

November 27, 2008



Dissolution of Subsidiaries

At a meeting held on November 27, 2008, the Board of Directors of Sumitomo Forestry Co., Ltd. decided to dissolve Sumirin Investments Pty Ltd. and Sumirin Australia Pty Ltd., two of Sumitomo Forestry's three holding companies for its Australian wood panel manufacturing venture¹, and to concentrate Australian holding company functions into a single company, Sumirin Holdings Pty Ltd.² The dissolution will take effect on December 31, 2008. Details are set out below.

1. Reason for Company Dissolution and Liquidation

To increase the efficiency of Sumitomo Forestry group company operations in Australia.

2. Outline of Subsidiaries to Be Liquidated

(1) Company name: Sumirin Investments Pty Ltd.
(2) Location: Victoria, Australia
(3) Representative: Mamoru Inoue
(4) Business activities: Holding company
(5) Established: August 2002
(6) Capital: AU\$14,646,000
(7) Fiscal year-end: December 31

(1) Company name: Sumirin Australia Pty Ltd.
(2) Location: Victoria, Australia
(3) Representative: Mamoru Inoue
(4) Business activities: Holding company
(5) Established: August 2002
(6) Capital: AU\$4,882,000
(7) Fiscal year-end: December 31

3. Schedule for Liquidation

December 31, 2008: Formal decision on dissolution
February 28, 2009 (tentative): Completion of liquidation

4. Impact on Business Performance

Since the dissolution will have negligible impact on results for the fiscal year ending March 31, 2009, business performance projections remain unchanged.

Notes:

1. Australian wood panel manufacturing venture

(1) Company name: Alpine MDF Industries Pty Ltd.
(2) Location: Victoria, Australia

- (3) Representative: Mamoru Inoue
- (4) Business activities: Manufacture and sale of medium density fiberboard (MDF)
- (5) Established: May 1994
- (6) Capital: AU\$62,474,000
- (7) Fiscal year-end: December 31

2. Remaining holding company

- (1) Company name: Sumirin Holdings Pty Ltd.
- (2) Location: Victoria, Australia
- (3) Representative: Mamoru Inoue
- (4) Business activities: Holding company
- (5) Established: August 2002
- (6) Capital: AU\$35,893,000 (planning to increase investment by AU\$9,764,000 on December 31, 2008)
- (7) Fiscal year-end: December 31