.

■ “Wood Education” for Children

We host various fun events to provide children in urban areas with the opportunity to think about the global environment (wood-related educational workshops, woodcraft novelty goods workshops using domestic timber and thinned wood, etc.) at Ariake Garden, a commercial complex of Sumitomo Realty.



Sumitomo Realty Group's Initiatives for Biodiversity Conservation

The Sumitomo Realty Group maintains significant influence on biodiversity rooted in land, particularly given the nature of development business involving office buildings, condominiums and other such properties primarily in urban areas. Biodiversity is intimately relevant to all environmental issues, including climate change, conservation of water resources and environmental pollution. Based on this awareness, we conduct the environment impact assessment with the principle of considering surrounding environments and ecosystems. In addition, for each development project we undertake, we actively promote urban greening that not only conserves biodiversity but also creates spaces for relaxation for people living in cities and contributes to community formation.

With our fundamental mission of "Create even better social assets for the next generation," in order to solve these issues, we are working on "creation of new green spaces" and "development that preserves and utilizes existing greenery," with a focus on the characteristics of each property and region and building a green network with surrounding areas.

1. "Creating" New Green Spaces Which is Lacking in Urban Areas

The green coverage in the 23 wards of Tokyo is approximately 20% on average, which is high compared to major cities in developed countries. However, it is not considered to be sufficient, and urban greening remains a major challenge, especially in metropolitan areas. We are realizing the "creation of new, rich green spaces" by generating greenery through development, significantly improving the green coverage, and harmonizing with surrounding green areas, all in accordance with the conditions of the development properties.

At Osaki Garden City, the overall green coverage ratio of the area increased from 0% to 35% with vast open space on the site and roof greening. At Shinjuku Garden (in Takadanobaba), we have transformed approximately 1.5 hectares of vast land into a space with a 40% green coverage, forming a network among green areas, harmonizing with the adjacent Tokyo Metropolitan Toyama Park and others.



Osaki Garden City



Shinjuku Garden

2. "Preserving and Utilizing" Scarce Urban Greenery

We are also dedicated to preserving and utilizing the scarce natural environments remaining in urban areas, and to developing properties that integrate building spaces with rich landscapes. At La Tour Sapporo Ito Garden, which has been built on the former site of Kairakuen, one of the first municipal parks in Japan, the original virgin forests remain vibrant to this day, and a living space that feels like residing in the midst of a forest contributes to the property's high appeal.

Furthermore, at IZUMI GARDEN in Roppongi, the rich greenery of the "Sumitomo Kaikan" garden, once a Sumitomo family residence and later a guest house of the Sumitomo Group, has been preserved within the redeveloped district, providing a healing landscape for people passing through the area, together with cherry blossoms lining Izumi-dori Avenue, a new attraction established through redevelopment.



La Tour Sapporo Ito Garden



IZUMI GARDEN