

January 7, 2016

For Immediate Release

Sumitomo Forestry Co., Ltd.

Towards total sales of 8,000 houses per year in
the United States and Australia
**Sumitomo Forestry Acquires Equity Interest in
United States Homebuilder**

Venturing into housing business along the central and southern parts
of the U.S. East Coast

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo; hereafter "Sumitomo Forestry") announced it had entered into an agreement to acquire a 60% equity interest in DRB Enterprises, LLC (hereafter "DRBE"), the holding company of the Dan Ryan Builders Group (hereafter "DRB Group"), through its wholly-owned United States subsidiary Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; Head Office: Bellevue, Washington, U.S.A.). The DRB Group carries out housing business in the eastern part of the United States and the acquisition was completed on January 2 (local time January 1).

Positioning its overseas business as a growth area, Sumitomo Forestry is pursuing expansion of its housing business in the United States, with the aim of becoming a leading homebuilder in the United States. It is currently conducting housing business in the states of Washington, Texas, and Arizona, and is looking at venturing into new areas to further expand its business.

Besides the capital Washington D.C., there are many core cities situated along the central and southern part of the U.S. East Coast, with growing markets around them. This is an area assessed to see stable growth in the housing market into the future. Sumitomo Forestry aims to venture into this new area and further expands its housing business in the United States by acquiring an equity interest in the DRB Group, which is carrying out housing business in this area.

The DRB Group, of which DRBE is a central member, began its business as a homebuilder in 1990, carrying out subdivision business of detached and attached houses in six states along the U.S. East Coast, including Maryland where DRBE's head office is located. The number of homes delivered by it ranked 35th in the United States in 2014, with 1,248 homes delivered and a net sales of USD 295 million for the fiscal year ended in December 2014.

After this acquisition of equity interest, Sumitomo Forestry will be carrying out its housing business in the United States through a system of four groups: Henley USA Group (consolidated subsidiary), Bloomfield Homes Group (equity-method affiliated company), Gehan Homes Group (consolidated subsidiary), and DRB Group. The number of houses being sold in the United States by the Sumitomo Forestry Group is now even closer to its goal of selling 5,000 houses per year in the United States, and a total of 8,000 houses in both the United States and Australia each year.

The Sumitomo Forestry Group has been involved in the forestry business for over 320 years since its foundation in 1691, engaging in projects utilizing wood, which is a renewable resource. As we expand our business, we will continue to enhance the value of timber resources and contribute to the environment so as to enhance housing and lifestyle both in Japan and overseas.

■ Outline of DRB Enterprises, LLC

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| (1) Name of Company | DRB Enterprises, LLC |
| (2) Name and title of Representative | Daniel Ryan (Chairman, CEO) |
| (3) Location of Head Office | Frederick, Maryland, U.S.A. |
| (4) Date of Establishment | August 2005 |
| (5) Business | Homebuilder in the six states of Maryland, Pennsylvania, Virginia, West Virginia, North Carolina, and South Carolina. |
| (6) Number of Employees | 299 (as of September 2015) |
| (7) Net Sales | USD 295 million (for fiscal year ended in December 2014) |



Outside view of detached houses



Business map of DRB Group: DRB Group carries out housing business in the six states along the U.S. East Coast



Inside view of detached houses



Outside view of attached houses



Inside view of attached houses