

September 30, 2021
Sojitz Corporation

Sojitz Enters Fast-Growing Tree Sapling Production Business with a Tree Variety that Greatly Exceeds the Growth Rate of the Average Japanese Cedar
–Taking on the Challenge of Regional Revitalization in Anticipation of a Decarbonized Society with a Business Proposal Originating from the Hassojitz Project–

Sojitz Corporation (“Sojitz”) and Tokyo University’s venture company Hongo Research Institute Inc. (“Hongo Shokurin”) have concluded a joint venture agreement to establish Sojitz Morinomirai Corporation (“Sojitz Morinomirai”), which will produce fast-growing tree saplings that can reach maturity for logging five years after planting.

Sojitz Morinomirai will produce saplings of “Hakoyanagi,” Japanese aspen (*Populus L.*), that are currently being grown on a trial plantation in Miyazaki Prefecture. (An application for plant variety registration has already been completed for varietal name MORINOMIRAI 17GO.) This Hakoyanagi is characterized by its fast growth as a short rotation* tree species, with an estimated timber volume of approximately 200 cubic meters or greater per hectare five years after planting.



[Hongo Shokurin’s Hakoyanagi trial plantation (1 year after planting)]

Sojitz and Hongo Shokurin consider characteristics of Hakoyanagi trees to be suitable for providing a stable supply of fuel for biomass power generation and will work towards early commercialization of the project. Through this Hakoyanagi production business, Sojitz and Hongo Shokurin aim to accelerate the introduction of biomass power generation and to expedite local production for local consumption of biomass fuel, both of which will be essential to realizing Japan's carbon neutrality by 2050 and proposed energy mix by 2030, in order to contribute to decarbonization and the post feed-in tariff (FIT) system.

In parallel with the production of saplings, Sojitz is also considering commercial afforestation of Hakoyanagi. By planting Hakoyanagi on dilapidated farmland and unforested land, Sojitz seeks to provide solutions to the region's issues through the realization of a forest resource cycle in close cooperation with the regional community.

In FY2019, Sojitz began the Hassojitz Project to realize innovative ideas as new business projects. Participants were gathered together through a company-wide open call, and young employees have taken the lead on the project to create business that anticipates the future in 2050. The Forest + Redesign team received a great deal of attention for their fast-growth tree sapling proposal, which earned the team the Pursuit of Knowledge Prize at the Hassojitz Project final presentation. This business marks the first step towards realizing one of the team's proposals for a forest reconstruction and maintenance business.



[At the Hassojitz Project final presentation]

Through the establishment of Sojitz Morinomirai, Sojitz and Hongo Shokurin will strengthen their partnership to promote the sustainable and efficient use of forest resources as part of a recycling-based resource business that supports regional revitalization and contributes to the realization of a sustainable society.

*Japanese cedar, in general, grows approximately 5m³/ha five years after planting, and it takes 25 to 30 years to achieve a timber volume of approximately 200m³/ha or greater.

[Related Information]

[Company Overview – Sojitz Morinomirai Corporation]

Representative Director	Yuji Yuasa
Established	Planned for October 2021
Shareholders	Sojitz: 60% Hongo Shokurin: 40%
Main Business	<ul style="list-style-type: none">• Production of fast-growing tree saplings• R&D of fast-growing tree species

[Company Overview – Hongo Research Institute Inc.]

Representative Director	Yasuhiro Ono
Main Business	<ul style="list-style-type: none">• Consulting related to forest asset management• Planning and operation of trial plantations• Forest management and operations

[For questions regarding this press release, contact:]

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