The following is an unofficial English translation of "Matters Available on the Website in relation to the Notice of the 72nd Ordinary General Meeting of Shareholders" by Sumitomo Forestry Co., Ltd. ("Company") to be held on June 22, 2012. The Company provides this English translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between this English translation and the Japanese original.

MATTERS AVAILABLE ON THE WEBSITE IN RELATION TO NOTICE OF THE 72ND ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

（from April 1, 2011 to March 31, 2012）

Sumitomo Forestry Co., Ltd.

The information above is made available on the Company's website（http://sfc.jp/）pursuant to the relevant laws and regulations, and Article 17 of the Articles of Incorporation of the Company.

Notes to Consolidated Financial Statements

Significant fundamental accounting policies for preparing consolidated financial statements

1. Scope of consolidation

There are 47 consolidated subsidiaries. Principal consolidated subsidiaries are Sumitomo Forestry Crest Co., Ltd., Sumitomo Forestry Residential Co., Ltd., Sumitomo Forestry Home Engineering Co., Ltd., Sumitomo Forestry Home Service Co., Ltd., Sumitomo Forestry Landscaping Co., Ltd., Sumitomo Forestry Home Tech Co., Ltd., PT. Kutai Timber Indonesia, Alpine MDF Industries Pty Ltd., and Nelson Pine Industries Ltd.
Included in the scope of consolidation from the reporting fiscal year under review are: PT. Sumitomo Forestry Indonesia, which the Company has established during the reporting fiscal year and Canyon Creek Cabinet Company, following the Company’s acquisition of 100% shares during the reporting fiscal year.

2. Application of equity method

(1) There are 23 affiliates to which the equity method is applicable, including PT. Rimba Partikel Indonesia, and Henley Arch Unit Trust.
At the same time, SPJR Land Developments Pty Ltd., 335 Grices Road Pty Ltd. and two other affiliates, which the Company has established during the reporting fiscal year, and Creekstone Development LLC, following the new acquisition of equity interest during the reporting fiscal year were included as affiliates under the equity method from the reporting fiscal year under review. On the other hand, Dongwha SFC Housing Co., Ltd., following the sale of a portion of its shares by the Company to a joint venture partner, and Limited Partnership Agreement for Investment in Fund to Continue the Activities of Small and Medium-Scale Corporations in Housing and Releted Industries, whose liquidation procedures were completed on March 23, 2012, is excluded as affiliates under the equity method from the reporting fiscal year under review.

(2) As for equity-method affiliated companies which dates of settlement differ from the date of the consolidated statements, their financial statements for the corresponding fiscal year are used.

3. Accounting periods of consolidated subsidiaries

There are three different accounting periods of consolidated subsidiaries. Each company made the financial statement based on its specific accounting periods. The fiscal year of two consolidated subsidiaries, Daiichi Sansho Co., Ltd. and Nihei Co., Ltd. ends on March 20, 2012. The fiscal year of Kowa Lumber Co., Ltd. and all foreign consolidated subsidiaries ends on December 31, 2011. The fiscal year of the rest of all other domestic consolidated subsidiaries ends on March 31, 2012. These financial statements are adopted by the Company for making the consolidated financial statements.

4. Accounting standards

(1)Valuation standards and methods for important assets

a. Short-term investment securities

Held-to-maturity securities

Amortized cost method (Straight-line method)

Other securities:

Securities with a market value

Market price method based on closing market price on the last day of the fiscal year. (Valuation gains and losses is directly charged to net assets and the cost of disposal is calculated by the moving-average method.)

Securities with no market value

Valuation at cost based on the moving-average method.

b. Derivatives

Market price method

c. Inventories

Merchandise and finished goods, work in process, and raw materials and supplies are carried at cost primarily using the moving-average method, while real estate for sale and costs on uncompleted construction contracts are stated at cost using the identification cost method. The amount on the balance sheet is calculated by a method whereby the book value is reduced based on the decline in profitability of inventories.

(2)Method of depreciating significant assets

a. Tangible fixed assets (excluding lease assets）

Primarily the declining-balance method is used, however, the straight-line method is used for buildings (excluding building fixtures) acquired on or after 1st April, 1998.

b. Intangible fixed assets (excluding lease assets)

The straight-line method is used. The straight-line method is used for computer software for internal use amortized over its estimated useful life (5 years).

c. Lease assets

The lease term is set as the number of service years for those lease assets associated with finance lease transactions where there is no transfer of title on the lease property to the lessee, and the straight-line method is adopted with salvage value set to zero.

(3)Standards for significant allowances

a. Allowance for doubtful accounts

An allowance for doubtful accounts is provided to protect against possible losses on collection such as receivables and loans. For ordinary debt, the amount is estimated using historical rate of credit loss. For specific debt with a possibility of default, the amount is estimated by taking into consideration the possibility of recovery of the individual debt.

b. Provision for bonuses

A provision for bonuses is provided based on estimated bonuses to be paid to employees, which is applicable to the reporting fiscal year.

c. Provision for directors’ bonuses
The Company and certain consolidated subsidiaries provide a provision for directors’ bonuses based on estimated bonuses to be paid to directors, which is applicable to the reporting fiscal year.

d. Provision for warranties for completed construction
A provision for warranties is provided for repair costs which may be required for completed constructions. The provision is estimated based on past experience and future estimates.

e. Provision for loss on disaster
A provision for loss on disaster has been accounted for to cover projected losses incurred as a result of the Great East Japan Earthquake, which are applicable after the reporting fiscal year.

f. Provision for retirement benefits
A provision for retirement benefits is provided for the necessary amounts based on the estimates of retirement benefit obligations and pension assets at the end of the reporting fiscal year under review. Should the total estimated figure for pension assets at the end of the reporting fiscal year exceed the total estimated figure for retirement benefit obligations, the surplus is recognized as prepaid pension cost. Actuarial difference is recognized on a lump-sum basis in the year of occurrence.

g. Provision for directors' retirement benefits
Certain consolidated subsidiaries provide a provision for retirement benefits based on the estimated benefits to be paid to directors at the end of the reporting fiscal year in accordance with the Company’s established regulation.

h. Provision for loss on business liquidation
A provision for loss on business liquidation is provided for the possible losses incurred as a result of business liquidation.

(4)Net sales of completed construction contracts and cost of sales of completed construction contracts

For the portion of works certain to be completed by the last day of the reporting fiscal year, the percentage-of-completion method (with the estimate based on proportion of direct costs) is used for the construction contracts, such as those with an evaluation of certain achievement. The completed-contract method is used for the other construction contracts, such as those with a short-period work.

(5)Main hedge accounting methods

a. Hedge accounting method
Deferred hedge accounting is adopted.
The allocation method of foreign currency transactions is applied to hedge transactions in foreign trade.
A special accounting procedure is applied to interest rate swaps because of meeting the requirements for the special accounting procedure.

b. Hedge instruments
Exchange contract transactions and currency swap transactions are used to control risks arising from fluctuations in foreign currency exchange rates.
Interest rate swap transactions are used to hedge against interest rate risk.

c. Hedge targets

Certain transactions, including planned transactions and borrowings with interest rate fluctuation risk are within the scope of the hedge targets in accordance with policies in the Company’s regulations.

d. Method of evaluation for hedge effectiveness

As hedging through forward exchange contracts and currency swap transactions is recognized as highly effective, the evaluation of its effectiveness is omitted.

As a special accounting procedure is applied to interest rate swap transactions, the evaluation of their effectiveness is omitted.

(6) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over the period during which it is effective, up to a maximum of 20 years. If the amount is insignificant, such account is amortized in the fiscal year when it accrued.

(7)Other important items for compiling consolidated financial statements

Consumption tax

Transactions subject to consumption tax and the local consumption tax are recorded using the tax-excluded method.

Additional Information

The Company has adopted the “Accounting Standard for Changes in Accounting and Correction of Errors” (ASBJ Statement No.24 issued on December 4, 2009) and the “Guidance on Accounting Standard for Changes in Accounting and Correction of Errors” (ASBJ Guidance No.24 issued on December 4, 2009) with respect to change in accounting and the correction of errors undertaken from the beginning of the reporting fiscal year.

Notes to the consolidated balance sheet (Millions of yen)

1. Pledged assets and secured liabilities

(1) Pledged assets

Notes and accounts receivable-trade	¥389
Merchandise and finished goods	¥259
Work in process	¥281
Raw materials and supplies	¥910
Buildings and structures	¥494
Machinery, equipment and vehicles	¥994
Land	¥14
Total	¥3,341

In addition to the above, a deposit for 10 million yen has been pledged as security with respect to the execution of tree-planting business and other agreements.

Investment Securities totaling 9,302 million yen have been also pledged as security with Japan Customs. Moreover, investment securities totaling 1,252 million yen have been pledged as a guarantee deposit for operation as well as a guarantee deposit in accordance with “Act on Performance of Warranties against defects for Housing” to Japan Legal Affairs Bureau.

(2) Secured liabilities

Short-term loans payable	¥155
Long-term loans payable	¥538
Total	¥693

2. Accumulated depreciation of tangible fixed assets ¥71,530

3. Guaranteed Liabilities etc.
(1) Guarantee on loans etc. of affiliates from financial institutions

Kawasaki Biomass Electric Power Co., Ltd	¥2,212
Cascadia Resort Communities LLC	¥39
Purchasers with housing loans applied	¥22,763
Others	¥1
Total	¥25,015

(2) Guarantee on rent payment
Sumikyo Co., Ltd. ¥163

4. Notes with maturity dates as of the fiscal year-end
Notes with maturity dates as of the fiscal year-end are accounted for and settled as of the date of bill clearing. As the fiscal year-end fell on a holiday for financial institution, note with maturity dates as of the fiscal year-end were cleared on next business day. Therefore, notes receivable and notes payable below are included in "notes and accounts receivables-trade" and "notes and accounts payable-trade" at the consolidated balance sheet of the reporting fiscal year.

Notes receivable:	¥ 7,806
Notes payable:	¥ 1,875

Notes to the consolidated statements of changes in net assets

1. The number of issued shares as of the end date of the reporting fiscal year
Common stock 177,410,239

2. The number of treasury stock as of the end date of the reporting fiscal year
Common stock 271,922

3. Items related to dividend
(1) Dividend payment

Resolution	Type of stock	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Base date	Effective date
Ordinary General Meeting of Shareholders on June 24, 2011	Common stock	1,329	7.50	March 31, 2011	June 27, 2011
Board of Directors' Meeting on November 9, 2011	Common stock	1,329	7.50	September 30, 2011	December 6, 2011

(2) Dividends which base dates belong to the reporting fiscal year and whose effective dates come after the end of the reporting fiscal year
The following matters are due to be resolved at the Meeting.

Resolution	Type of stock	Total amount of dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Base date	Effective date
Ordinary General Meeting of Shareholders on June 22, 2012	Common stock	1,329	Retained earnings	7.50	March 31, 2012	June 25, 2012

Notes on financial instruments

1. Matters relating to the state of financial instruments

The Company and its consolidated subsidiaries (“Group”) invest temporary surplus funds in highly safe and secure financial instruments, and use bank loans as the primary means for raising capital.

The Group is working to reduce customers’ credit risks relating to operating receivables, notes and accounts receivable-trade and accounts receivable-other, in accordance with its credit control regulations. In addition, for short-term securities and investment securities which are primarily held-to-maturity bonds and securities, the Group grasps financial conditions and other aspects of the issuing entities (corporate customers). The Group also consistently reviews the ownership of financial instruments excluding bonds held to maturity, in consideration of its relationships with corporate customers. Almost all operating debts such as notes and accounts payable-trade and accounts payable for construction contracts, are payable within one year.

The Group uses loans payable primarily to finance its operations and capital investment. The Group takes steps to stabilize its interest cost by interest rate swaps against the risk of interest rate fluctuations for the part of its long-term loans payable.

With respect to derivatives, the Group seeks to use them within the certain limit based on past records relating to ordinary business transactions in foreign currency etc. The Group will not engage in speculation transaction.

2. Matters relating to the market value of financial instruments

The amounts stated in consolidated balance sheets, market value and their differences as of March 31, 2012 are shown in the table below. For your information, items of account for which an accurate grasp of market value is recognized to be extremely difficult are not stated in this table.

	Amount stated in consolidated balance sheets*1 (Millions of yen)	Market value*1 (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	64,870	64,870	−
(2) Notes and accounts receivable-trade	120,536	120,536	−
(3) Short-term investment securities and investment securities			
1) Bonds held to maturity	1,257	1,290	33
2) Other securities	49,360	49,360	−
(4) Accounts receivable-other	43,471	43,471	−
Total assets	279,494	279,527	33
(5) Notes and accounts payable-trade	(98,076)	(98,076)	−
(6) Accounts payable for construction contracts	(57,349)	(57,349)	−
(7) Long-term loans payable*2	(34,978)	(35,458)	△480
Total liabilities	(190,403)	(190,883)	△480
(8) Derivatives transactions*3			
1) Hedge accounting not applied	50	50	−
2) Hedge accounting applied	311	311	−
Total derivatives	360	360	−

*1 Amounts stated under liabilities are shown in brackets.

*2 Includes long-term loans payable due within one year.

*3 Assets and liabilities from derivatives transactions are shown in the net amount. If the total is negative figure, the amount is shown in brackets.

(Note 1) Methods for calculating the market value of financial instruments and matters relating to securities and derivatives trading

(1) Cash and deposits, (2) notes and accounts receivable-trade and (4) accounts receivable-other

Book value is stated for these items. Book value is almost the same as market value because short-term settlement makes their market value.

(3) Short-term investment securities and investment securities

The market value stated for shares is the exchange quote value. The market value stated for bonds is the exchange quote value or the value indicated by financial institutions.

(5) Notes and accounts payable-trade and (6) Accounts payable for construction contracts

Book value is stated for these items. Book value is almost the same as market value because short-term settlement makes their market value.

(7) Long-term loans payable

Book value is stated for long-term loans payable with a variable interest rate because their market value and book value are assumed to be close. The reasons for this assumption are that the loans reflect market interest rates in the short term and the credit condition of the Company did not significantly change after the loan offer. The present value is calculated for long-term loans payable with a fixed interest rate. The present value is calculated by similar loans payable from the aggregate amount of principal and interest for long-term loans payable classified according to fixed terms. (*)

(*)For long-term loans payable subject to special accounting for interest rate swaps, the aggregate amount of principal and interest based on the interest rate swap is comprised.

(8) Derivatives

The market value of foreign exchange forward is the future quotation value or the value indicated by financial institutions.

The market value of derivatives, to which special accounting for interest rate swaps is applied, is stated as part of the market value of long-term loans payable because these derivatives are operated collectively with the hedged long-term loans payable as accounting treatment.

(Note 2) Unlisted shares (stated as 1,357 million yen in the consolidated balance sheets), preferred shares (stated as 3,000 million yen in the consolidated balance sheets) and shares of subsidiaries and affiliates (stated as 8,513 million yen in the consolidated balance sheets) are not included in the amount of “(3) Short-term investment securities and investment securities, 2）Other securities” because they have no market value and it is considered to be very difficult to calculate their prevailing prices.

Notes on leasehold properties and other types of real estate

1. Matters relating to the state of leasehold properties and other types of real estate

The Company and some of its consolidated subsidiaries own rental houses etc. in metropolitan Tokyo and other areas.

2. Matters relating to the market value of leasehold properties and other types of real estate

Amount stated in the consolidated balance sheets (Millions of yen)	Market value (Millions of yen)
12,166	12,339

(Note 1) The amount above stated in the consolidated balance sheet is calculated by deducting the accumulated depreciation and accumulated impairment loss from the acquisition cost.

(Note 2) The amounts based on real estate appraisal by independent real estate appraisers and the amounts based on indices assumed to reflect market value appropriately are adopted as the market value of major properties and the market value of other properties at the end of the reporting fiscal year respectively.

Notes to per-share information

	(Yen)
Net assets per share	¥954.81
Net income per share	¥52.34

Notes to matters relating to important subsequent events

There are no relevant items.

Notes to Non-Consolidated Financial Statements

Summary of significant accounting policies

1. Valuation standards and method for short-term securities

(1) Held-to-maturity securities
Amortized cost method (Straight-line method)

(2) Shares held in subsidiaries and affiliated companies
Valuation at cost based on the moving-average method.

(3) Other securities:
Securities with a market value
Market price method based on closing market price on the last day of the fiscal year. (Valuation gains and losses is directly charged to net assets and the cost of disposal is calculated by the moving-average method.)

Securities with no market value
Valuation at cost method based on the moving-average method.

2. Valuation standards and method for inventories

Merchandise is carried at cost using the moving-average method. Real estate for sale and work in process are stated at cost using the specific identification method. The amount on the balance sheet is calculated by the method which the book value is reduced on decline in profitability of inventories.

3. Method of depreciation of non-current assets

(1) Tangible fixed assets (excluding lease assets)
The declining-balance method is used, however, the straight-line method is used for buildings (excluding building fixtures) acquired on or after 1st April, 1998.

(2) Intangible fixed assets (excluding lease assets)
The straight-line method is used. The straight-line method is used for computer software for internal use amortized over its estimated useful life (5 years).

(3) Lease assets
The lease term is set as the number of service years for those lease assets associated with finance lease transactions where there is no transfer of title on the lease property to the lease, and the straight-line method is adopted with salvage value set to zero.

4. Standards for allowance

(1) Allowance for doubtful accounts
An allowance for doubtful accounts is provided to protect against possible losses on collection such as receivables and loans. For ordinary debt, the amount is estimated using historical rate of credit loss. For specific debt with a possibility of default, the amount is estimated by taking consideration the possibility of recovery of the individual debt.

(2) Provision for bonuses
A provision for bonuses is provided based on estimated bonuses to be paid to employees, which is applicable to the reporting fiscal year.

(3) Provision for directors' bonuses

A provision for directors' bonuses is provided based on estimated bonuses to be paid to directors, which is applicable to the reporting fiscal year.

(4) Provision for warranties for completed construction

A provision for warranties is provided for repair costs which may be required for completed constructions. The provision is estimated based on past experience and future estimates.

(5) Provision for loss on disaster

A Provision for loss on disaster has been accounted for to cover projected losses incurred as a result of the Great East Japan Earthquake, which are applicable after the reporting fiscal year.

(6)Provision for retirement benefits

A provision for retirement benefits is provided for the necessary amounts based on the estimates of retirement benefit obligations and pension assets at the end of the reporting fiscal year. Should the total estimated figure for pension assets at the end of the reporting fiscal year exceed the total estimated figure for retirement benefit obligations, the surplus is recognized as prepaid pension cost. Actuarial difference is recognized on a lump-sum basis in the year of occurrence.

(7)Provision for losses on business of subsidiaries and affiliates

A provision for losses of affiliated companies' operations is provided to prepare for the possible losses such as operations of golf courses.

(8)Provision for loss on business liquidation

A provision for loss on business liquidation is provided for the possible losses incurred as a result of business liquidation.

5. Net sales of completed construction contracts and cost of sales of completed construction contracts

For the portion of works certain to be completed by the last day of the reporting fiscal year, the percentage-of-completion method (with the estimate based on proportion of direct cost) is used for the construction contracts, such as those with an evaluation of certain achievement.
The completed-contract method is used for the other construction contracts, such as those with a short-period work.

6. Main hedge accounting methods

(1) Hedge accounting method

Deferred hedge accounting is adopted.

The allocation method of foreign currency transactions is applied to hedge transactions in foreign trade.

A special accounting procedure is applied to interest rate swap because of meeting the requirements for the special accounting procedure.

(2) Hedge instruments

Exchange contract transactions and currency swap transactions are used to control risks arising from fluctuations in foreign currency exchange rates.

Interest rate swap transactions are used to hedge against interest rate risk.

(3) Hedge targets

Certain transactions, including planned transactions and debt payable with interest rate fluctuation risk are within the scope of the hedge targets in accordance with policies in the Company's regulations.

(4) Method of evaluation for hedge effectiveness

As hedging through forward exchange contracts and currency swap transactions is recognized as highly effective, the evaluation of its effectiveness is omitted.

As a special accounting procedure is applied to interest rate swap transactions, the evaluation of their effectiveness is omitted.

7. Other important items for compiling non-consolidated financial statements

Consumption tax

Transactions subject to consumption tax and the local consumption tax are recorded using the tax-excluded method.

Additional Information

The Company has adopted the "Accounting Standard for Changes in Accounting and Correction of Errors" (ASBJ Statement No.24 issued on December 4, 2009) and the "Guidance on Accounting Standard for Changes in Accounting and Correction of Errors" (ASBJ Guidance No.24 issued on December 4, 2009) with respect to change in accounting and the correction of errors undertaken from the beginning of the reporting fiscal year.

Notes to the non-consolidated balance sheet (Millions of yen)

1. Pledged assets

Investment Securities of 9,302 million yen to Japan Customs are pledged as security. Investment securities for 1,252 million yen to Japan Legal Affairs Bureau are also pledged as deposit for operation and deposit pursuant to "Act on Performance of Warranties against defects for Housing".

2. Accumulated depreciation on tangible fixed assets	¥18,952
3. Accumulated advanced depreciation on tangible fixed assets	¥727

4. Guaranteed liabilities

(1) Guarantee on loans etc. of affiliated companies from financial institutions

Sumitomo Forestry Seattle, Inc.	¥4,855
Sumitomo Forestry (Singapore) Ltd.	¥4,644
Vina Eco Board Co., Ltd.	¥3,973
Sumitomo Forestry Australia Pty Ltd.	¥3,433
PT. Kutai Timber Indonesia	¥3,288
Kawasaki Biomass Electric Power Co., Ltd.	¥2,212
Fuxin Sumirin Wood Products Co., Ltd	¥1,297
Fill Care Co., Ltd.	¥731
PT. AST Indonesia	¥349
Paragon Wood Product（Shanghai）Co., Ltd.	¥340
Sumitomo Forestry (Dalian) Co., Ltd.	¥225
Alpine MDF Industries Pty Ltd.	¥214
Paragon Wood Product（Dalian）Co., Ltd.	¥199
Japan Bio Energy Co., Ltd.	¥180
Sumikyo Co., Ltd.	¥163
Sumikyo Wintec Co., Ltd.	¥10
Total	¥26,110

(2) Guarantee on other loans from financial institutions

Purchasers with housing loans applied	¥22,727
Others	¥1
Total	¥22,728

5. Monetary receivables from and payables to subsidiaries and affiliates

Short-term monetary receivables	¥52,564
Long-term monetary receivables	¥6,309
Short-term monetary payables	¥47,937
Long-term monetary payables	¥1,599

6. Notes with maturity dates as of the fiscal year-end

Notes with maturity dates as of the fiscal year-end are accounted for and settled as of the date of bill clearing. As the fiscal year-end fell on a holiday for financial institution, thus notes with maturity dates as of the fiscal year-end were cleared on next business day. Therefore, notes receivable and notes payable below are included in “notes and accounts receivables-trade” and “notes and accounts payable-trade” at the non-consolidated balance sheet of the reporting fiscal year.

Notes receivable:	¥ 7,442
Notes payable:	¥ 1,539

Notes to non-consolidated statements of income (Millions of yen)

Transactions with subsidiaries and affiliates	
Net sales	¥29,039
Purchase of goods	¥124,468
Non-operating income	
Interest income	¥468
Dividends income	¥2,222
Other	¥110
Non-operating expenses	¥81

Notes to non-consolidated statements of changes in net assets

The number of treasury stock as of the end of the reporting fiscal year

Common stock	271, 922

Notes to tax effect accounting (Millions of yen)

1. Details of the main reason for occurrence of deferred tax assets and liabilities

Deferred tax assets	
Allowance for doubtful accounts	¥1,555
Provision for bonuses	¥25,04
Loss on valuation of real estate for sale etc.	¥1,963
Provision for retirement benefit	¥1,510
Accrued expenses from transfer to defined benefit pension plan	¥567
Provision for loss on business of subsidiaries and affiliates	¥1,308
Loss on valuation of securities of subsidiaries and affiliates	¥3,935
Loss on valuation of investment securities and golf club membership	¥1,952
Provision for warranties for completed construction	¥644
Other	¥3,053
Subtotal deferred tax assets	¥18,992
Valuation reserve	△¥10,555
Total deferred tax assets	¥8,436
Deferred tax liabilities	
Reserve for advanced depreciation on non-current assets	¥799
Gain on contribution of securities to retirement benefit trust	¥1,417
Valuation difference on available-for-sale securities	¥2,542
Other	¥1,703
Total deferred tax liabilities	¥6,461
Deferred tax liabilities in net	¥1,975

2. Change in the statutory effective tax rate

Following the promulgation of “Act for Partial Amendment of Income Tax Act etc.for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No.114) and “Act on Special Measure for Securing Financial Resource Necessary to Implementation Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117) on December 2, 2011, the statutory effective tax rate for deferred tax assets and deferred tax liabilities have changed (i) from 40.00% to 38.01% for an item of account to resolve discrepancy between accounting treatment and tax treatment on the fiscal year s commenced from April 1, 2012 to March 31, 2015, and (ii) from 40.00% to 35.64 % for an item of account to resolve discrepancy between accounting treatment and tax treatment on the fiscal year that commenced from April 1, 2015. As a result of these changes, the followings are respectively increase: (i) the net amount of deferred tax asset by 205 million yen, (ii)income before minority interest by 112 million yen, (iv) valuation difference on available-for-sale securities by 311 million yen, and (v) deferred gains or losses on hedge by 6 million yen.

Notes to fixed assets used by lease (Millions of yen)

Among finance lease transactions where there is no transfer of title on the lease property to the lessee, ordinary accounting treatment is similar to ordinary lease transactions is conducted on those transactions where the lease transaction commences on or prior to March 31, 2008; the details are as follows:

1. The amount equivalent to acquisition value of year of leased assets, the amount equivalent to accumulated depreciation and the amount equivalent to balance as of the end of reporting fiscal year of leased assets

(Millions of yen)

	The amount equivalent to acquisition value	The amount equivalent to accumulated depreciation	The amount equivalent to balance as of the end of the reporting fiscal year
Buildings	2	1	0
Vehicles	124	107	17
Tools, furniture and fixtures	194	174	21
Total	320	282	38

2. The amount equivalent to the year-end balance of obligations to be paid in the rest of the lease terms

Less than one year	¥43
Over one year	¥1
Total	¥44

3. Lease expenses, the amount equivalent to depreciation, and the amount equivalent to interest expenses

Lease expenses	¥399
The amount equivalent to depreciation	¥385
The amount equivalent to interest expenses	¥7

4. Calculation method for the amount equivalent to depreciation
   Straight-line method with lease term as service life and residual value as zero is used.

5. Calculation method for the amount equivalent to interest payment
   The difference between the total lease payment and the amount equivalent to the acquisition value of the leased asset is assumed as the amount equivalent to interest payment, and the interest method is used for allocation to each fiscal years.

Notes to related party transactions

1. Subsidiaries and Affiliates etc.

(Millions of yen)

Type	Name of company	Share of voting rights owned by the Company	Relationship	Transaction description	Transaction amount (* 4)	Accounting item	Year-End balance (* 4)
Subsidiary	Sumitomo Forestry Home Engineering Co., Ltd.	Direct 100.0%	Supply of paid materials Construction of ordered housing Interlock of directors	Construction of housing ordered by the Company (* 1)	80,521	Accounts receivable Accounts payable for construction contracts	20,698 19,531
Subsidiary	Sumitomo Forestry Home Tech Co. Ltd.	Direct 100.0%	After maintenance of housing Interlock of directors	Deposit of surplus fund to the Company (* 2)	-	Deposits received	12,170
Subsidiary	Sumitomo Forestry Seattle, Inc.	Direct 100.0%	Financial assistance Interlock of directors	Debt guarantee (* 3)	4,855	-	-
Subsidiary	Sumitomo Forestry (Singapore)Ltd.	Direct 100.0%	Purchase of timber and building materials Interlock of directors	Debt guarantee (* 3)	4,644	-	-

(*1) Transaction terms and policy for determining transaction terms are determined in the same way as for general transaction conditions.
(*2) Transaction amounts are not shown, because transactions perform repeatedly and purpose for this is to centralize fund management within the Group.
(*3) The Company guarantees debt for loans borrowed from financial institutions.
(*4) Transaction amounts do not include consumption tax etc., while year-end balances include consumption tax etc.

2. Directors and major individual shareholders, etc.

(Millions of yen)

Type	Name of company	Share of voting rights the Company owns (or owned by affiliate)	Relationship	Transaction description (* 1)	Transaction amount (*2)	Accounting item	Year-end balance
Director	Shigeru Sasabe	Direct (0.0%)	Director of the Company	Contracting of housing construction	45	-	-

(*1) Transaction terms and the policy for determining transaction terms are determined in the same way as for general transaction conditions.
(*2) Transaction amounts do not included consumption tax etc.

Notes to per-share information (Yen)

Net assets per share	¥858.97
Net income per share	¥55.27

Notes to matters relating to important subsequent events

There are no relevant items.