

## Green Bond Fact Sheet

Sumitomo Forestry Co., Ltd			Date: 17-Sept-2018
Issue date: 27-Sep-2018 Maturity date: 27-Sep-2023 Tenor: 5			
Issuer Name	Sumitomo Forestry Co., Ltd	Amount Issued	JPY10bn (USD89m)
Country of risk	Japan	CBI Database	Included
Issuer Type <sup>1</sup>	Non-financial Corporate	Bond Type	Convertible
Green Bond Framework	N/A	Second party opinion	<a href="#">Vigeo Eiris</a>
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control <input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input checked="" type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper <input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
<b>Issue details</b>	
<b>Reporting</b>	<p>The issuer commits to release publicly an annual bond’s reporting until maturity date of the bond. The first reporting is expected to take place within 12 months after the issuance date. The report is verified by a third party auditor. The issuer commits to report on use of proceeds (i.e. detailed description of the project, total net proceeds allocation, share of refinancing) and ex-post estimates of outputs and impacts (i.e. total size of the forest area (ha), harvested area (ha), replanted area (ha), certified area (ha), total sustainable wood/timber production volume (tons), carbon stocks in net CO<sub>2</sub> amount (tCO<sub>2</sub> eq). The issuer is committed to disclose the calculation methodologies and assumptions for impact indicators.</p>
<b>Company information</b>	<p>Sumitomo Forestry Co., Ltd. engages in timber and building materials, housing, overseas, and other businesses in Japan and internationally. The company’s Timber and Building Materials Business segment procures, manufactures, processes, and sells timber products, including logs, wood chips, processed timber, engineered wood, etc.; and building materials comprising plywood, fiberboard, processed wood materials, concrete and ceramic building materials, metal building materials, housing systems and fixtures, etc. Its Housing Business segment is involved in the construction, sale, after-sales maintenance, and renovation of detached houses and multi-unit residences; sale of interior products and spec homes; rental, management, sale, and brokerage of property; contract work for housing exteriors, garden landscaping, and urban greening; and CAD work and site surveys, etc. (Bloomberg).</p>
<b>Firsts, records and certifications</b>	<p>First green convertible bond globally. The Stock Acquisition Rights give the option to bondholders to acquire the company’s common stock. (<a href="#">prospectus</a>)</p>
<b>Proceeds description</b>	<p>The full amount of proceeds will be exclusively allocated to refinance the acquisition of 30,000 hectares of FSC certified timberlands and related assets which comprise plantation forests in Nelson, New Zealand.</p>
<b>Climate Bonds view</b>	<p>Sumitomo Forestry Co., Ltd has been identified as a fully-aligned issuer under the land use sector in the Climate Bonds latest <a href="#">State of the Market report</a>. It’s great to see a fully-aligned issuer entering the green bond market and capitalising on the benefits of the “green” label. As the first green bond with Stock Acquisition Rights, the deal adds structural diversity to the market.</p>
<b>Underwriters</b>	<p>Daiwa</p>

Deal comments	
Credit Rating	
Pricing summary	
Investors summary	

<sup>1</sup> Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign