

January 31, 2020

For immediate release

Sumitomo Forestry Co., Ltd.  
Kumagai Gumi Co., Ltd.

**Sumitomo Forestry and Kumagai Gumi  
jointly participate to property development project in Asia  
First project launched in Jakarta**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) and Kumagai Gumi Co., Ltd. (President: Yasunori Sakurano; Headquarters: Shinjuku-ku, Tokyo; hereinafter Kumagai Gumi) have established the joint venture corporation SFKG Property Asia Pte. Ltd. (Representative: Kenji Inui; Headquarters: 1 Finlayson Green #07-02 Singapore; hereinafter SFKG) in Singapore, to work together in developing property in the Asian region.

As the two companies' first joint overseas project, the venture corporation will embark on project worth a gross investment of USD 150 million (approximately JPY 16 billion) to develop a mixed use high-rise residential and commercial complex in Jakarta, Indonesia. Sinarmas Land Limited (hereinafter Sinarmas Land), a leading property developer in Southeast Asia, and PT Alas Kusuma (hereinafter Alas Kusuma), a forestry and plywood manufacturer, will also participate in the project.

## 1. About SFKG

Since forming a capital and business alliance in 2017, Sumitomo Forestry and Kumagai Gumi have looked for the collaboration by launching 8 working groups. Through SFKG, both parties will jointly engage in real estate development projects in Asia. As a first project, SFKG will invest on the development of a mixed use residential and commercial project in Kuningan, Jakarta, Indonesia.

SFKG will actively promote business development in Asian countries, drawing on Sumitomo Forestry's business networks and experience in real estate development and leveraging its expertise in design and Kumagai Gumi's skills in construction management.

### [Company Profile]

Name	SFKG Property Asia Pte. Ltd.
Location	1 Finlayson Green #07-02 Singapore
Representative	Kenji Inui
Business description	Real estate development projects in Asia
Capital	USD 40.5 million (planned, approx. JPY 4.44 billion) * <sup>1</sup>
Percentage of shares held	Sumitomo Forestry (Singapore) Ltd. * <sup>2</sup> 51%, Kumagai Gumi: 49%

\*<sup>1</sup>. Calculated at USD 1 = JPY 109.54 (TTM rate on December 30, 2019)

\*<sup>2</sup>. Singaporean corporation wholly owned by Sumitomo Forestry

## **2. Project Overview**

The partnership will develop a mixed-use residential and commercial complex with approximately 900 units. The total investment by all partners will be about USD 150 million and the plan is to launch sales early 2021. The project site is located along a major road (JI Rasuna Said) in Kuningan, Jakarta, a 10-minute drive to the center of Thamrin, one of Jakarta's preeminent commercial districts.

The site is a 5-minute walk to Setiabudi Station\*<sup>3</sup> on the light rail transit (LRT) line which is scheduled to start operations in 2021. There are also shopping malls, hotels and schools nearby, making it a superbly convenient place to live.

\*3. Setiabudi Station has exceptional accessibility as it is one station away from the Dukuh Atas station, a major central node and terminal. Dukuh Atas Station currently has two routes running through it: LRT Airport Access and the Jakarta Mass Rapid Transit (underground). It is also connected to bus routes.

Sinarmas Land Limited ("SML") is, listed on the Singapore Exchange headquartered in Singapore. SML is engaged in the property business through its operations and investments in Indonesia, Malaysia, China, Australia and United Kingdom. In Indonesia, SML is the largest property developer by land bank and market capitalization and it is engaged in many sub-sectors of the property business, including township development, residential, commercial, industrial and hospitality-related properties. SML is well known for its township developments, including Bumi Serpong Damai City (BSD City) which is township development about 6,000-hectare located in Tangerang Regency adjacent to Jakarta since 1980s.

With origins in the logging business, Alas Kusuma is a major timber industry company. Sumitomo Forestry and Alas Kusuma have engaged in large-scale plantation projects in Kalimantan since 2009. In addition, the companies have stably and continuously traded plywood for a long time.

The three partners wish to contribute to Indonesian quality of life by providing modern and high-quality living and working spaces through the combination of (1) Sinarmas Land and Alas Kusuma development know how, (2) Sumitomo Forestry's design and building materials know-how and (3) Kumagai Gumi construction management know how.

## **3. Future Outlook**

Under its 2021 Medium-Term Management Plan, Sumitomo Forestry has positioned Asia as the third pillar of earnings in its overseas housing and real estate business, after the U.S. and Australia. In Asia, it has thus far involved in projects developing high-rise condominiums and detached houses in Indonesia, Hong Kong, Thailand and Vietnam. Through its collaboration with Kumagai Gumi that has high technical know-how, Sumitomo Forestry will invest more into Asian real estate development business and promote further business expansion in Asia.

As for Kumagai Gumi, under its Medium-term Management Plan (2018-2020), it has listed the development of high-end multiple dwelling complexes in overseas markets as one of the ways to create new and innovative businesses through strategic alliances with other companies. Kumagai Gumi use its participation in this project with Sumitomo Forestry as a launching pad for further strengthening its overseas business in the Asia, such as in the fast-growing Indonesia and in Taiwan, where the Kumagai Gumi Group already has a strong foothold.

## Reference Materials

### [Project overview]

Name	:	Kuningan Project (tentative name)
Location	:	Kuningan, Jakarta, Republic of Indonesia
Total number of units (planned)	:	900 (planned) Breakdown: 500 residential, 400 commercial units
Site area	:	Approx. 10,000 m <sup>2</sup>
Total floor area (planned)	:	Approx. 50,000m <sup>2</sup>
Construction / number of floors	:	RC structure, 35-story residential + 27-story commercial complex (planned)
Construction period	:	2021–2024 (planned)
Start of sales	:	Early 2021 (planned)

### [Profile of Sinarmas Land]

Company name	:	Sinarmas Land Limited
Location	:	108 Pasir Panjang Road No. 06-00 Golden Agri Plaza Singapore
Year founded	:	1994
Business description	:	Real estate-related businesses
Number of employees	:	Approx. 6,000 (group total)

### [Profile of Alas Kusuma]

Company name	:	PT Alas Kusuma
Location	:	14 Jl. Balikpapan Raya Kota Administrasi Jakarta Pusat DKI Jakarta
Year founded	:	1962
Business description	:	Timber-related industries (forestry, manufacturing, etc.)
Number of employees	:	Approx. 2,300 (group total)

### [Project location]

