[TRANSLATION]

The following is an unofficial English translation of "Matters Available on the Website in relation to the Notice of Convocation of the 74th Ordinary General Meeting of Shareholders" by Sumitomo Forestry Co., Ltd. ("Company"). 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 THE NOTICE OF CONVOCATION OF THE 74TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

(from April 1, 2013 to March 31, 2014)

Sumitomo Forestry Co., Ltd.

The information above is made available on the Company's website (http://sfc.jp/english) 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 58 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., Nelson Pine Industries Ltd, Henley Arch Unit Trust and Henley Arch Pty Ltd..

Okhotsk Bio Energy Co., Ltd. and Mombetsu Biomass Electric Power Co., Ltd., both of which were newly established, Henley Arch Unit Trust whose equity was additionally acquired and to which the equity method was applied for the previous reporting fiscal year and eight other companies were included in the scope of consolidation from the reporting fiscal year under review.

On the other hand, Fuxin Sumirin Wood Products Co., Ltd., which was a consolidated subsidiary for the previous reporting fiscal year, was excluded from the scope of consolidation due to the partial transfer of equity.

2. Application of equity method

(1) There are 16 affiliates, to which the equity method is applicable, including but not limited to PT. Rimba Partikel Indonesia.
In addition, Bloomfield Homes, L.P. and two other companies whose equities were newly acquired and TOCRAS CORPORATION whose shares were newly acquired were included as equity-method affiliates from the reporting fiscal year under review.
On the other hand, Henley Arch Unit Trust and eight other companies, all of which the equity method was applied to for the previous reporting fiscal year, and Henley-SFC Housing Pty Ltd. were excluded from the application of the equity method from the reporting fiscal year under review due to the additional acquisition of equity and the completion of its liquidation, respectively.

(2) Partner Ally Limited, which is categorized as a nonequity method-applied affiliate, was not included in the application of equity method because its financial figures such as net income, retained earnings etc. are insignificant and have minor impacts on the Company’s consolidated financial statements.

(3) 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 3 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, 2013. The fiscal year of Kowa Lumber Co., Ltd. and all foreign consolidated subsidiaries ends on December 31, 2012. The fiscal year of the rest of all other domestic consolidated subsidiaries ends on March 31, 2013. 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. 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. Property, plant and equipment (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 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 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.

(4) Accounting process method of retirement benefits
1) Method of period attribution for estimated figure for retirement benefits
The period for the estimated figure for retirement benefits for the calculation of the retirement benefit obligations is attributed before the end of the reporting fiscal year under review on the basis of straight-line attribution.

2) Method of recognition of actuarial difference and prior service cost
Actuarial difference and prior service cost are generally recognized on a lump-sum basis in the year of occurrence.

(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 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.

(6)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.

(7) 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.

(8)Other important items for compiling consolidated financial statements
Consumption tax
Transactions subject to consumption tax and local consumption tax are recorded using the tax-excluded method.

Change in Accounting Policy

(Application of the accounting standards, etc. related to retirement benefits)
The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 of May 17, 2012, hereinafter the "Retirement Benefit Accounting Standard") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 of May 17, 2012, hereinafter the "Retirement Benefit Application Guidance") were applied from the reporting fiscal year under review (other than the provisions of the main text of Paragraph 35 of the Retirement Benefit Accounting Standard and the main text of Paragraph 67 of the Retirement Benefit Application Guidance), and the amount obtained by subtracting the pension assets from the retirement benefit obligations was recorded as net defined benefit liability, and the unrecognized actuarial difference and the unrecognized prior service cost were recorded as net defined benefit liability.
The Retirement Benefit Accounting Standard, etc. is applied according to the transitional treatment provided for under Paragraph 37 of the Retirement Benefit Accounting Standard, and the amount of the impact of the change above was adjusted in the remeasurements of defined benefit plans under Accumulated Other Comprehensive Income as of the end of the reporting fiscal year under review.
Consequently, net defined benefit liability of 11,038 million yen and net defined benefit asset of 68 million yen were reported, and Accumulated Other Comprehensive Income decreased 112 million yen and minority interests decreased 0 million yen as of the end of the reporting fiscal year under review.
In addition, net assets per share decreased 0.63 yen.

Notes to the consolidated balance sheet (Millions of yen)

1. Pledged assets and secured liabilities

(1) Pledged assets

Cash and deposits	2,607
Notes and accounts receivable-trade	1,762
Merchandise and finished goods	359
Work in process	232
Raw materials and supplies	965
Real estate for sale	8,691
Costs on uncompleted construction contracts	8,143
Accounts receivable-other	555
Buildings and structures	4,527
Machinery, equipment and vehicles	1,440
Land	3,190
Construction in progress	943
Investment securities	1,401
Other	950
Total	35,765

In addition to the above, a deposit for 11 million yen has been pledged as security with respect to the execution of tree-planting business and other agreements.
Investment Securities totaling 12,215 million yen have been also pledged as security with Japan Customs. Moreover, investment securities totaling 1,646 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	1,574
Long-term loans payable	2,397
Total	3,971

2. Accumulated depreciation of property, plant and equipment 91,153

3. Guaranteed Liabilities etc.

(1) Guarantee on loans etc. from financial institutions

Kawasaki Biomass Electric Power Co., Ltd	1,582
Cascadia Resort Communities LLC	53
Purchasers with housing loans applied	33,186
Total	34,821

(2) Guarantee on rent payment

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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 276,468

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 21, 2013	Common stock	1,683	9.50	March 31, 2013	June 24, 2013
Board of Directors' Meeting on November 5, 2013	Common stock	1,683	9.50	September 30, 2013	December 5, 2013

(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 20, 2014	Common stock	1,683	Retained earnings	9.50	March 31, 2014	June 23, 2014

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. Short-term loans receivable mainly included repurchase agreement (gensaki transactions) between financial institutions with a certain credit rating, for the purpose of short-tern fund management. The credit risk is minor. In addition, securities are negotiable certificates of deposit subject to settlement in the short term. In addition, for 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 and Bonds 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, 2014 are shown in the table below. For your information, items of account for which is of less important in the consolidated balance sheet are omitted from this table. Also, items of account for which an accurate grasp of market value is recognized to be extremely difficult are not stated in this table.(refer to the (note 2))

(Millions of yen)

	Amount stated in consolidated balance sheets*1	Market value*1	Difference
(1) Cash and deposits	75,694	75,694	－
(2) Notes and accounts receivable-trade	128,580	128,580	－
(3) Securities and Investment securities			
1) Bonds held to maturity	1,646	1,709	63
2) Other securities	91,488	91,488	－
(4) Short-term loans receivable	33,397	33,397	－
(5) Accounts receivable-other	54,254	54,254	－
Total assets	385,058	385,122	63
(6) Notes and accounts payable-trade	(115,294)	(115,294)	－
(7) Accounts payable for construction contracts	(76,136)	(76,136)	－
Total liabilities	(191,430)	(191,430)	－
(8) Derivatives transactions*2			
1) Hedge accounting not applied	248	248	－
2) Hedge accounting applied	33	(26)	△59
Total derivatives	281	222	△59

*1 Amounts stated under liabilities are shown in brackets.

*2 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, (4) Short-term loans receivable and (5) 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) 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.

In addition, for negotiable deposit certificates, the book value is almost the same as the market value because short-term settlement creates the market value.

(6) Notes and accounts payable-trade and (7) 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.

(8) Derivatives
The market value is the future quotation value or the value indicated by financial institutions.

(Note 2) Unlisted shares (stated as 1,508 million yen in the consolidated balance sheets), preferred shares (stated as 3,000 million yen in the consolidated balance sheets) and shares and debt of subsidiaries and affiliates (stated as 10,857 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

(Millions of yen)

Amount stated in the consolidated balance sheets	Market value
8,683	8,300

(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	1,234.53
Net income per share	127.20

Notes to matters relating to important subsequent events

Acquisition of equities of Gehan Homes, Ltd. and other six companies
The Company acquired the equities of Gehan Homes, Ltd. and six other companies through its US subsidiary, Sumitomo Forestry America, Inc. (the company name was changed from Sumitomo Forestry Seattle, Inc. on February 10, 2014) to make them its subsidiaries.

1. Summary of the business combination
(1) Names of the companies acquired by the Company and their business description
Names of companies acquired: Gehan Homes, Ltd. and six other companies
Business description: Housing business and related businesses
(2) Reasons for the business combination
The Company has been focusing on business expansion with a view to becoming a builder covering the entire US nation in the US housing business under a policy that places the overseas business as one of its core growth businesses. In the course of this expansion, the equities of Gehan Homes, Ltd. and other six companies were acquired to make them subsidiaries.
(3) Date of the business combination
April 30, 2014 (US date)
(4) Legal form of the business combination
Acquisition of equities in exchange for cash
(5) Names of the companies upon the business combination
The names will not be changed.
(6) Ratio of voting rights acquired
51%
(7) Main reasons for determination of the companies acquired
The Company's consolidated subsidiary, Sumitomo Forestry America, Inc., acquiring the equities in exchange for cash.

2. Acquisition cost of the companies acquired and its breakdown

Price of acquisition	7,306 million yen (estimate)
Acquisition cost	7,306 million yen (estimate)

(Note) The amounts described above are estimates at the time of acquisition, and the actual amounts may differ from these due to future price adjustments and other reasons.

3. Value of accrued goodwill, reasons for the accrual, and method of and period for their amortization
Yet to be determined.

4. Value of assets accepted and liabilities assumed on the date of the business combination and their major breakdown
Yet to be determined.

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 affiliates
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) Property, plant and equipment (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 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 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.

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

A provision for losses on business of subsidiaries and affiliates is provided to prepare for the possible losses such as operations of golf courses.

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 local consumption tax are recorded using the tax-excluded method.

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

1. Pledged assets

(1)Pledged assets

Investment securities	64
Stocks of subsidiaries and affiliates	1,291
Long-term loans receivable from subsidiaries and affiliates	122
Total	1,477

Besides the above, investment Securities of 12,215 million yen to Japan Customs are pledged as security. Investment securities for 1,646 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)Liabilities for pledge

Short-term loans payable	8
Long-term loans payable	137
Total	145

2. Accumulated depreciation on property, plant and equipment	19,759
3. Accumulated advanced depreciation on property, plant and equipment	730

4. Guaranteed liabilities

(1) Guarantee on loans etc. of subsidiaries and affiliates from financial institutions

Sumitomo Forestry America, Inc.	9,106
Vina Eco Board Co., Ltd.	6,832
Sumitomo Forestry (Singapore) Ltd.	2,758
PT. Kutai Timber Indonesia	2,712
Sumitomo Forestry Australia Pty Ltd.	1,667
Kawasaki Biomass Electric Power Co., Ltd.	1,582
PT. AST Indonesia	437
Paragon Wood Product（Dalian）Co., Ltd.	393
Alpine MDF Industries Pty Ltd.	381
Paragon Wood Product（Shanghai）Co., Ltd.	290
Fill Care Co., Ltd.	268
Sumikyo Co., Ltd.	139
Japan Bio Energy Co., Ltd.	80
PT. Sumitomo Forestry Indonesia	51
Sumikyo Wintec Co., Ltd.	0
Total	26,696

(*1) The company name of Sumitomo Forestry America, Inc. was changed from Sumitomo Forestry Seattle, Inc. on February 10, 2014.

(2) Guarantee on other loans from financial institutions

Purchasers with housing loans applied	32,460

5. Monetary receivables from and payables to subsidiaries and affiliates

Short-term monetary receivable	60,440
Long-term monetary receivable	9,972
Short-term monetary payable	66,531
Long-term monetary payable	2,484

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

Transactions with subsidiaries and affiliates	
Net sales	30,066
Purchase of goods	136,103
Non-operating income	
Interest income	366
Dividends income	2,592
Other	152
Non-operating expenses	83

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	276,468

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	1,296
Provision for bonuses	2,660
Loss on valuation of real estate for sale etc.	1,975
Provision for retirement benefit	1,358
Provision for loss on business of subsidiaries and affiliates	1,223
Loss on valuation of securities of subsidiaries and affiliates	4,515
Loss on valuation of investment securities and golf club membership	2,081
Provision for warranties for completed construction	502
Other	2,665
Subtotal deferred tax assets	18,276
Valuation reserve	△10,240
Total deferred tax assets	8,036
Deferred tax liabilities	
Reserve for advanced depreciation on noncurrent assets	799
Gain on contribution of securities to retirement benefit trust	1,417
Valuation difference on available-for-sale securities	6,930
Other	1,676
Total deferred tax liabilities	10,822
Deferred tax liabilities in net	△2,786

2. Change in the statutory effective tax rate
Following the promulgation of the Act for Partial Amendment of the Income Tax Act, etc. (Act No.10 of 2014) on March 31, 2014, the special corporate tax for reconstruction is not imposed from the fiscal year commencing April 1, 2014. Consequently, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities changes from the current 38.0% to 35.6% for a temporary difference that is expected to be reversed for the fiscal year commencing April 1, 2014.
As a result of the above change, the amount of deferred tax assets (after deducting the amount of deferred tax liabilities) decreased by 340 million yen, income tax deferred increased by 341 million yen, and the deferred gains or losses on hedges increased by 1 million yen.

Notes to noncurrent assets used by lease

Besides the noncurrent assets in the non-consolidated balance sheet, a part of business equipments and vehicles etc. uses based on finance lease agreements where there is no transfer of title on the lease property to the lessee.

Notes to related party transactions

Subsidiaries and Affiliates etc.

(Millions of yen)

	Name of company	Share of voting rights owned by the Company	Relationship	Transaction description	Transaction amount (* 5)	Accounting item	Year-End balance (* 5)
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)	87,041	Accounts receivable Accounts payable for construction contracts	24,425 24,894
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	18,322
Subsidiary	Sumitomo Forestry America, Inc. (*6)	Direct 100.0%	Financial assistance Interlock of directors	Loan (* 3) Debt guarantee (* 4)	7,740 9,106	Short-term Loan receivable -	7,746 -
Subsidiary	Vina Eco Board Co., Ltd	Direct 40.0% Indirect 40.0%	Interlock of directors	Debt guarantee (* 4)	6,832	-	-

(*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) Loan to related parties is determined based on market interest rates.
(*4) The Company guarantees debt for loans borrowed from financial institutions.
(*5) Transaction amounts do not include consumption tax etc., while year-end balances include consumption tax etc.
(*6) The company name of Sumitomo Forestry America, Inc. was changed from Sumitomo Forestry Seattle, Inc. on February 10, 2014.

Notes to per-share information

	(Yen)
Net assets per share	1,046.89
Net income per share	90.85

Notes to matters relating to important subsequent events

There are no relevant items.