

September 27, 2013

For Immediate Release

Sumitomo Forestry Co., Ltd.

Sumitomo Forestry Acquires Additional Equity Interests in Members of Henley Group in Australia, which become Subsidiaries

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo; hereinafter "Sumitomo Forestry") announced today that it has decided to acquire additional equity interests in members of Henley Properties Group (hereinafter "Henley Group"), in which Sumitomo Forestry Group currently holds 50% equity interests, through Sumitomo Forestry Australia Pty Ltd. (hereinafter "SFA"), a 100% subsidiary of Sumitomo Forestry, as described below.

As a result of this acquisition of equity interests, members of Henley Group will become consolidated subsidiaries of Sumitomo Forestry.

1. Reason for acquisition of equity interests

In September 2009, as part of its growth-oriented overseas business, Sumitomo Forestry acquired 50% equity interests in members of Henley Group, aiming to establish a business model that yields stable long-term profits through full-scale entry into the Australian housing market, where future growth is expected.

Following these acquisitions, Henley Group has developed its business in Australia, where potential housing demand exists, through delivery of high value homes with excellent design and quality. It has also introduced and developed its distinctive sales methods in the United States housing market.

Sumitomo Forestry Group considers the Australian and United States housing markets important to its overseas strategy. Accordingly, Sumitomo Forestry Group has acquired an additional 1% equity interest in Henley Arch Unit Trust and Henley Arch Pty Ltd, members of Henley Group, and continues to cooperate with their current managements. Through this acquisition, Sumitomo Forestry Group intends to further expand its overseas housing business.

2. Outline of companies in which equity interests are to be acquired

(1) Name of company	Henley Arch Unit Trust	
(2) Location of head office	395 Ferntree Gully Road, Mount Waverley, VIC 3149, Australia	
(3) Name and title of Representative	Peter Anthony Hayes	
(4) Business	Construction and sale of custom-built homes and spec homes	
(5) Capital (at the end of December 2012)	AUD 42,315 thousand	
(6) Date of establishment	October 1989	
(7) Major shareholders and shareholding ratio	SFA: 50%; Herriard Pty Ltd: 25%; Kalinda Bay Pty Ltd: 12.5%; Wilstead No 5 Pty Ltd: 12.5%	
(8) Relations with Sumitomo Forestry	Capital relations	50% of equity interests are held by Sumitomo Forestry.

	Personnel relations	There is no personnel relationship between Sumitomo Forestry and this company. There is no significant personnel relationship between persons/companies affiliated with Sumitomo Forestry and those affiliated with this company.	
	Business relations	There is no business relationship between Sumitomo Forestry and this company. There is no significant business relationship between persons/companies affiliated with Sumitomo Forestry and those affiliated with this company.	
(9) Consolidated operating results and consolidated financial position for three most recent fiscal years			
Fiscal year	Fiscal year ended December 2010	Fiscal year ended December 2011	Fiscal year ended December 2012
Net assets	AUD 108,118 thousand	AUD 115,206 thousand	AUD 127,787 thousand
Gross assets	AUD 192,589 thousand	AUD 270,262 thousand	AUD 300,448 thousand
Amount of sales	AUD 437,847 thousand	AUD 461,168 thousand	AUD 516,765 thousand
Income before tax	AUD 26,481 thousand	AUD 21,105 thousand	AUD 19,678 thousand
Income after tax	AUD 20,648 thousand	AUD 17,357 thousand	AUD 14,303 thousand

AUD: Australian Dollar

(1) Name of company	Henley Arch Pty Ltd	
(2) Location of head office	395 Ferntree Gully Road, Mount Waverley, VIC 3149, Australia	
(3) Name and title of representative	Peter Anthony Hayes	
(4) Business	Trustee business for Henley Arch Unit Trust	
(5) Capital (at the end of December 2012)	AUD 10 thousand	
(6) Date of establishment	October 1989	
(7) Major shareholders and shareholding ratio	SFA: 50%; Peter Anthony Hayes: 25%; John Edward Harvey: 12.5%; Robert Evan Bowen: 12.5%	
(8) Relations with Sumitomo Forestry	Capital relations	50% of equity interests are held by Sumitomo Forestry.
	Personnel relations	An executive officer and employees (three in total) of Sumitomo Forestry act as directors of this company. An employee of Sumitomo Forestry has been dispatched to this company.
	Business relations	There is no business relationship between Sumitomo Forestry and this company. There is no significant business relationship between persons/companies affiliated with Sumitomo Forestry and those affiliated with this company.

3. Outline of major parties from which Sumitomo Forestry will acquire equity interests

(1) Name of company	Herriard Pty Ltd	
(2) Location	395 Ferntree Gully Road, Mount Waverley, VIC 3149, Australia	
(3) Name and title of representative	Peter Anthony Hayes	
(4) Major shareholders and shareholding ratio	Peter Anthony Hayes: 100%	
(5) Relations with Sumitomo Forestry	Capital relations	Not applicable.
	Personnel relations	Not applicable.
	Business relations	Not applicable.
	Applicability to "Related Parties"	Not applicable.

(1)	Name of company	Kalinda Bay Pty Ltd	
(2)	Location	395 Ferntree Gully Road, Mount Waverley, VIC 3149, Australia	
(3)	Name and title of representative	John Edward Harvey	
(4)	Major shareholders and shareholding ratio	John Edward Harvey: 100%	
(5)	Relations with Sumitomo Forestry	Capital relations	Not applicable.
		Personnel relations	Not applicable.
		Business relations	Not applicable.
		Applicability to "Related Parties"	Not applicable.

(1)	Name of company	Wilstead No 5 Pty Ltd	
(2)	Location	395 Ferntree Gully Road, Mount Waverley, VIC 3149, Australia	
(3)	Name and title of representative	Robert Evan Bowen	
(4)	Major shareholders and shareholding ratio	Robert Evan Bowen: 100%	
(5)	Relations with Sumitomo Forestry	Capital relations	Not applicable.
		Personnel relations	Not applicable.
		Business relations	Not applicable.
		Applicability to "Related Parties"	Not applicable.

* These three companies act as asset management companies for their shareholders.

4. Equity interests to be acquired, acquisition prices and equity interests before and after acquisition

(i) Henley Arch Unit Trust

(1)	Equity interest held by Sumitomo Forestry before acquisition	50%
(2)	Equity Interest to be acquired	1%
(3)	Acquisition price	AUD 1,793,140
(4)	Equity interest to be held by Sumitomo Forestry after acquisition	51%

(ii) Henley Arch Pty Ltd

(1)	Equity interest held by Sumitomo Forestry before acquisition	50%
(2)	Equity interest to be acquired	1%
(3)	Acquisition price	AUD 100
(4)	Equity interest to be held by Sumitomo Forestry after acquisition	51%

* Acquisition prices will be determined in accordance with a transfer price adjustment mechanism previously agreed between the parties, which refers to business results of Henley Group after the acquisition of additional equity interests. Accordingly, final acquisition prices may differ from the above.

5. Time table

(1)	Date of transfer agreement	September 27, 2013
(2)	Settlement date of transfer	September 27, 2013

6. Outlook

Sumitomo Forestry is currently assessing the impact of this acquisition on its consolidated results for the fiscal year ending March 2014. Sumitomo Forestry will make prompt announcement in the event that it identifies any matter which must be disclosed.