

May 17, 2010



Establishment of Subsidiary (Update on Previously Disclosed Matter)

Sumitomo Forestry Co., Ltd. has established a subsidiary as disclosed in the news release of December 25, 2009, “Sumitomo Forestry to Launch Particle Board Manufacturing Business in Vietnam.” The details are as follows:

1. Profile of Subsidiary

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|-------------------------|---|
| (1) Company name | Vina Eco Board Co., Ltd. |
| (2) Location | Long An Province, Socialist Republic of Vietnam |
| (3) Representative | Soichiro Kitamura |
| (4) Nature of business | Manufacture and sale of particle board |
| (5) Capital | US\$45 million |
| (6) Shareholders | Sumitomo Forestry Co., Ltd.: 50%
Sumitomo Forestry (Singapore) Ltd.: 50% |
| (7) Production capacity | 250,000 cubic meters p.a. (raw particle board) |
| (8) Employees | Approx. 200 |

2. Impact on Financial Results

The establishment of this subsidiary will have an insignificant impact on Sumitomo Forestry’s consolidated financial results for the fiscal year ending March 31, 2011.