

June 6, 2013

For Immediate Release

Sumitomo Forestry Co., Ltd.

Remodeled Properties Based on the Concept of Child-raising  
**Sumitomo Forestry to Launch Sales of *Forest Haven HYOTANYAMA***

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo) announced today that from June 7, 2013 it will launch sales of *Forest Haven HYOTANYAMA*, a remodeled apartment complex incorporating ideas for fostering the healthy growth of children.

This property was formerly used as employee housing but was remodeled and resold as condominiums. The interiors were remodeled to facilitate present-day lifestyles. Also to improve asset value, remodeling was not only carried out in the exclusively-owned areas but also in the communal areas, such as by creating a courtyard space, by incorporating *Hagukumi* garden<sup>1</sup> based on knowledge provided by Sumitomo Forestry Tsukuba Research Institute. *Hagukumi* garden is popular among families with young children living in Sumitomo Forestry custom-built houses. This is the first time the garden was introduced into a multi-unit residential complex.

The housing plans offered by Sumitomo Forestry maximize the potential of the existing condominium structure, removing the ceiling on the top floor of the exclusively-owned areas to create a loft space and creating private yards for ground floor units. The interiors were rejuvenated to give a feeling of warmth and comfort by using solid pieces of natural birch wood flooring, a product of Sumitomo Forestry Crest Co., Ltd., and wallpaper created from natural woods and paper.

The courtyard, which was a parking lot prior to remodeling, is not only a space for children to play freely but also where mothers can gather together while watching their children. There are benches to relax on and a barbecue space to be enjoyed by families. The courtyard functions to nurture communication among residents. The courtyard design plan and construction were handled by Sumitomo Forestry Landscaping Co., Ltd. In this fashion, the entire living area leverages various strengths of Sumitomo Forestry Group.

The overall concept was created based on knowhow obtained from Blue Studio (President: Hiroshi Ochiyama; Head Office: Nakano-ku, Tokyo), which has vast expertise in the reuse and renovation of real estate. The plan leverages the comprehensive capabilities of the Sumitomo Forestry Group.

Also, to ensure secure living for customers, Sumitomo Forestry offers its own unique support system, which includes issuing a guarantee certificate, such as for the building, and a first-year inspection visit. In addition, large-scale maintenance is in the works after a third-party investigative agency conducts a thorough inspection of the building, including earthquake resistance and degradation, to confirm its safety. Furthermore, Sumitomo Forestry is also planning to secure all A's in the housing performance indicator system for existing homes and ensure buyers with existing housing home buyer's defect warranty insurance<sup>2</sup>.

Sumitomo Forestry Group believes that the renovation business, which aims to rejuvenate and improve the performance and value of a home, contributes to creating quality housing stock. The group plans to extend the lives of buildings using its technical expertise, as well as embark on measures from an environment-friendly standpoint to supply houses that create new value by contributing to the creation of a low-carbon, recycling-oriented society.

## ■ Property Details

Name of property	<i>Forest Haven HYOTANYAMA</i>
Location	4-10 Nishishin, Moriyama-ku, Nagoya City
Nearest public transportation	3 minute walk from Hyotanyama Station on the Meitetsu Seto Line
Construction/scale	Reinforced concrete structure four floors above ground
Total number of units	30 units (15 in the north building and 15 in the south building)
Units for sale	Two units are to be put up for presale
Selling price (presale: 2 units)	¥23.50 million (2nd floor), ¥26.90 million (4th floor)
Exclusively-owned area	3LDK 79.45 m <sup>2</sup>
Age of building	23 years old (building inspection issued on March 12, 1990)
Management company	After set up of apartment association, management will be consigned to Sumitomo Forestry Residential Co., Ltd. and Global Community Co., Ltd.

### 1. *Hagukumi* garden

The name *Hagukumi* is a portmanteau on the Japanese words *hagu* (“hug”) and *hagukumi* (to nurture or raise a child). The key design concept behind *Hagukumi* garden is the theory, espoused by Kobe University Emeritus Professor Katsuyuki Hiroki, that the development of the five senses plus motor coordination forms the basis for all subsequent development of children. Sales were launched from November 2012. Twelve different design elements are offered, to encourage curiosity and creativity and promote healthy growth.

### 2. Measures to ensure secure living

- i. Unique support system
  - Issue guarantee Five-year guarantee for major parts related to structural durability, including posts and foundation, and prevention against leaks, including walls and roofing
  - After-sales service Inspection visit one-year after delivery and set up a consultation service
- ii. Assessment using housing performance indicator system for existing houses

A system based on the Housing Quality Assurance Law. A third-party investigative agency assesses the current condition and performance to ensure that consumers can securely buy quality homes. *Forest Haven HYOTANYAMA* is estimated to receive all A’s.
- iii. Implementation of a thorough assessment by a third-party investigative agency

The objective is to conduct a detailed analysis of areas such as building earthquake resistance and degradation where a third party implements the survey:

  - Structural survey via confirmation using the structural diagram and calculations
  - Nondestructive inspection to confirm reinforcing rods and measure concrete strength
  - Neutralizing test to confirm neutralization of concrete
  - Degradation test (visual inspection, tile-sounding inspection, etc.)
  - Slope measurement inspection etc.
- iv. Existing housing safety home buyer’s warranty insurance

Insurance sellers take out as a warranty against defects on the base structure of the house sold by the seller to ensure coverage of defects for the buyer. *Forest Haven HYOTANYAMA* is expected to be covered by existing housing safety home buyer’s warranty insurance offered by Jyutaku Anshin Hoshō K.K.