

**Sumitomo Forestry to Launch of the new
*Forest Maison Rental Home***

—Refreshing the Line-up of Rental Home Products to Boost Urban Sales Structure—

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) announced today the launch of the detached-style *Forest Maison Rental Home* on October 6. The new *Forest Maison* showcases building design and aesthetics developed through extensive experience in customized housing solutions, delivering the benefits and advantages of custom-built housing in rental form. Sumitomo Forestry Home are characterized by the natural warmth and feel of wood, a major point of difference that helps to guarantee consistent income for landowners while offering tenants the lifestyle comfort of a self-owned home.

The entire line-up of Sumitomo Forestry rental housing products will be overhauled to give greater prominence to the *Forest Maison* brand, and the sales force will be strengthened, particularly in the three metropolitan areas of Tokyo, Osaka, Nagoya. The company is committed to providing high-quality rental housing that optimizes land use and provides landowners with long-term income stability while offering tenants maximum comfort and convenience.

1. Product Overview

Name:	<i>Forest Maison Rental Home</i>
Launch date:	October 6, 2012
Sales area:	Tokyo, Osaka, Nagoya, and Fukuoka metropolitan areas
Body price:	From ¥545,000 per 3.3 m ² (tax included)
Construction:	Two-by-four construction
Plan:	Unrestricted custom design
Sales target for first fiscal year:	100 buildings

■ Market Overview

In the fiscal 2010 survey of public opinion on land use conducted by the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT), 74.1% of respondents nominated Detached Home as their preferred form of housing, well ahead of Condominium (11.8%) and No Preference (11.4%). Further, 80.9% of respondents said they would like to own both house and land (which is consistent with results of around 80% since the survey began in 1993), while 12.1% of respondents said they would be satisfied with rental housing, the highest figure since 1993.

According to MLIT's statistics on new housing starts, custom-built homes accounted for just 2% of the 289,762 new rental dwellings constructed in fiscal 2011 (6,823 custom-built homes compared to 86,384 terrace houses and 196,555 multi-unit residential housing).

In light of the above, Sumitomo Forestry sees considerable growth potential in custom-built housing products designed for rental. The company believes that products represent a highly effective land use solution for landowners while providing tenants with a quality living space characterized by the natural warmth and comfort of wood.

■ Key Benefits of Detached Housing for Rental

Sumitomo Forestry offers landowners and tenants high-quality custom-built housing solutions based on longstanding experience and expertise in Sumitomo Forestry Home house design.

Benefits for landowners

- Although custom-built homes currently represent only a fraction of the rental housing market, they can be confident of steady business over the years to come.
- Designs can be modified to suit irregularly shaped plots or narrow plots with limited frontage in order to make optimum use of available space leveraging design capability cultivated with custom-built housing.
- Minimal shared spaces mean lower labor and maintenance costs.
- Custom-built homes can also be sold off as applicable.
- Partitioning of land for the purpose of building multiple homes simplifies asset transfer procedures, for instance in the event of an inheritance.

Benefits for tenants

- Custom-built homes provide more space and comfort as well as benefits such as a private garden area.
- Custom-built homes offer superior lifestyle options, such as keeping pets or maintaining a garden.
- Families with young children do not need to worry about the impact on noise on surrounding apartments.
- Homes with dedicated garage areas are available.

2. New Forest Maison Series

The *Forest Maison* brand has been developed on the basis of longstanding experience in custom-built housing design, offering refined external appearance and comfortable interior spaces with extensive usage of wood products, featuring the unmistakable natural warmth and feel of wood throughout. The *Forest Maison* range consists of three products: multi-unit residential housing, attached rental apartments, and detached rental home. *Forest Maison* homes are built using the Full-Save External Thermal Insulation Method*, a two-by-four construction method developed by Sumitomo Forestry with superior heat insulation and airtightness performance.

The *Forest Maison Rental Home* and two other products in the new series offer a range of standard features such as dirt-resistant, low-maintenance LS-30 external walls, quality flooring, and well-appointed kitchen and bathroom systems.

All *Forest Maison* products can be adapted flexibly to produce the optimum solution for any and all sites and conditions and for both landowners and tenants. Custom design represents an important point of differentiation from other housing suppliers that will help to boost market share in the three metropolitan areas of Tokyo, Osaka, Nagoya as we work to achieve the ultimate target of 500 units per year for the *Forest Maison* brand overall.

* Full Save Construction Method

Thermal insulation is used to clad the structural framework and as wrapping around internal walls, ceiling and floors. The structural framework exterior is completely covered in insulation; with no gaps, the air inside the walls is effectively the same as the indoor environment. This prevents condensation within walls and ensures more uniform insulating performance, thereby reducing temperature differentials within the home and creating a more pleasant environment with minimal discomforts such as the sensation of cold feet on the floor.

Forest Maison New Product Series

Forest Maison Free Style: multi-unit residential housing, two-by-four construction

Forest Maison Plus: combined-use home, two-by-four construction

Forest Maison Rental Home: custom-built home, two-by-four construction