

January 31, 2012

For Immediate Release

Sumitomo Forestry Co., Ltd.

Notice Concerning Extraordinary Loss Relating to Fixed Asset Value Impairment

Sumitomo Forestry Co., Ltd. announces that it has posted the following impairment loss for the third quarter of the fiscal year ending March 31, 2012.

1. Merger Purpose

We studied the prospect for recovering expenditure on building materials-manufacturing equipment owned by our Australian and Chinese consolidated subsidiaries, given the current business environment and future business predictions. As a result, we reduced the balance sheet amount for these items to the estimated recoverable book value, and posted a related JPY 2.463 billion extraordinary loss.

2. Future Outlook

Regarding predictions for the full fiscal year ending March 31, 2012, please refer to the third quarter results brief released today.