

May 29, 2015

For Immediate Release

Sumitomo Forestry Co., Ltd.
Sumitomo Forestry Crest Co., Ltd.

Changes to Subsidiary and Transfer of Shares

Sumitomo Forestry Crest Co., Ltd., which is a manufacturer of wooden housing materials and a wholly-owned subsidiary of Sumitomo Forestry Co., Ltd., announced today an agreement to transfer its entire shareholding in Shouei Furniture Co., Ltd. to Koizumi Furnitech Co., Ltd.

1. Reason for Transfer of Shares

Shouei Furniture mainly manufactures furniture for use by Sumitomo Forestry Crest in Rayong Province. After many discussions related to transfer of these shares to Koizumi Furnitech, on this occasion, a decision was made to transfer Sumitomo Forestry Crest's entire shareholding in Shouei Furniture to Koizumi Furnitech. This will enable Sumitomo Forestry Crest to promote greater management efficiencies by further concentrating its management resources into manufacture and sales of wooden interior components, dressed lumber and other various types of housing building materials, as well as chemical products (adhesive).

The Sumitomo Forestry Group conducts its comprehensive housing and wood products businesses on a global level, with a focus on timber businesses, both upstream (forestry business) and downstream (housing business). Sumitomo Forestry Crest is a core company responsible for the manufacturing and processing of wood building materials, thus linking the upstream and downstream businesses. It will further strive to develop, manufacture, and sell competitive products that are able to quickly meet customers' diverse needs as well as high value-added products that highlight the luxurious qualities of wood.

2. Schedule (tentative)

May 29, 2015	Signing of share transfer agreement
July 1, 2015	Transfer of shares

3. Overview of Companies

[Sumitomo Forestry Crest Co., Ltd.]

- Location 3-10-33 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
- Established August 26, 1959
- Capital 2.05 billion yen
(wholly-owned subsidiary of Sumitomo Forestry Co., Ltd.)
- Annual sales 37.5 billion yen (fiscal year ended March 2015)
- Number of employees 867 (as of end March, 2015)
- Main products Manufacturing and sales of wooden housing components, housing systems and fixtures, engineered wood, staircase materials, counters, dressed lumber, furniture, synthetic resin adhesive

[Shouei Furniture Co., Ltd.]

- Location Rayong Province, Thailand
(14/3 Ban Bung-klaeng Rd..Tumbol Tangkwien Amphur Klaeng, Rayong Province 21110, Thailand)
- Established December 1, 1987
- Capital 20 million baht / 2,000 shares
(98.5% owned subsidiary of Sumitomo Forestry Crest Co., Ltd.)
- Number of employees 163 (as of end April, 2015)
- Main products Manufacture and sales of furniture (tables and chairs)

[Koizumi Furnitech Co., Ltd.]

- Location 2-1-1 Awaza, Nishi-ku, Osaka, Osaka Prefecture
- Capital 100 million yen
(wholly-owned subsidiary of Koizumi Sangyo Corp.)
- Established April 1, 2006
- Number of employees 91

- Main business activities Planning, development, production and distribution of learning setting furniture and nursing-care equipment

4. Outlook

This matter is expected to have a minor impact on the consolidated earnings forecast for the fiscal year ending March 31, 2016 as announced in the Summary of Financial Results for the Fiscal Year Ending March 31, 2015.

About Sumitomo Forestry

Founded in 1691, Sumitomo Forestry Co., Ltd. and its Group companies have broadened business activities focused on wood. Based on its corporate philosophy—“utilize timber as a renewable, healthy and environmentally friendly natural resource, and contributes to a prosperous society through all types of housing-related services”—and with its approximately 250,000 hectares of owned and managed forest, the global network that spans more than 20 countries and expertise and technology in housing-related businesses, Sumitomo Forestry Group is developing the Forestry and Environment Business, the Timber and Building Materials Business, the Housing Business, the Overseas Business, the Lifestyle Service Business and other businesses both in Japan and abroad. Adding such businesses as wooden biomass power generation and Timber Solution, it will continue to pursue the potential of timber.

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