



April 28, 2017

Company Name: Sumitomo Forestry Co., Ltd.
(Code No.: 1911, First section of Tokyo Stock Exchange)
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Notice regarding acquisition of additional equity interest in Bloomfield Homes, L.P. which will become a subsidiary

On April 28, 2017, Sumitomo Forestry Co., Ltd. (“SFC”) hereby announces its decision to acquire, through its wholly-owned U.S. subsidiary Sumitomo Forestry America, Inc. (“SFAM”), an additional 15% of equity interest in Bloomfield Homes, L.P. (“Bloomfield”), which is a housing business company located in Texas, U.S.A. As SFAM previously acquired 50% of the equity in Bloomfield in June 2013, the acquisition will result in Bloomfield becoming a consolidated subsidiary of SFC.

1. Reasons for the acquisition of the additional equity interest

Since the acquisition of equity interest in June 2013, SFC has developed a good partnership with Bloomfield and has successfully expanded the scale of its businesses. SFC has decided to subsidiarize Bloomfield to deepen its involvement in the businesses of Bloomfield, and to achieve long-term expansion of profits. SFC will pursue steady growth by maintaining the partnership with the existing management team which has an extensive network within the business areas and superior management capabilities. Through subsidiarizing Bloomfield, SFC will ensure it achieves the annual sales target of 5,000 units in the U.S.

The Sumitomo Forestry Group at a global level engages in a variety of wood-related businesses including “upstream” plantation and forestry businesses, “midstream” distribution and manufacturing businesses, and “downstream” housing related businesses in and outside Japan. In particular, the Sumitomo Forestry Group manages and continues to expand overseas housing related businesses in the U.S., Australia and Asia, and will actively develop businesses in the growing markets. The Sumitomo Forestry Group will continue to respect the cultures and lifestyles of each country and will contribute to the development of local communities and pleasant living environments.

2. Outline of the company in which equity interests are to be acquired

(1) Name of company	Bloomfield Homes, L.P.
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(2)	Location of head office	1050 E. Highway 114, Suite 210, Southlake, Texas 76092, USA		
(3)	Name and title of representative	Donald J. Dykstra, President		
(4)	Business	Building and sales of homes		
(5)	Net assets (at the end of December 2016)	USD 102 million		
(6)	Date of establishment	September 2004		
(7)	Principal shareholders and their shareholding ratios	Sumitomo Forestry America, Inc. 49.95% P. Ryan Properties, Inc. 44.95% TKJT, Inc. 5.0% Bloomfield Properties, Inc. ("BPI") * 0.1% * Sumitomo Forestry America, Inc. owns 50% of its equity interest.		
(8)	Relations with SFC	Capital relations	SFC owns 50% of the equity shares (including indirectly held equity interest in BPI)	
		Personnel relations	No relevant relations	
		Business relations	No relevant relations	
(9) Consolidated operating results and consolidated financial standing for the past three fiscal years				
	Fiscal year	December 2014	December 2015	December 2016
	Net assets	USD 52 million	USD 73 million	USD 102 million
	Total assets	USD 135 million	USD 192 million	USD 235 million
	Turnover	USD 171 million	USD 226 million	USD 321 million
	Operating profit	USD 29 million	USD 41 million	USD 57 million
	Ordinary profit	USD 29 million	USD 41 million	USD 57 million
	Net profit for the period	USD 29 million	USD 40 million	USD 56 million

3. Outline of major parties from which SFC will acquire equity interests

(1)	Name of company	P. Ryan Properties, Inc.
(2)	Location of head office	Westlake, Texas 76262, USA
(3)	Name and title of representative	Donald J. Dykstra, President
(4)	Principal shareholders and their shareholding ratios	Donald J. Dykstra and Deborah B. Dykstra 100%
(5)	Capital (at the end of April 2017)	USD 1,000
(6)	Date of establishment	August 2004

4. Equity interests of Bloomfield to be acquired, acquisition price and equity interests before and after acquisition

(1)	Equity interest held by Sumitomo Forestry before acquisition	50% (including indirectly held equity interest in BPI)
(2)	Equity Interest to be acquired	15% (including indirectly held equity interest in BPI)
(3)	Acquisition price	USD 36.5 million (approximately JPY 4.1 billion)
(4)	Equity interest to be held by SFC after acquisition	65% (including indirectly held equity interest in BPI)

* Acquisition price is calculated at the rate of USD 1 = JPY 112.19 (exchange rate at the end of March 2017).

5. Timetable

(1)	Date of resolution	April 28, 2017 (April 27, Central Time)
(2)	Date of agreement	May 3, 2017 (May 2, Central Time) (scheduled)
(3)	Date of acquisition	May 3, 2017 (May 2, Central Time) (scheduled)

* Date of resolution refers to the date on which the resolution was made at the SFC board meeting.

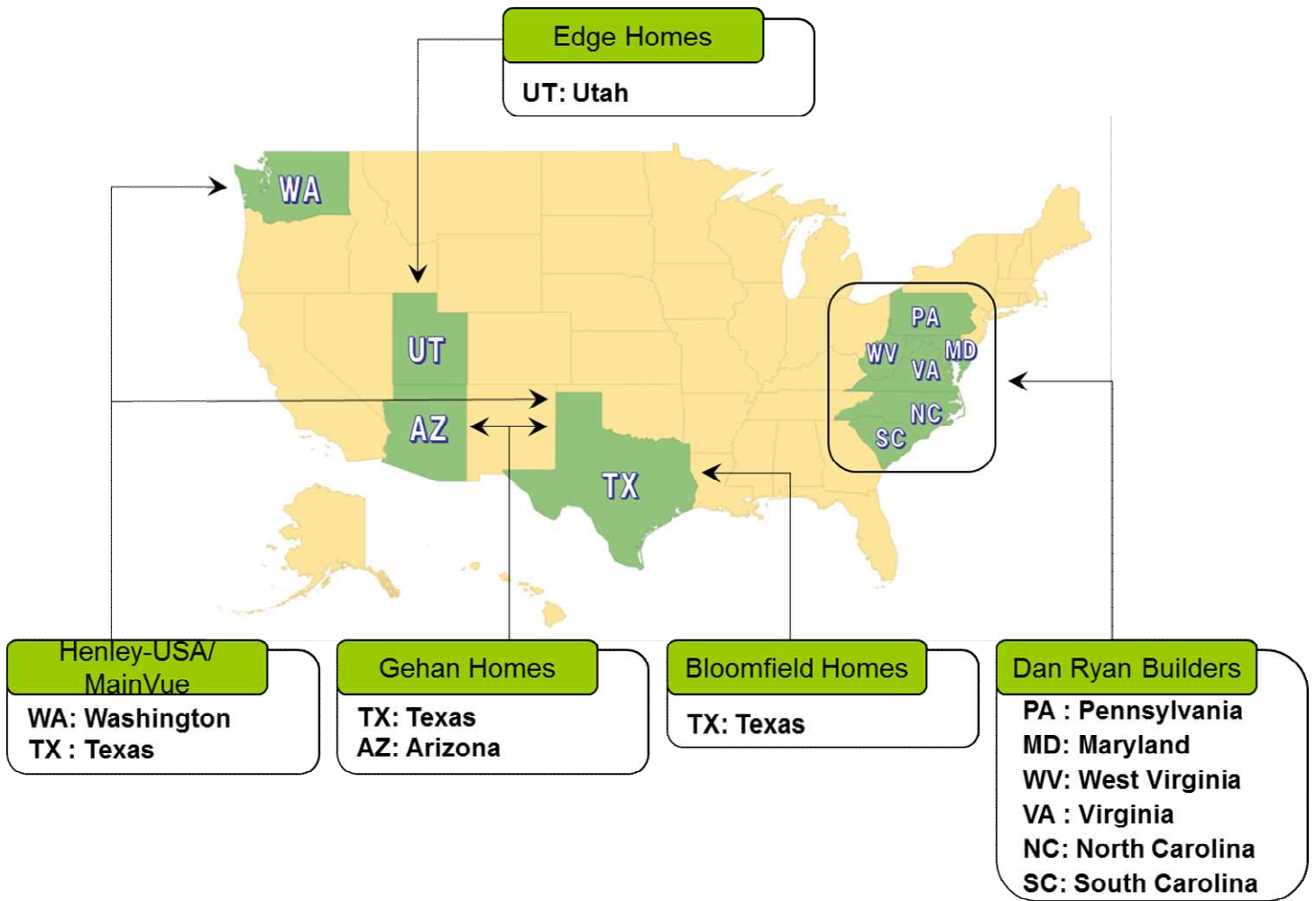
6. Outlook

The acquisition has no impact on SFC's consolidated results for the period ending March 2017. The impact on SFC's consolidated results for the period ending March 2018 is under review, and will be reflected in the earnings forecast.

End

Reference:

Areas within the United States where Sumitomo Forestry Group housing businesses operate



Examples of Bloomfield Homes for sale (exterior and interior)

