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For Immediate Release

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 (Stock code: 1991 [1st Section TSE])
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Announcement of Revisions to Earnings Forecast

Sumitomo Forestry Co., Ltd. (hereinafter "Sumitomo Forestry") made the following revisions to the earnings forecast it released on July 29, 2016 given recent earnings trends and other factors.

1. Earnings forecast revisions

Revisions to earnings forecasts for the six-month period ended September 30, 2016 (April 1 - September 30, 2016)

(millions of yen)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previously announced forecast (A)	529,500	13,000	14,000	7,500	42.34
Revised forecast (B)	513,500	16,500	18,000	10,500	59.28
Change (B-A)	- 16,000	+3,500	+4,000	+3,000	—
Change (%)	- 3.0%	+26.9%	+28.6%	+40.0%	—
(Reference) Results for 1H Fiscal 2015 (April 1 - September 30, 2015)	486,440	12,872	13,467	6,886	38.87

Revisions for earnings forecast for the fiscal year ending March 31, 2017 (April 1, 2016 - March 31, 2017)

(millions of yen)

	Net sales	Operating income	Recurring income	Profit attributable to owners of parent	Net income per share (yen)
Previously announced forecast (A)	1,150,000	46,000	48,000	27,000	152.43
Revised forecast (B)	1,110,000	46,000	48,000	27,000	152.43
Change (B-A)	- 40,000	—	—	—	—
Change (%)	- 3.5%	—	—	—	—
(Reference) Fiscal 2015 (April 1, 2015 through March 31, 2016)	1,040,524	30,093	30,507	9,727	54.92

2. Reasons for forecast revisions

(1) Forecast for six-month period ended September 30, 2016

In the six-month period ended September 30, 2016, we estimate net sales likely underperformed our July 29, 2016 forecast mainly attributable to a decline in selling prices on imported products in the Timber & Building Materials Business and a contraction in yen-denominated sales in the Overseas Business, both reflecting an advance in the yen's value against other major currencies from the start of the fiscal year.

Meanwhile, in the profit front, we look for operating and recurring income, and profit attributable to owners of the parent to outperform our July 29th forecast, primarily reflecting an improvement in profit margins in MDF manufacturing in the Overseas Business, and brisk performance in our U.S. Housing Business.

(2) Forecast for fiscal year ending March 31, 2017

In the full-fiscal year, we also believe our net sales are likely to trend at a slower pace than previously forecast, due in part to negative earnings impact from the yen's appreciation and as we no longer expect last-minute demand in the Housing Business due to the government's further postponement of a consumption tax hike.

That being said, we stick with our profit forecasts. Although negative impact from the yen's appreciation in value against other major currencies is still a risk, among the positive factors we anticipate is a rise in selling prices in the domestic housing business.

Note: The earnings forecasts in this release are based on data that was currently available to Sumitomo Forestry at the time this release was prepared. Actual earnings results may differ from the forecasts in this release due to various factors.