

January 7, 2019

Release

Sumitomo Forestry Co., Ltd.

**Purchase of Additional Equity Interest in United States Housing
Subsidiary Dan Ryan Builders Group**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry) announced that it had purchased an additional 32.48% equity interest in DRB Enterprises, LLC (hereinafter DRBE), the holding company of the Dan Ryan Builders Group (hereinafter DRB Group), through its wholly-owned United States subsidiary Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; Head Office: Bellevue, Washington, U.S.A.) on January 2, 2019. This increases Sumitomo Forestry's equity interest holding from the current 60.0% to 92.48%.

The DRB Group began its business as a homebuilder in 1990, carrying out single family residential business in six states along the U.S. East Coast, including Maryland where DRBE's head office is located. It ranked 28th in the United States in 2017 by number of homes delivered, with 1,981 homes delivered for the fiscal year ended in December 2017.

The Sumitomo Forestry Group has expanded its total annual number of homes delivered to be ranked around 10th place in the United States, and expects to deliver 7,100 units in the fiscal year ending March 2019. Moving forward, the Group will continue to grow the business of its companies in the United States, including the DRB Group, and at the same time apply the synergies between companies.

In addition, the Sumitomo Forestry Group expects to deliver 9,850 units in both the United States and Australia combined for the fiscal year ending March 2019. The target of 10,000 units is now within sight. In recent years, the Group has also accelerated its housing and real estate business in Asia, expanding the scale of its overseas business.

The Sumitomo Forestry Group engages in a variety of businesses at the global level both in Japan and overseas, including "upstream" plantation and forestry businesses, "midstream" distribution and manufacturing businesses, and "downstream" housing-related businesses. Using the collective strengths of these businesses, the Sumitomo Forestry Group will continue to contribute to the development of local communities and to the realization of comfortable living environments in the respective countries.

■ Outline of DRB Enterprises, LLC

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| (1) Name of Company: | DRB Enterprises, LLC |
| (2) Name and title of Representative: | Ronald Salameh (President, CEO) |
| (3) Location of Head Office: | Frederick, Maryland, U.S.A. |
| (4) Date of Establishment: | August 2005 |
| (5) Business: | Homebuilder in the six states of Maryland, Pennsylvania, Virginia, West Virginia, North Carolina, and South Carolina |
| (6) Number of Employees: | 447 (Group total, as of November 2018) |