



**Demonstration Experiment of “Low-cost Reforestation Project”
Begins at “The Asahi Forest” Company Forest**

Reduces growing period from 50 years for Cryptomeria to 30 years
using fast-growing*¹ Chinese Fir

20 Oct. 2021

Asahi Group Holdings, Ltd.

JForest

The Norinchukin Bank

(Tokyo, Japan - October 20, 2021) - Asahi Group Holdings, Ltd. announces that it is participating in the “Low-cost Reforestation Project” to achieve shorter reforestation*² and growing periods and cost reductions organized by the National Federation of Forest Owners’ Co-operative Associations (JForest) and The Norinchukin Bank. The Asahi Group is providing a portion of the “The Asahi Forest” company-owned forest in Hiroshima Prefecture as a test site, and consigning the actual demonstration experiment works of growing the fast-growing trees Chinese Fir (*Cunninghamia lanceolata*) to the Miyoshi Region Forest Owners’ Co-operative Association.

In this project, a portion of the “The Asahi Forest” forest in Miyoshi City (approx. 1 hectare) was cut down from early October, and by harvesting and planting trees at the same time approximately 1,500 Chinese Fir saplings will be planted from late October. By confirming the growth conditions over the five-year demonstration experiment period, the reduction in the work volume and in the tree growing costs compared with conventional afforestation will be verified.

The project will also lead to the revitalization of mountain village regions through the development and social implementation of a new business model toward realizing sustainable forests and forestry that resolves the present problems of the forestry industry.



“The Asahi Forest” forest test site (just after tree cutting)



Large Chinese Fir saplings in containers

The roles of each company in the “The Asahi Forest” forest test site are that Asahi Group Holdings is providing the test site for the demonstration experiment, JForest is conducting progress management as the project implementing body (with the demonstration experiment conducted by

the Miyoshi Region Forest Owners' Co-operative Association), and The Norinchukin Bank is providing financial support and the planning and coordination functions.*³

Forests comprise approximately two-thirds of Japan's land area, and although there is growing attention to the multifaceted functions of forests such as the conservation of biodiversity and the prevention of global warming from CO₂ absorption, forests and the forestry industry face many issues in sound management.

Japan's forests are mostly artificial forests planted after the Second World War, and about half of them are older than the typical harvest age of 50 years. For the use and stable provision of domestic timber, the 50-year-old trees must be logged and new saplings planted, but the reforestation works are not advancing because of the increased costs of reforestation and subsequent silviculture, and the inability to secure parties to conduct these works.

As one measure toward resolving these forestry issues, the Low-cost Reforestation Project is implementing reforestation and silviculture using the fast-growing Chinese Fir trees which have superior wood strength and growth toward shortening the growing period and reducing costs.

Because Chinese Fir grows at about twice the speed of Cryptomeria, the period until harvest which is around 50 years for Cryptomeria is reduced to less than 30 years. Moreover, the project uses container saplings which are grown inside containers and are larger than regular saplings. By using these saplings, felling trees and planting saplings at the same time, and planting fewer trees per unit area, the ground preparation*⁴ and weeding works are reduced, and this is expected to decrease the reforestation and growing costs by half.

The Asahi Group has formulated "Asahi Group Environmental Vision 2050" towards contributing to a sustainable society. We aim to reduce the environmental burden from our business activities to zero (neutral) by the year 2050 and to create new environmental value (positive) using the Asahi Group's original technologies and knowledge, and thereby realize a sustainable society while achieving business growth.

Forestry is an industry that contributes to mitigating and adapting to climate change, and it is necessary to promote initiatives to stop global warming through the appropriate maintenance and conservation of forests. We are working to promote reforestation by spreading the results gained from this project nationwide, and to realize sustainable forests and forestry management.

■ Reference: Regarding the Asahi Group's company-owned forest "The Asahi Forest"

- ✓ "The Asahi Forest" is a forest owned by the Asahi Group since 1941 located in Shōbara City and Miyoshi City, Hiroshima Prefecture. It presently has a total area of 2,467 hectares (including managed areas). The Group is implementing sustainable forest management at this forest.
- ✓ In 2001, "The Asahi Forest" became the third forest in Japan to receive FSC Forest Certification*⁵ and the Asahi Group reinforced its efforts toward realization of sustainable and better forest management.
- ✓ In 2011, "The Asahi Forest" obtained offsetting credits (J-VER) from the Ministry of the Environment.

- ✓ In 2014, the forest management efforts at “The Asahi Forest” were recognized with the Forestry Agency Director-General’s Prize at the national forestry management promotion event.
- ✓ In 2016, the sustainable forestry efforts at “The Asahi Forest” in collaboration with diverse stakeholders were highly recognized with the Minister of Agriculture, Forestry and Fisheries Prize at the 5th Contest for Corporate Activities on Biodiversity.
- ✓ In 2019, the Asahi Group was registered as a Hiroshima Prefecture “forest practitioner with desire and ability.”*6

*1) Varieties of trees that grow quickly. These are typically tropical trees, but in recent years Chinese Fir, Chinaberry (*Melia azedarach*) and other temperate-zone trees have been attracting attention.

*2) Reforestation refers to the creation of artificial forests by planting saplings at locations where artificial forests have been cut.

*3) Demonstration experiments on the “Low-cost Reforestation Project” are being conducted at three locations by groups including the Nagano Prefecture Neba Village Forest Owners’ Cooperative Association and the Miyazaki Prefecture Miyakonojo Forest Owners’ Cooperative Association.

*4) “Ground preparation” refers to arranging and lining up the treetops and branches left behind on the ground and the mowed down shrubs and herbaceous plants after logging, to facilitate planting.

*5) Certification was received from the FSC (Forest Stewardship Council®), which is an international forest certification organ, in 2001 for sustainable and better forest management. FSC certification certifies forests that are managed appropriately based on the “10 FSC Principles.”

*6) Under the forest management system based on the Forest Business Management Act, when forest owners cannot manage their forests themselves, the management of these forests is consigned to the municipality, and among these, the management of forests that are suitable for forestry management can be re-consigned to “forest practitioners with desire and ability” and the forest management conducted by the “forest practitioners with desire and ability.”

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