

## Reference

September 29, 2014

For Immediate Release

Sumitomo Forestry Co., Ltd.

### Participation in Development of Condominium Building and Commercial Facilities in Suburban Sydney, Australia

Sumitomo Forestry announced that, from early 2015, it will participate in a complex development project tentatively named the Summer Hill Project. The project will be carried out in a suburban area of Sydney (New South Wales, Australia), in collaboration with local real estate investment and management company EG Funds Management Pty Ltd., Daiwa House Industry Co., Ltd. (President and COO: Naotake Ohno; Head Office: Osaka City, Osaka Prefecture), and Daiwa House group company Cosmos Initia Co., Ltd. (President: Yoshiyuki Takagi; Head Office: Minato-ku, Tokyo).



#### 1. Background to project

Sumitomo Forestry regards overseas business in Australia and other countries as one of its key growth areas, and as such, is aiming to expand the scale of its housing business plus the scale and activities of its real estate development and other housing-related businesses. Recently, Sumitomo Forestry acquired equity interests in Bloomfield Homes, L.P. in June 2013 and in Gehan Homes, Ltd. in April 2014, which are both engaged in the housing business mainly in the Dallas area in Texas, United States. Furthermore, in April 2014, Sumitomo Forestry moved into the development of complex condominiums in Hong Kong. Amid such developments, on this occasion, Sumitomo Forestry has decided to participate in a complex real estate development project in Australia.

In August 2002, Sumitomo Forestry established Sumitomo Forestry Australia Pty Ltd. (a wholly-owned subsidiary of Sumitomo Forestry) as a holding company of Alpine MDF Industries Pty Ltd., which is engaged in the manufacture and sale of MDF.<sup>1</sup> Also, in 2008, Sumitomo Forestry also launched its housing business through the Henley Properties Group, which has been a leading home builder in Australia since then and is now a consolidated subsidiary. Currently, Sumitomo Forestry supplies approximately 2,000 homes in Australia each year.

<sup>1</sup> MDF (medium density fiberboard): A type of “fiberboard” produced by reducing wood into a fibrous form and then combining it with adhesives and other materials and forming it into a board

#### 2. Condominium project for a total of 300 dwellings on a site of approximately 25,000 m<sup>2</sup>

As the first development project undertaken as part of its business tie-up with EG Funds Management, Sumitomo Forestry plans to develop and sell condominium units and commercial

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facilities on the site of a former flour milling plant in the suburbs of Sydney. This site is currently under the management of EG Funds Management, and the project has been given the tentative name of the Summer Hill Project. This property will be the first condominium project to be undertaken by Sumitomo Forestry in Australia.

On a site of approximately 25,000 m<sup>2</sup> (equivalent to the size of Yokohama Stadium<sup>2</sup>), condominiums and terraced houses (total of 300 dwellings) as well as offices and retail outlets will be developed for sale.

<sup>2</sup> Size of the ballpark at Yokohama Stadium is 26,200 m<sup>2</sup>

### 3. Real estate development business in the fast-growing Sydney area

With a population of 4.39 million,<sup>3</sup> Sydney is the state capital of New South Wales, and is Australia's leading economic and cultural center. It is projected that a stable birthrate and influx of immigrants will cause Sydney's population to increase from 4.29 million<sup>4</sup> in 2011 to 5.06 million<sup>4</sup> in 2021. Therefore, in view of Sydney's marked population growth and economic growth, Sumitomo Forestry decided to participate in a complex real estate development project in the suburbs of Sydney.

<sup>3</sup> *Census of Population and Housing*, Australian Government

<sup>4</sup> *World Urbanization Prospects: The 2001 Revision*, United Nations

#### ■ About EG Funds Management

EG Funds Management Pty Ltd. is a real estate investment and management company established in 2001, engaged in the creation and management of real estate funds. It currently has some A\$1,250 million (roughly 120 billion yen) in real estate assets under management, and acts as a real estate fund manager for Australian pension funds, as well as engaging in in-house development operations. In response to rising population, Australian cities are conducting urbanization projects, centered on the provision of infrastructure. EG Funds Management is creating new funds aimed at realizing added value through redevelopment projects and projects involving changes of land use that take advantage of this infrastructure provision.

#### ■ Property Overview

Name:	Summer Hill Project (tentative name)
Location:	2-32 Smith Street, Summer Hill, New South Wales, Australia (Municipality of Ashfield)
Site area:	24,789 m <sup>2</sup>
Total floor area for sale:	35,000 m <sup>2</sup> (tentative)
Total number of dwellings:	300 (tentative)
Construction start:	Early 2015
Scheduled completion:	Mid 2016 or later (tentative)

#### ■ Overview of Local Subsidiary

Company name:	Sumitomo Forestry Australia Pty Ltd.
Location:	Suite 7, 395 Ferntree Gully Road Mount Waverley, VIC 3149, Australia
Business description:	Oversight and participation in management of affiliates in Australia; distribution of building materials

### 【About Sumitomo Forestry】

Founded in 1691, Sumitomo Forestry Co., Ltd. and its Group companies have broadened business activities focused on wood. Based on its corporate philosophy—“utilize timber as a renewable, healthy and environmentally friendly natural resource, and contributes to a prosperous society through all types of housing-related services”— and with its approximately 250,000 hectares of owned and managed forest, the global network that spans more than 20 countries and expertise and technology in housing-related businesses, Sumitomo Forestry Group is developing the Forestry and Environment Business, the Timber and Building Materials Business, the Housing Business, the Overseas Business, the Lifestyle Service Business and other businesses both in Japan and abroad. Adding such businesses as wooden biomass power generation and Timber Solution, it will continue to pursue the potential of timber.

President and Representative Director: Akira Ichikawa

Head Office: Chiyoda-ku, Tokyo.