

October 31, 2013

For Immediate Release

Sumitomo Forestry Co., Ltd.

Announcement of Amendment to Forecast of Financial Results

In light of recent performance of Sumitomo Forestry Co., Ltd. (hereinafter "Sumitomo Forestry"), the forecasts of financial results for the six-month period ended September 30, 2013 and the fiscal year ending March 31, 2014 announced on July 30, 2013 are hereby amended as follows:

1. Amendment to Forecast of Financial Results

Amendment to forecast of consolidated financial results for the six-month period ended September 30, 2013 (April 1, 2013 through September 30, 2013)

(millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previously announced forecast (A)	420,000	8,000	7,800	4,100	23.15
Amended forecast (B)	434,000	10,300	10,800	11,000	62.10
Amount of increase / decrease (B-A)	+14,000	+2,300	+3,000	+6,900	-
Rate of increase / decrease (%)	+3.3%	+28.8%	+38.5%	+168.3%	-
(Reference) Actual results for prior year (six-month period ended September 30, 2012)	392,147	6,839	7,485	3,608	20.37

Amendment to forecast of consolidated financial results for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014)

(millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share (yen)
Previously announced forecast (A)	900,000	27,500	28,000	16,000	90.33
Amended forecast (B)	935,000	30,000	30,000	21,000	118.55
Amount of increase / decrease (B-A)	+35,000	+2,500	+2,000	+5,000	-
Rate of increase / decrease (%)	+3.9%	+9.1%	+7.1%	+31.3%	-
(Reference) Actual results for prior year (fiscal year ended March 31, 2013)	845,184	25,330	26,981	15,923	89.89

2. Reasons for Amendment

(1) Six-month period ended September 30, 2013

During the six-month period ended September 30, 2013, in an environment characterized by a strong domestic housing market, Sumitomo Forestry benefitted from an increase in the volume of products sold and an increase in sales price (mainly of imported products) in its timber and building materials distribution business, and in addition, the number of custom-built detached houses completed and delivered increased. As a result of factors including the above, net sales for the six-month period ended September 30, 2013 are expected to exceed the forecast announced on July 30, 2013 (hereinafter the "previous forecast").

With regard to profits, operating income, recurring income and net income are also expected to exceed the previous forecast due to factors including increased revenue, an amount of selling, general and administration expenses below previous expectations and a decrease in non-operating loss and an increase in non-operating gains.

Net income is expected to increase substantially owing to factors such as realization of extraordinary gains (in the amount of approximately 2.1 billion yen) on gain on step acquisitions resulting from purchase of additional equity interests in affiliates engaging in the housing business in Australia (making such affiliates subsidiaries), and a reduction in corporate and other taxes due to reversal of a portion of deferred tax liabilities (in the amount of approximately 2.1 billion yen) recorded in previous years resulting from an exemption from withholding tax on dividends payable by a subsidiary in New Zealand which became applicable as the result of amendment to the tax treaty between Japan and New Zealand.

(2) Fiscal year ending March 31, 2014

Although the impact of Japan's planned consumption tax increase on the domestic housing market is unclear, net sales, operating income, recurring income and net income for the consolidated fiscal year ending March 31, 2014 are also expected to exceed the previous forecast reflecting the above revised forecasts for the six-month period ended September 30, 2013.

Note: Forecasts of financial results, etc. in this release are based on data currently available to Sumitomo Forestry. Actual results may differ from the statements herein due to various factors in the future.