Latin American Woodchip Supply
(Brazil’s Potential)

September 18, 2018
Woodchip & Biomass Dept.
Sumitomo Corporation
Overseas offices are operated in four broad regions.

Locations of offices are marked.

- Europe, Middle East, Africa & CIS
- East Asia
- Asia & Oceania
- The Americas

Number of Employees: 5,261
(Consolidated Base: 73,016)

Number of Offices
129 locations 66 countries and regions

Number of Consolidated Subsidiaries
947 companies 81 countries and regions
Sumitomo Woodchip Business

**Woodchips for P&P:** Over 40 years of woodchips trading: Trading 1.3 M BDT p.a., including 1.2M BDT for Japan (12% share in the market) and 0.2M BDT for Atlantic market.

**Biomass Woodchips:** Import of woodchips to Japanese market as biomass for industrial power generation from 2008. Trading 0.3 M BDT p.a. including 0.2MM BDT (50% share) for Japan and 0.1M BDT for Atlantic market.

Volterra S.A.
- Volterra S.A. was established in 1991 at the 8th Region of Chile, by Sumitomo Corporation (45%), Nippon Paper Industries (45%), Mitsui O.S.K. Lines (10%), for plantation and woodchipping.
- The net planted area is around 13,000ha.
Brazil’s potential

① Brazil has 2nd largest forest area in the world

<table>
<thead>
<tr>
<th>UNIT</th>
<th>USA</th>
<th>Canada</th>
<th>Brazil</th>
<th>Chile</th>
<th>Australia</th>
<th>NZ</th>
<th>Sweden</th>
<th>Finland</th>
<th>Russia</th>
<th>China</th>
<th>Japan</th>
<th>Indonesia</th>
<th>World Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>M ha</td>
<td>310</td>
<td>347</td>
<td>494</td>
<td>18</td>
<td>125</td>
<td>10</td>
<td>28</td>
<td>22</td>
<td>815</td>
<td>208</td>
<td>25</td>
<td>91</td>
<td>3,999</td>
</tr>
<tr>
<td>%</td>
<td>33.8</td>
<td>38.2</td>
<td>59.0</td>
<td>23.9</td>
<td>16.2</td>
<td>38.6</td>
<td>68.4</td>
<td>73.1</td>
<td>49.8</td>
<td>22.1</td>
<td>68.5</td>
<td>53.0</td>
<td>30.6</td>
</tr>
<tr>
<td>M m3</td>
<td>357</td>
<td>158</td>
<td>145</td>
<td>45</td>
<td>30</td>
<td>29</td>
<td>67</td>
<td>54</td>
<td>198</td>
<td>163</td>
<td>21</td>
<td>74</td>
<td>1,874</td>
</tr>
<tr>
<td>M m3</td>
<td>177</td>
<td>20</td>
<td>85</td>
<td>23</td>
<td>17</td>
<td>3</td>
<td>31</td>
<td>31</td>
<td>48</td>
<td>32</td>
<td>5</td>
<td>35</td>
<td>656</td>
</tr>
</tbody>
</table>

② Brazil has 3rd largest wood pulp production in the world

Source: FAOSTAT
Brazil’s potential

③ Brazil has triple access to Atlantic / Pacific / Indian Ocean market

Woodchip Exports (BDT)

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANAC</td>
<td>0.5M</td>
</tr>
<tr>
<td>AMCEL</td>
<td>0.5M</td>
</tr>
<tr>
<td>MITA</td>
<td>0.2M</td>
</tr>
</tbody>
</table>

5M BDT

25M BDT