

【NEWS RELEASE】

July 10, 2023

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation

Investment in the Eastwood Climate Smart Forestry Fund and Cooperation with Sumitomo Forestry in the field of sustainability

TOKYO, July 10, 2023 --- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Akihiro Fukutome), a subsidiary of Sumitomo Mitsui Financial Group, Inc. (“SMBC Group”, President and Group CEO: Jun Ohta) announced an investment agreement with the Eastwood Climate Smart Forestry Fund I (the “Fund”), a forest fund organized and operated by Sumitomo Forestry Group in the United States.

The Fund is managed by Eastwood Forests LLC, a forestry fund manager in the United States owned by Sumitomo Forestry Co. Ltd (“Sumitomo Forestry”). By purchasing existing natural forests mainly in North America, this forestry fund aims not only to sell timber, but also to enhance carbon sequestration and storage and create carbon credits. In addition, the Fund plans to replenish degraded forest by preserving viable trees and cultivating forest structures with an appropriate mix of species and ages of trees. Through managing such sustainable forest practices, the Fund will serve the public benefits such as nature-based solutions for protecting biodiversity and water resources.

SMBC also signed a Memorandum of Understanding with Sumitomo Forestry for the purpose of developing new business in the sustainability field. We will share knowledge, make policy recommendations, and jointly develop solutions in the field of forestry carbon credits, natural capital, and impact evaluation.

From this fiscal year, in order to realize “Fulfilled Growth”, SMBC Group has addressed “Environment” as our priority issue along with “DE&I/Human Rights”, “Poverty & Inequality”, “Declining Birthrate & Aging Population”, and “Japan’s Regrowth”. We will contribute to the expansion of the carbon credit market, while simultaneously realizing the conservation and restoration of natural capital through the investment in this Fund.

<Overview of the Fund>

Name of fund	Eastwood Climate Smart Forestry Fund I
When fund was secured	June, 2023
Assets in which fund will be invested	Primarily, forest properties in North America
What fund will do	Timber sales and creating carbon credits by replenishing degraded forest through improved forest management
Fund manager	Eastwood Forests LLC