

Sumitomo Forestry to Launch *ForestMaison Sharehouse* for a New Style of Living

—Creating Communication between Residents through
the Living Comfort of a Wooden House—

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) announced today the launch of *ForestMaison Sharehouse* on April 27, 2013. This rental housing offers a new style of living, by leveraging knowhow nurtured in building custom-built wooden housing, which flexibly meets homeowner needs.

This product is made from wood, a renewable natural resource. This rental share house offers the same feeling as a family home, with the warmth and comfort of wood. The ability to flexibly respond to tenant needs, opens up new channels of communication among tenants. In recent years in Japan, the lifestyle of people in their 20s and 30s has changed, fueling sharp growth in the share house market. This has also led to a new option in rental housing. The share house not only offers added value with the common spaces aimed at increasing communication among tenants, but also affords comfortable, high quality living, extensively equipped with a wide range of specifications and fixtures. Sumitomo Forestry plans to fortify the company sales composition with the addition of this new lineup of rental housing.

■ Product Overview

Name:	<i>ForestMaison Sharehouse</i>
Launch date:	April 27, 2013
Sales area:	Tokyo and surrounding are (Tokyo, and Kanagawa, Chiba, and Saitama prefectures)
Construction:	Two-by-four construction /Big-Frame construction
Body price:	From ¥595,000/3.3 m ² (tax included)
Sales target for first fiscal year:	20 buildings

■ Product Features

ForestMaison Sharehouse leverages the expertise Sumitomo Forestry has acquired in the custom-built housing business through a preference for wood and in the pursuit of seismic resistance, fire resistance, and insulation. The company aims to create a new standard of value for the home, placing importance on the safety and peace-of-mind of residents and also on privacy. The full line-up of systems and fixtures used in the house have the equivalent specifications as in the company's detached housing products, including a spacious system kitchen and a system bathroom which offers ample room for bathers to stretch out their legs while relaxing in the tub. Furthermore, Sumitomo Forestry offers high-grade rental housing, with immaculate pure-wood flooring in each room, excluding the kitchen and bathroom.

■ Sales Structure

Sumitomo Forestry has formed a business alliance with Natsumikumi Co., Ltd. (President: Natsumi Sakata; Head Office: Suginami-ku, Tokyo), highly regarded share house design experts, and Cohituji-shouji (President: Takeshi Fujita; Head Office: Suginami-ku, Tokyo), which has an extensive track record in concept planning and recruiting tenants. Moreover, Sumitomo Forestry Residential Co., Ltd. (President: Hideo Watabe; Head Office: Shinjuku-ku, Tokyo), which is a wholly-owned subsidiary of Sumitomo Forestry, will lease the properties collectively. The company aims to provide peace-of mind and reliable support to owners by working with partners that are well-versed in the share house market and by leveraging comprehensive group capabilities and design strength.

■ Share House Market Environment and Events Leading Up to Market Entry

According to a survey implemented with the cooperation of share house operators mainly in the aforementioned prefectures including Tokyo, the cumulative number of share houses has grown to more than 400 units, roughly 7,000 beds. In contrast with 2005, this number has nearly doubled (Source: Guesthouse Report 2008; Data: Hituji Real Estate). Also, according to a survey conducted by the Cabinet Office, 80.7% of respondents stated they wanted a wooden house, when asked what type of house they would like to build or buy (Source: Opinion poll on forests and life taken in December 2011). By entering the share house market, using the knowhow cultivated in the custom-built housing business, the company aims to nurture fans of wooden housing, for the future housing construction needs of today's renters.

Based on trends in the number of households in Japan, the number of single-person households rose to 14.46 million in 2005. This means one in three households is a single-person household. Furthermore, although the total number of households is expected to decline in and after 2015, the number of single-person households is likely to rise to 18.24 million households (Source: Survey by the National Institute of Population and Social Security Research). In the Tokyo metropolitan area in particular, the ratio of elderly households is forecast to increase and the demand for high grade share houses is expected to rise in tandem.