

May 1, 2014

For Immediate Release

Sumitomo Forestry Co., Ltd.

**Sumitomo Forestry Acquires Equity Interest
in United States Homebuilder
to strengthen its housing business in Texas**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Akira Ichikawa; Head Office: Chiyoda-ku, Tokyo; hereinafter "Sumitomo Forestry") announced today that it had entered into an agreement to acquire a 51% equity interest in Gehan Homes Group, the central member of which is Gehan Homes, Ltd. (hereinafter "Gehan"), which conducts housing business principally in Texas in the United States, and that it today (April 30, 2014, local time) completed such acquisition. This acquisition was implemented through Sumitomo Forestry America, Inc. (President: Atsushi Iwasaki; Head Office: Bellevue, Washington, U.S.A.), a wholly owned subsidiary of Sumitomo Forestry.

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 homebuilder doing business in states and markets with substantial volume of home sales. In June 2013, as part of such expansion, it acquired an equity interest in Bloomfield Homes, which engaged in the housing business in the Dallas-Fort Worth metropolitan area of Texas.

Recently, the U.S. economy has shown steady recovery from recession. Texas in particular is showing accelerated recovery, and it is expected that the stable employment growth and an increase in population there will continue, driven by the burgeoning oil and natural gas industry and high technology industries such as the semiconductor and aeronautics industries. With Texas housing market growing rapidly thanks to these favorable economic conditions, Sumitomo Forestry is pursuing further expansion of its U.S. housing business through its acquisition of an equity interest in Gehan, which is doing business in the metropolitan areas of Dallas-Fort Worth, Houston, Austin and San Antonio, Texas. Moreover, Gehan expanded geographically to Phoenix, Arizona metropolitan area in 2012. Sumitomo Forestry will continue to seek further expansion to other areas, in conjunction with the growth of its existing homebuilding group companies.

Gehan is a home building company established in 1994. It has provided a stable supply of approximately 1,000 homes per year for at least ten years mainly in Texas, and the number of homes delivered by it ranked 30th in the United States in 2012. It sold 1,089 homes and its revenue was USD 302 million for the fiscal year ended in December 2013.

After this acquisition, the number of homes delivered in the United States by Sumitomo Forestry group is expected to become approximately 2,000 per year. Sumitomo Forestry plans to expand the scale of operations of the newly acquired company, as well as its existing housing businesses in the areas of Seattle and Texas through existing housing group companies including Bloomfield Homes, aiming to establish by

2016 a scale of business capable of selling 3,000 houses per year, and it plans to proceed with growing its business aggressively through various efforts, such as expansion to other areas in the United States.

Outline of Gehan Homes, Ltd.

(1) Name of company	Gehan Homes, Ltd.
(2) Name and title of Representative	Timothy Gehan (President)
(3) Location of head office	Addison, Texas, U.S.A.
(4) Date of establishment	May 1994
(5) Business	Homebuilder in Texas and Arizona
(6) Number of employees	274
(7) Net sales	USD 302 million

* Figures appearing in (6) is March 31, 2014 and (7) is for the fiscal year ended December 31, 2013.