



January 31, 2020

For Immediate Release

Company name: Sumitomo Forestry Co., Ltd.
 Representative: Akira Ichikawa, President & CEO
 (Stock code: 1911 1st section, Tokyo Stock Exchange)
 Inquiries: Yuichiro Ono, General Manager of Corporate Communications
 (Tel: +81-3-3214-2270)

Notice regarding change of subsidiary (into a specific subsidiary)

Sumitomo Forestry Co., Ltd. (“SFC”) hereby announces that it resolved, at its Board of Directors’ meeting held today, to underwrite the capital increase through shareholder allocation being carried out by SFKG Property Asia Pte. Ltd. (SFKG), which is a subsidiary of SFC that was recently established via a joint investment with Kumagai Gumi Co., Ltd. (Kumagai Gumi), through the wholly-owned subsidiary Sumitomo Forestry (Singapore) Ltd. (SFS).

In addition, as a result of the investment by SFC and Kumagai Gumi, since the capital of SFKG is equivalent to at least ten-hundredths the capital of SFC, SFKG will become a specific subsidiary of SFC.

1. Reasons for capital increase

With the launch of the real estate development project in Jakarta, Indonesia, the capital increase is for SFKG to raise funds from SFC and Kumagai Gumi to contribute to the project.

For details of the project, please see the following press release.

URL: http://sfc.jp/english/news/pdf/20200131_01_en_1.pdf

2. Outline of subsidiary

(1) Name	SFKG Property Asia Pte. Ltd.	
(2) Location	1 Finlayson Green #07-02 Singapore	
(3) Name and title of representative	Kenji Inui (Director) *1	
(4) Business description	Real estate development projects in Asia	
(5) Capital after increase	USD 40.5 million (planned, approx. JPY 4.44 billion) *2	
(6) Principal shareholder and its shareholding ratio	SFS: 51% Kumagai Gumi: 49%	
(7) Date of establishment	January 2, 2020	
(8) Relations with SFC	Capital relations	SFC owns 51% membership interests in SFKG through SFS.
	Personnel relations	SFC has sent directors to SFKG.
	Business relations	There are no business relations to be stated.

1. General Manager, Asia and Oceania Business Department, Overseas Housing & Real Estate Division, SFC

2. Calculated at USD 1 = JPY 109.54 (TTM rate on December 30, 2019)

3. Details of capital increase

(1) Pay-in amount	USD 40.5 million (planned, approx. JPY 4.44 billion) *2
(2) Pay-in date	February 2020 (planned)

4. Outlook

SFC is currently assessing the impact of the change of subsidiary on its consolidated results, and will promptly disclose any matters requiring disclosure.