

July 8, 2011  
Sumitomo Forestry Co., Ltd.

**Sumitomo Forestry to Launch  
New House Product with Attached Rental Apartments: *Forest Plus***  
—Company Utilizes Land Use Expertise to Complement Custom Design  
with Income Generation—

Sumitomo Forestry Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Akira Ichikawa) will launch *Forest Plus*, a new house product with attached rental apartments, on July 9. The development of this product was made possible by Sumitomo Forestry's design strengths cultivated through its custom design services, and its land use expertise, which allows for comprehensive customer support.

As custom designed housing, *Forest Plus* can be adapted flexibly to suit specific land requirements such as parcel shape and road access as well as laws and regulations governing floor-area ratio, setback regulations, and design aspects that take regional environmental conditions into consideration. Another great feature of *Forest Plus* is that it accommodates the full range of needs and issues every homeowner faces, providing everything from a comfortable home design with custom floor planning and a full selection of standard equipment, to long-term planning that helps buyers utilize their assets and reduce tax expenses.

While the housing market in Japan is on a recovery trend, a dwindling desire for home acquisitions can be seen in some home-buyer segments due to a rise in the average home buyer's age, a result of delayed marriages and fewer children, as well as economic anxiety over the job market, pension benefits, and other factors. By bringing *Forest Plus* to market, Sumitomo Forestry aims to stimulate demand in this market segment by presenting home buyers with a home acquisition opportunity that takes into account future inheritance tax amendments through an efficient land use arrangement. Particularly in metropolitan areas where land assessment rates are higher and the number of beneficiaries subject to Japan's inheritance tax are expected to grow, Sumitomo Forestry proposes a solution whereby homeowners can live comfortably while also receiving steady income and tax-reduction benefits. In the meantime, the company plans to expand its share of the rented housing market.

In cases where a home buyer builds a house with attached rental apartments and passes it on to family, as long as the beneficiary takes over the rented housing business, even without continuing to live in the house, the beneficiary is eligible for a reduction of the tax assessment amount based on an exception of the inheritance tax. For this reason, a house with attached rental apartments is an effective tax-reduction strategy in metropolitan areas with high land assessment rates. Buyers of *Forest Plus* can look forward to stress-free financial planning from steady rental income, which can be applied to paying off the mortgage; a full selection of standard equipment for the homeowner's section of the house; inheritance tax relief; and income for tax payments.

## ■ Product Overview

Name:	<i>Forest Plus</i>
Launch date:	July 9, 2011
Sales area:	Tokyo, Kansai, Nagoya, and Fukuoka metropolitan areas
Body price:	From ¥638,000/3.3m <sup>2</sup> (tax included)
Construction:	Two-by-four construction (batt insulation type)
Plan:	Custom design
Sales target for first fiscal year:	50 buildings

## ■ Exterior image of *Forest Plus*



For this design type, the apartment section has three maisonette-type units on the first and second floors. The homeowner's section is on the third floor.