

**Expanding into the high growth market of India  
Commencing Timber & Building Material Business in  
the Republic of India**

Entering into a strategic alliance with Space Wood Furnishers Pvt. Ltd.

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo; hereafter “Sumitomo Forestry” or “Sumitomo Forestry Group”) announces today that it has signed a strategic alliance agreement with modular kitchen and furniture manufacturer Space Wood Furnishers Pvt. Ltd. (SFPL) during a ceremony on September 28, 2015 in order to expand into new business fields in the high growth market of the Republic of India (hereafter “India”). Sumitomo Forestry plans to support the starting up of a new products manufacturing line at Nagpur, India, as well as building the infrastructure for sales of a variety Japanese building materials within India.



In recent years, there has been rapid urbanization in India due to improvement in environment for wages and employment as well as increase in job opportunities in urban areas. The population in urban areas, where income levels are high, is expected to double by 2050.<sup>1</sup> The decision to expand into India is based on the expected growth in the business for building materials used in housing, as housing demand rises due to the increasing population. Through this alliance with SFPL, the Group aims to focus on the demand of the middle-income group, where the future population growth is most likely.

<sup>1</sup> “Republic of India: Trends and Expectations for Population Growth in Cities and Rural Areas” by Nomura Research Institute.

### ■ Purpose and Scope of Strategic Alliance

SFPL, a largest manufacturers of modular kitchens and furniture in India, aims to further broaden its business areas by setting up a manufacturing line doors and door frames. Sumitomo Forestry Group will support SFPL by providing technical support from Sumitomo Forestry Crest Co., Ltd. a building products manufacturer and part of the Group, and jointly work towards future expansion of the manufacturing line to include wooden interior fittings other than doors.

In addition, the Group aims to use SFPL’s supply chain network in India, such as company owned retail outlets and authorized dealers, to propose and provide quality Japanese building and housing interior materials into India’s domestic market. Using knowledge and experience in the timber and building materials business that it has nurtured over the years, the Group aims to work towards being able to contribute to improving the housing environment and culture in India.

### ■ Overview of SFPL

Company name: Space Wood Furnishers Pvt. Ltd.  
Representatives: Kirit Joshi and Vivek Deshpande  
Head office location: Nagpur, Maharashtra  
Established: 1996  
Number of employees: 670 (as of end March 2015)

Equity share of Sumitomo Forestry Group: Sumitomo Forestry (Singapore) Ltd.<sup>2</sup> 26.80% (at time of investment)

Business description: Manufacture and sales of furniture, modular kitchens, and others

Turnover: 2,074.62 million rupees (fiscal 2014)

Date of agreement: September 14, 2015

<sup>2</sup> Sumitomo Forestry (Singapore) Ltd.; Manager Director: Yoichi Hosoya; wholly owned by Sumitomo Forestry Co., Ltd.