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For Immediate Release

Sumitomo Forestry Co., Ltd.

<p style="text-align: center;"><b>NTT Urban Development and Sumitomo Forestry Group</b> <b>Establish Joint-Venture Real-Estate Company</b> <b>Expanding the Residential Lot Subdivision Business in Australia</b></p>
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Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) has established a joint-venture housing lot development company in Australia with the aim of expanding its housing business in the country. Wholly-owned Sumitomo Forestry Australia Pty Ltd., a private asset management company operated by three executives of Henley Properties Group, in which Sumitomo Forestry Australia owns a 50% stake, and NTT Urban Development Corporation (President and Chief Executive Officer: Masaki Mitsumura; Head Office: Chiyoda-ku, Tokyo) have jointly established the residential lot development company which has completed the purchase of property for building new residential lots.

Sumitomo Forestry Australia and the asset management company owned by three executives of Henley Properties Group jointly established the residential lot development company in November 2011 with UD Australia Pty Limited, a wholly owned subsidiary of NTT Urban Development. In December, the newly established company purchased land in the Melbourne suburbs on which to build housing subdivisions. Sumitomo Forestry Australia holds a 10% stake in the residential lot development company, the three executives of the Henley Properties Group own a combined 40% stake, and UD Australia owns a 50% stake. (In the capital structure of the residential lot development company, a joint venture between Sumitomo Forestry Australia and the three executives of the Henley Properties Group owns a 50% stake and UD Australia owns a 50% stake.)

The purchased property is located 45km southeast of the Melbourne central business district in the Casey-Cardina area. The city of Melbourne has been ranked the world's No. 1 livable city (August 2011 ranking by The Economist magazine) and remains highly popular. The region southeast of Melbourne was one of the first suburbs to become developed, and the Casey-Cardina is particularly popular for its quiet residential lots. The purchased subdivision measures 40.57 hectares and will feature 367 residential lots. Sales will begin in 2012 and are scheduled to be completed in 2016. Total revenue from the lot sales is estimated at 7.0 billion yen. The subdivision will include preserved park areas, recreation areas and an elementary school. The area north of the subdivision also has potential for growth, as a business center is scheduled to be constructed there.

Australia has enjoyed long-term positive GDP growth with stable economic expansion. The government's policy of promoting immigration has supported long-term population growth, while the unemployment rate continues to decline amid expanding employment. The State of Victoria, in which Melbourne is located, has

had a large influx of foreign immigrants and consequently has shown the highest number of new housing starts. Latent demand for new housing is expected to continue over the medium- to long-term.

The Sumitomo Forestry Group has built a strong track record of growth in overseas business. The Group will continue to explore collaborative business in the North American, Australian, Chinese and other overseas markets where the Group is promoting its housing and real estate business.

#### ■ Residential Lot Development Company Profile

- Name: 335 Grices Road Pty Limited
- Location: Melbourne, Australia
- Business: Development and sale of residential lots
- Establishment: November 2011
- Shareholders: UD Australia Pty Ltd.: 50%; SPJR Land Developments Pty Ltd.\*: 50%

\* SPJR Land Developments Pty Ltd.

Sumitomo Forestry Australia owns a 20% stake, and the remainder is held by the three owners of the Henley Property Group besides Sumitomo Forestry Australia (Peter Hayes, 40%; John Harvey, 20%; and Robert Bowen, 20%).

#### ■ Development Plan Overview

Address	335 Grices Road, Clyde North, Victoria, 3978
Total area	40.57ha (405,700m <sup>2</sup> )
Planned lots	367 (planned)
Most common lot size	14m x 32m (85 lots)
Location	45km southeast of Melbourne; 40 minutes by car
Business revenue	Approx. 7.0 billion yen
Schedule	Sales begin in 2012; Completion planned for 2016